

The Ontario Securities Commission

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The Ontario Securities Commission exercises its regulatory oversight function through the administration and enforcement of Ontario's *Securities Act* (R.S.O. 1990, c. S.5) and *Commodity Futures Act* (R.S.O. 1990, c. C.20), and administration of certain provisions of the *Business Corporations Act* (R.S.O. 1990, c. B.16).

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A. Capital Markets Tribunal

A.2 Other Notices

A.2.1 Binance Holdings Limited

FOR IMMEDIATE RELEASE
June 7, 2023

**BINANCE HOLDINGS LIMITED,
File No. 2023-11**

TORONTO – The Tribunal issued an Order in the above-named matter.

A copy of the Order dated June 7, 2023 is available at capitalmarketstribunal.ca.

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inquiries@osc.gov.on.ca

A.2.2 Amin Mohammed Ali

FOR IMMEDIATE RELEASE
June 8, 2023

**AMIN MOHAMMED ALI,
File No. 2022-6**

TORONTO – The Tribunal issued an Order in the above-named matter.

A copy of the Order dated June 8, 2023 is available at capitalmarketstribunal.ca.

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A.2.3 Binance Holdings Limited

FOR IMMEDIATE RELEASE
June 8, 2023

BINANCE HOLDINGS LIMITED,
File No. 2023-11

TORONTO – The Tribunal issued an Order in the above-named matter.

A copy of the Order dated June 8, 2023 is available at capitalmarketstribunal.ca.

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A.2.4 Bridging Finance Inc. et al.

FOR IMMEDIATE RELEASE
May 24, 2023

BRIDGING FINANCE INC.,
DAVID SHARPE,
NATASHA SHARPE AND
ANDREW MUSHORE,
File No. 2022-9

TORONTO – The Tribunal issued an Order in the above-named matter.

A copy of the Order dated May 24, 2023 is available at capitalmarketstribunal.ca.

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A.3 Orders

A.3.1 Binance Holdings Limited

IN THE MATTER OF BINANCE HOLDINGS LIMITED

File No. 2023-11

Adjudicators: Sandra Blake (chair of the panel)
Timothy Moseley

June 7, 2023

ORDER

WHEREAS on May 29, 2023, the Capital Markets Tribunal ordered that the parties make submissions about whether the Tribunal has jurisdiction to grant Binance Holdings Limited's request under s.144 of the *Securities Act*, RSO 1990, c S.5 to revoke the investigation order dated May 10, 2023, issued under s.11 of the Act (the **Section 144 Request**);

ON READING the materials filed by Binance Holdings Limited, including the Notice of Application of Binance Holdings Limited, the Amended Notice of Application, the First Attendance Brief, and written submissions; and

ON READING the consent of Staff of the Commission for the Amended Notice of Application and Staff's written submissions; and

ON HEARING the submissions of Binance Holdings Limited and Staff of the Commission;

The Tribunal determines, for reasons to follow, that it does not have jurisdiction to grant the Section 144 Request.

"Sandra Blake"

"Timothy Moseley"

A.3.2 Amin Mohammed Ali – ss. 8, 21.7

IN THE MATTER OF AMIN MOHAMMED ALI

File No. 2022-6

Adjudicators: M. Cecilia Williams (chair of the panel)
William Furlong

June 8, 2023

ORDER

(Sections 8 and 21.7 of
the *Securities Act*, RSO 1990, c S.5)

WHEREAS the Capital Markets Tribunal held a hearing in writing with respect to a request made by Amin Mohammed Ali to vary the timetable contained in the Tribunal's order dated June 1, 2023;

ON READING the correspondence filed by the representatives for Ali, for Staff of the New Self Regulatory Organization of Canada (formerly MFDA) (**New SRO**) and for Staff of the Ontario Securities Commission and on considering that Staff of the New SRO and Staff of the Commission do not oppose the request;

IT IS ORDERED THAT paragraph 1 of the Tribunal's June 1, 2023 order is varied as follows: by 4:30 p.m. on June 16, 2023, Ali shall serve and file an amended Application, including a redacted public version of the amended Application, if any.

"M. Cecilia Williams"

"William Furlong"

A.3.3 Binance Holdings Limited

**IN THE MATTER OF
BINANCE HOLDINGS LIMITED**

File No. 2023-11

Adjudicators: Sandra Blake (chair of the panel)
Timothy Moseley

June 8, 2023

ORDER

WHEREAS on June 7, 2023, the Capital Markets Tribunal determined that it does not have jurisdiction to grant Binance Holdings Limited's request under s.144 of the *Securities Act*, RSO 1990, c S.5 to revoke the investigation order dated May 10, 2023, issued under s.11 of the Act (**the Application**) and invited submissions from the parties regarding the status of the Application and the Motion to Stay Pending the Hearing of the Application (**Motion to Stay**) in this proceeding;

ON READING the submissions filed by Binance Holdings Limited and Staff of the Ontario Securities Commission;

IT IS ORDERED, for reasons to follow, that the Application and Motion to Stay are dismissed.

"Sandra Blake"

"Timothy Moseley"

A.3.4 Bridging Finance Inc. et al.

**IN THE MATTER OF
BRIDGING FINANCE INC.,
DAVID SHARPE,
NATASHA SHARPE AND
ANDREW MUSHORE**

File No. 2022-09

Adjudicators: Russell Juriansz (chair of the panel)
Timothy Moseley
Sandra Blake

May 24, 2023

ORDER

WHEREAS on May 23, 2023, the Capital Markets Tribunal held a hearing by videoconference to consider the motions brought by David Sharpe and Natasha Sharpe (**the Sharpes**) to stay the enforcement proceeding on the basis of abuse of process;

ON READING the materials filed by the Sharpes and Staff of the Ontario Securities Commission (**OSC Staff**) and on hearing the submissions of the representatives for each of David Sharpe, Natasha Sharpe, the Receiver for Bridging Finance Inc., and OSC Staff;

IT IS ORDERED, for reasons to follow, that the Sharpes' stay motions are dismissed.

"Russell Juriansz"

"Timothy Moseley"

"Sandra Blake"

B. Ontario Securities Commission

B.1 Notices

B.1.1 OSC Staff Notice 41-702 (Revised) Prospectus Practice Directive #1 – Personal information forms and other procedural matters regarding preliminary prospectus filings

OSC STAFF NOTICE 41-702 (REVISED)
***PROSPECTUS PRACTICE DIRECTIVE #1 – PERSONAL INFORMATION FORMS AND
OTHER PROCEDURAL MATTERS REGARDING PRELIMINARY PROSPECTUS FILINGS***

First published April 1, 2011, revised June 9, 2023 to reflect launch of SEDAR+

June 9, 2023

The purpose of this practice directive is to alert issuers (including investment fund issuers) and their advisors of:

- procedural changes to facilitate our review of personal information forms filed by directors, executive officers and other individuals, and
- common deficiencies in preliminary prospectus filings. It also reminds issuers and their advisors of the timing for filing preliminary prospectus materials and the issuance of receipts.

This practice directive is intended to assist issuers and their advisors. It has been prepared by staff of the Corporate Finance Branch and Investment Funds and Structured Products Branch. The views it expresses do not necessarily reflect the views of the Commission or the Canadian Securities Administrators.

Procedures for personal information forms

Under the general prospectus rules, an issuer is required to:

- deliver a personal information form (including a certificate and consent) and an issuer authorization form (collectively, a PIF), or
- have previously filed or delivered a PIF or other acceptable authorization document, for each director, executive officer and promoter of the issuer (and, if the promoter is not an individual, each director and executive officer of the promoter) concurrent with the filing of a preliminary prospectus.¹

Under the prospectus rules applicable to investment funds, PIFs are also required to be delivered, or to have previously been filed or delivered, for each director and executive officer of the manager of the investment fund issuer, as applicable.²

A summary of updated procedures to accommodate our expeditious review of PIFs, and a discussion of common deficiencies with PIF filings, is set out below.

Procedural matters

To facilitate our review of PIFs, issuers are advised to provide the following information in the cover letter accompanying the materials filed with a preliminary prospectus:

- the name of: (i) each current director, executive officer and promoter of the issuer (and, if the promoter is not an individual, each director and executive officer of the promoter) and, (ii) if the issuer is an investment fund, each director and executive officer of the manager of the investment fund issuer, as applicable (collectively, the individuals).
- for each of the individuals, an indication as to whether a PIF has been delivered with the preliminary prospectus or a PIF or other acceptable authorization document for the individual was previously filed or delivered, and

¹ The specific PIF delivery requirements for issuers are described, as applicable, in paragraph 9.1(b)(ii) of NI 41-101 and in paragraph 4.1(b)(i) of NI 44-101.

² The specific PIF delivery requirements for investment fund issuers are described, as applicable, in paragraph 9.1(b)(ii) of NI 41-101, paragraph 4.1(b)(i) of NI 44-101 and paragraph 2.3(b)(ii) of NI 81-101.

- for each of the individuals for whom the issuer has not delivered a PIF because a PIF or other acceptable authorization document was previously filed, the SEDAR or SEDAR+ project number and submission number under which the PIF or other acceptable authorization document was previously filed.

Where an issuer is submitting its first preliminary prospectus for which the OSC will act as its principal regulator, the issuer should either file a new PIF or refile a PIF or other acceptable authorization document that was previously filed with its previous principal regulator for each applicable individual.

Where an issuer has reason to believe that information contained in a PIF previously filed or delivered by an individual has materially changed, the issuer should deliver a new PIF for that individual concurrent with filing its preliminary prospectus.

Common deficiencies with PIF filings

Issuers and their advisors should pay careful attention to ensure that each PIF is fully completed by each applicable individual. In particular, we note the following deficiencies in PIF submissions that may cause delays in our review process:

- incorrect issuer name provided in the PIF
- missing or incomplete name of individual and date of birth information (i.e. middle initial provided, rather than full middle name)
- missing yes/no response to a question in any of Parts 6 – 9 of the PIF concerning offences, bankruptcy, regulatory proceedings and civil proceedings
- failure to provide details concerning a positive response to a question in any of Parts 6 – 9 of the PIF in an attachment to the PIF
- individual's certificate and consent not provided with the PIF
- individual's certificate and consent missing the name or signature of the individual, or the date of execution, and
- written responses to questions in the PIF are illegible.

Other procedural matters when filing a preliminary prospectus

We continue to see certain deficiencies that can cause unnecessary delays in issuing a receipt for a preliminary prospectus and often result in additional communication among us, issuers and/or their advisors.

Accordingly, we remind issuers and their advisors to ensure the following:

Topic	Guidance
Prior discussions with staff	• Details of prior discussions with staff regarding prospectus filing issues should be set out in the cover letter accompanying a preliminary prospectus filing.
Preliminary prospectus face page disclosure	• The "red herring" statement provides the specified disclosure regarding the jurisdictions in Canada in which the issuer intends to offer securities under the prospectus (per Item 1.2 of Form 41-101F1, Item 1.1 of Form 41-101F2, Item 1.2 of Form 44-101F1 and Item 1 of Form 81-101F1, and the related Instruction in the prospectus forms, as applicable). A generic statement that securities will be offered in "certain" jurisdictions is not acceptable.
Preliminary prospectus amendment face page disclosure	• An amendment to a preliminary prospectus identifies the name and date of the original prospectus that is being amended or amended and restated (as set out in subsection 6.1(2) of NI 41-101 and subsection 2.2(3) of NI 81-101).
Documents incorporated by reference	• All documents incorporated by reference into a preliminary short form prospectus have, as of the date of filing the preliminary prospectus, been filed with each jurisdiction in which the preliminary short form prospectus is filed (as noted in subsection 2.1(3) of 44-101CP).
Prospectus certificates	• Prospectus certificates in the preliminary prospectus comply with applicable requirements.

Topic	Guidance
Short form prospectus qualification certificate	The issuer qualification certificate filed pursuant to section 4.1 of NI 44-101 is dated as of the date of the preliminary short form prospectus and refers to the correct issuer name and date of the preliminary short form prospectus.
Expert consent letters	All expert consent letters refer to the correct issuer and accurately identify the type and date of the preliminary prospectus.
Issuer confirmation letter pursuant to section 7.2 of NP 11-202	The issuer confirmation letter filed pursuant to subsection 7.2(2) of NP 11-202 specifies in respect of paragraph (d) that <u>either</u>: (i) at least one underwriter that signed the prospectus certificate is registered in each jurisdiction in which the issuer will offer the securities, or (ii) at least one underwriter that has signed a prospectus certificate has filed an application for registration or for an exemption from registration in each jurisdiction in which the issuer will offer the securities.
SEDAR+	- Documents filed with a preliminary prospectus are filed under the correct "Filing Type" and "Filing Subtype" on SEDAR+. - Only documents from one "Filing Subtype" are filed under a single submission.
Fees	- Activity fees and participation fees are paid as required under OSC Rule 13-502 <i>Fees</i>. - The correct fee description and fee code for each type and form of preliminary prospectus or pro forma prospectus is used when attaching an activity fee in SEDAR+.

Timing for filing preliminary prospectus materials and the issuance of receipts

General timing guidelines

We remind issuers and their advisors of OSC Staff Notice 41-701 *Issuance of Receipts for Preliminary Prospectuses and Prospectuses* (dated July 29, 2005). It sets out the following deadlines for filing preliminary prospectus materials where the issuer wishes to receive a receipt for the preliminary prospectus on the same day as the filing.

Nature of prospectus offering	Timing for filing preliminary prospectus and all accompanying materials in acceptable form
Preliminary prospectuses generally	12 p.m. (ET) on the day that the receipt is required If preliminary prospectus materials are filed after 12 p.m. (ET), the receipt will normally be issued before 12 p.m. (ET) on the next business day and dated as of that day. If you anticipate filing a prospectus within a reasonable period of time after 12:00 p.m. (ET) and you need a receipt issued that day, please make special arrangements in advance with our Review Officer. We will attempt to accommodate these requests, but there is no assurance that a receipt will be issued on the date requested if the filing is made after 12 p.m. (ET)
Preliminary short form prospectuses where the issuer has entered into a bought deal in which marketing efforts have been made in reliance on section 7.1 of NI 44-101	3 p.m. (ET) on the day that the receipt is required <u>provided that</u>: the issuer has advised our Review Officer before 12 p.m. (ET) that the preliminary prospectus will be filed by 3 p.m. (ET) on that day, and the cover letter that accompanies the preliminary short form prospectus indicates the issuer's reliance on section 7.1 of NI 44-101

If a preliminary prospectus and all accompanying materials are filed in acceptable form by the applicable deadline above, we will make every reasonable effort to issue a receipt for the preliminary prospectus on the day of filing.

Timing guidelines for overnight marketed deals

- The issuer should advise the Review Officer by email at ProspectusReviewOfficer@osc.gov.on.ca as soon as possible on the morning of the day a receipt is required that it intends to conduct an overnight marketed deal and that it will therefore request that the receipt for the preliminary prospectus be issued after markets close that day (*i.e.*, 4:00 p.m. (ET)).
- The issuer should explain in the email to the Review Officer the reasons for the proposed specified receipt issuance time.
- If the Review Officer is advised of an overnight marketed deal on the morning of the day a receipt is required, and the preliminary prospectus and all accompanying materials are filed in acceptable form before 12 p.m. (ET) on that day, we will make every reasonable effort to issue the receipt for the preliminary prospectus on or after the time requested on the day of filing.

Questions

Questions may be referred to: ProspectusReviewOfficer@osc.gov.on.ca

B.1.2 OSC Staff Notice 41-703 (Revised) Corporate Finance Prospectus Practice Directive #2 – Exemption from certain prospectus requirements to be evidenced by a receipt

OSC STAFF NOTICE 41-703 (REVISED) CORPORATE FINANCE PROSPECTUS PRACTICE DIRECTIVE #2 – EXEMPTION FROM CERTAIN PROSPECTUS REQUIREMENTS TO BE EVIDENCED BY A RECEIPT

First published April 1, 2011, revised June 9, 2023 to reflect launch of SEDAR+

June 9, 2023

The purpose of this practice directive is to alert issuers (other than investment funds) and their advisors of the procedural steps an issuer should follow when making an application for an exemption from certain requirements, as described below, where the exemption will be evidenced by the issuance of a receipt for a final prospectus (or an amendment to a final prospectus).

This practice directive is intended to assist issuers and their advisors. It has been prepared by staff of the Corporate Finance Branch and the views it expresses do not necessarily reflect the views of the Commission or the Canadian Securities Administrators.

Exemption sought

The issuance of a receipt for a final prospectus in connection with a proposed offering can evidence the granting of an exemption from the requirements of the following rules (referred to as the applicable prospectus requirements):

- National Instrument 41-101 *General Prospectus Requirements* (NI 41-101). Note that an exemption from subsection 2.2(2) of NI 41-101 cannot be evidenced by a final receipt. See Part 19 of NI 41-101.
- National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101). Note that an exemption from Part 2 of NI 44-101 cannot be evidenced by a final receipt. See Part 8 of NI 44-101.
- National Instrument 44-102 *Shelf Distributions* (NI 44-102). Note that an exemption from Part 2 of NI 44-102 cannot be evidenced by a final receipt. See Part 11 of NI 44-102.
- National Instrument 44-103 *Post-Receipt Pricing* (NI 44-103). See Part 6 of NI 44-103.
- National Instrument 71-101 *The Multijurisdictional Disclosure System* (NI 71-101). See Part 21 of NI 71-101.
- National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (NI 52-107). See Part 5 of NI 52-107.

Procedural matters when making an application for an exemption to be evidenced by a receipt

We continue to see certain deficiencies that can cause unnecessary delays when reviewing an application for an exemption from the applicable prospectus requirements where the exemption will be evidenced by a receipt for the final prospectus. These deficiencies often result in additional communication among us, issuers and/or their advisors.

Accordingly, issuers and their advisors should note the following when submitting an application for an exemption from the applicable prospectus requirements to be evidenced by the prospectus receipt:

Topic	Guidance
Content of application	An application must be made to the regulator for the exemption. The application should be set out in a separate cover letter and contain: • the exemption sought, • an explanation for why the exemption is needed (e.g., if there is a provision the issuer would like to rely on but cannot, explain why the issuer cannot rely on it), • the issuer's submissions on why the exemption should be granted, and in particular, why, in the issuer's view, granting the exemption would not be prejudicial to the public interest, • how the key facts support granting the exemption, and • any past exemptions that are relevant to the application.

Topic	Guidance
Application to be filed on SEDAR+	The application should be filed through SEDAR+ under the same project number as the prospectus to which the application relates (so that the application is transparent to other regulators). If known at the time, the issuer should reference the application in the cover letter to the preliminary prospectus and file a copy of the application through SEDAR+ at the time of filing the materials for the preliminary prospectus to which the application relates.
Application to be made public on SEDAR+	Please note that staff will generally place a copy of the application and the written acknowledgement from the regulator that the issuance of a receipt for the final prospectus will evidence the granting of the exemption under the issuer's public SEDAR+ profile (unless confidentiality has been requested in which case, they will be made public once confidentiality has been lifted).
Prospectus disclosure	Where the exemption is granted, the issuer must describe the application and the resolution in the final prospectus to ensure transparency to investors and to the marketplace.

Please note that an issuer seeking a pre-filing interpretation or a waiver application exemption before the issuance of a receipt may submit the pre-filing or waiver application sufficiently in advance of the filing of the related materials to avoid delays in issuance of the receipt. Please refer to Part 8 of National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*.

Questions

Questions may be referred to: ProspectusReviewOfficer@osc.gov.on.ca

B.1.3 CSA Staff Notice 43-310 (Revised) Confidential Pre-File Review of Prospectuses (for non-investment fund issuers)



Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières

**CSA STAFF NOTICE 43-310 (REVISED)
CONFIDENTIAL PRE-FILE REVIEW OF PROSPECTUSES
(FOR NON-INVESTMENT FUND ISSUERS)**

First Published March 5, 2020

June 9, 2023

Introduction

Staff of the Canadian Securities Administrators (**staff or we**) are introducing a harmonized process for full reviews of prospectuses on a confidential pre-file basis (the **pre-file process**) for non-investment fund issuers. Investment fund issuers should continue to use the existing pre-filing process.

Purpose

Introducing a harmonized pre-file process is part of our effort to foster capital formation and to provide issuers with greater flexibility and more certainty in planning their prospectus offerings. The harmonized pre-file process expands the availability of pre-file reviews that some Canadian Securities Administrators (CSA) jurisdictions are already conducting.

Background

The regulatory review process for prospectuses normally begins when an issuer publicly files its preliminary prospectus. If a material issue is raised during the review process, this may cause delays in receipting the prospectus and closing the offering. Market participants have expressed concern that delays can cause uncertainty in the market and have indicated that the pre-file process would help reduce this uncertainty.

CSA jurisdictions currently have various approaches to confidential pre-file reviews of prospectuses. For those allowing confidential pre-filings, the process has typically been limited to more complex filings and those involving cross-border offerings. With the exception of guidance provided for structured notes set out in question 2 below, this notice supersedes guidance on non-investment fund pre-filing reviews previously provided by staff.

The following sets out staff guidance for the pre-file process.

Specific questions and related guidance

If an issuer wants to confidentially pre-file a prospectus, the issuer should generally follow the process for pre-filing interpretations set out in Part 8 of National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* (**NP 11-202**), as supplemented by the following guidance:

1. Which issuers can use the pre-file process?

Any non-investment fund issuer that intends to file a prospectus in a Canadian jurisdiction can use the pre-file process.

2. For what types of prospectus offerings can the pre-file process be used?

An issuer can use the pre-file process to pre-file a long form prospectus under National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**), a short form prospectus under National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**), and a base shelf prospectus under National Instrument 44-102 *Shelf Distributions* (**NI 44-102**).

However, the pre-file process does not apply to structured notes distributed under the shelf prospectus system as discussed in CSA Staff Notice 44-304 *Linked Notes Distributed under Shelf Prospectus System* and CSA Staff Notice 44-305 *2015 Update – Structured Notes Distributed Under the Shelf Prospectus System*.

Additionally, as one of the key purposes of the pre-file process is to provide certainty in respect of prospectus offerings, the pre-file process does not apply to

- non-offering prospectuses, other than non-offering prospectuses filed in connection with cross-border financings, and
- prospectuses filed solely to qualify the issuance of securities on conversion of convertible securities, such as special warrants.

For non-offering prospectuses with complex issues, an issuer may contact their principal regulator to determine if the pre-file process is appropriate.

3. In which jurisdictions should an issuer pre-file the prospectus?

An issuer should pre-file the prospectus with their principal regulator only.

If the principal regulator determines, upon review, that the prospectus involves a novel and substantive issue, or raises a novel policy concern, the principal regulator will follow the procedures set out in subsections 8.2 (4) and (5) of NP 11-202 (which set out how non-principal regulators may become involved in these situations).

4. At what stage in the prospectus process should the prospectus be pre-filed?

To use the pre-file process, we expect the terms and conditions of the offering, and any related transactions, to be clearly determined. We also expect that the underwriters would have substantially completed their review of the pre-filed prospectus.

Staff expect the pre-filed prospectus generally to

- be of the same form and quality as if it was the publicly filed preliminary prospectus, and
- contain the disclosure (including financial statements) prescribed under securities legislation and described in the form of prospectus that the issuer intends to use.

The price of the offering and other information derived from the price are frequently omitted from a preliminary prospectus. We ask that issuers include an estimate of any such amounts in the pre-filed prospectus where practical. Including estimates may allow staff to identify potential concerns as part of the pre-file process instead of during the review of the publicly filed preliminary prospectus.

If staff determine that the pre-filed prospectus is materially non-compliant or incomplete, the principal regulator will stop the review and ask the filer to file a revised draft with the necessary information. This will likely delay the review. In the event staff do not receive a response within a reasonable period of time, they may advise the filer that the pre-file will be closed unless a response to the request for information or comment letter is received by a specified date. Staff will consider the pre-filing to be withdrawn if there is no response within 90 days of the initial pre-filing date.

5. What documents should accompany the pre-filed prospectus?

Generally, a pre-file should include all documents required to be filed with the publicly filed prospectus. In particular, for a long form prospectus under NI 41-101, the issuer should include

- a cover letter that sets out
 - the information under subsection 8.2(1) of NP 11-202 (which sets out information that should be in the application including identification of the principal regulator and non-principal regulators), and
 - when the issuer expects to file the public long form preliminary prospectus,
- copies of any material contracts required to be filed under section 9.3 of NI 41-101,
- copies of any personal information forms required to be delivered under subparagraph 9.1(1)(b)(ii) of NI 41-101, and
- if the issuer has a mineral project, the technical report required to be filed with a preliminary long form prospectus under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (**NI 43-101**).

For a short form prospectus under NI 44-101, or a base shelf prospectus under NI 44-102, the issuer should include

- a cover letter that sets out
 - the information under subsection 8.2(1) of NP 11-202,
 - when the issuer expects to file the public preliminary short form prospectus, and
 - which of the qualifying criteria set out in Part 2 of NI 44-101 the issuer is relying on in order to be qualified to file a short form prospectus,
- copies of any personal information forms required to be delivered under subparagraph 4.1(1)(b)(i) of NI 44-101,
- the final technical report, if a technical report under NI 43-101 will be triggered by the filing of the short form prospectus, and
- the annual information form, if the issuer is a venture issuer that has not yet filed an annual information form for its most recently completed financial year.

Staff will contact the issuer if they require more documents to complete their review.

6. How far in advance of the anticipated filing of the public preliminary prospectus should the prospectus be pre-filed?

A filer should submit the pre-filing sufficiently in advance of filing the public preliminary prospectus. The timing of staff comments will depend upon a number of factors and staff will prioritize reviews of public prospectus filings. Generally, staff will use their best efforts to provide initial comments within 10 working days of receiving the pre-filing. However, staff may not be able to meet this suggested timing in the following circumstances:

- the pre-filing is complex or involves a novel and substantive issue, or raises a novel policy concern, or
- the issuer's disclosure is incomplete.

If staff cannot meet this timing, they may give an estimate of when they expect to be in a position to provide initial comments.

7. What level of review will the principal regulator conduct?

Normally, staff will conduct the same level of review that they would for the publicly filed preliminary prospectus.

The pre-file process covers full reviews of prospectuses on a confidential pre-file basis. An issuer may still seek a confidential pre-file interpretation of only a certain aspect of the prospectus under NP 11-202. In this situation, staff will focus only on that aspect and will conduct a full prospectus review at the time of the public preliminary prospectus filing.

8. Can the principal regulator raise additional comments once the preliminary prospectus is filed publicly?

The intention of the pre-file process is to address as many issues as possible prior to the public preliminary prospectus filing. However, staff may still raise comments at the time of the public filing including if new issues arise or if there are changes to the prospectus or any documents incorporated by reference.

To facilitate the review of the public preliminary prospectus, the issuer should also deliver a copy of the preliminary prospectus blacklined to show changes from the pre-filed prospectus at the time of the public preliminary prospectus filing.

9. How can an issuer pre-file a prospectus and what are the applicable fees?

Issuers must submit the pre-filed prospectus and all supporting documents through SEDAR+. The current fees payable for the confidential pre-file system for all principal regulators that are specified jurisdictions under NP 11-202 are as follows:

Principal Regulator	Fees*
British Columbia	None
Alberta	None
Saskatchewan	None
Manitoba	None

B.1: Notices

Ontario	\$3,800 (this payment will be credited against the filing fee for the publicly filed preliminary prospectus)
Québec	None
New Brunswick	None
Nova Scotia	None

*The filing fees are current as of the date of this Notice only.

Questions

Please refer your questions to any of the following:

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B.1.4 OSC Staff Notice 43-706 (Revised) Pre-filing Review of Mining Technical Disclosure

**OSC STAFF NOTICE 43-706 (REVISED)
PRE-FILING REVIEW OF MINING TECHNICAL DISCLOSURE**

First published June 6, 2019, revised June 9, 2023 to reflect launch of SEDAR+

June 9, 2023

Increasing certainty for mining issuers

In November 2018 the Ontario Securities Commission (the **OSC**) created a burden reduction task force to refocus our efforts on reducing unnecessary regulatory burden. Consultations were launched on January 14, 2019 with the publication of OSC Staff Notice 11-784 *Burden Reduction*.

One of the issues that emerged from our consultations as a burden on reporting issuers in the mining sector is the uncertainty caused by the potential for technical disclosure issues to be identified during a short form prospectus offering. Given the typical timeline of a short form prospectus offering, any delay can be potentially disruptive and costly.

To reduce the execution risk for reporting issuers and dealers engaged in transactions under a short form prospectus and to expedite the prospectus review, we encourage public mining issuers to utilize the prospectus pre-filing process to request a review of the issuer's publicly filed technical disclosure in advance of filing a preliminary short form prospectus.

Pre-filing reviews of current disclosure

Pre-filing reviews may be requested by filing an application in accordance with Part 8 of National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*, where the OSC is the principal regulator of the reporting issuer.

The scope of the pre-filing review will include technical disclosure in documents of the reporting issuer previously filed on SEDAR+ and disclosure on the reporting issuer's website, including:

- the reporting issuer's current annual information form;
- news releases and material change reports;
- current technical reports; and
- investor presentations.

The focus of the review will be on any material issues that could affect the ability of the reporting issuer to obtain a receipt for a short form prospectus on a timely basis.

If the reporting issuer's disclosure record is not current or if material documents, such as a new annual information form or technical report, are expected to be filed prior to or with the preliminary short form prospectus, the pre-filing review may be deferred until those documents are filed.

Application for pre-filing review

Applications for pre-filing reviews should be submitted as a prospectus pre-file through SEDAR+ and:

- confirm that the reporting issuer is eligible to file a short form prospectus;
- include a list of the reporting issuer's material mineral properties and the associated current technical reports; and
- indicate the anticipated timing for filing the preliminary short form prospectus.

The prospectus pre-filing fee, currently \$3,800, will be required at the time of the application. This payment will be credited against the filing fee for the preliminary short form prospectus.

B.1: Notices

Applications for pre-filing reviews should be made at least 10 days prior to the anticipated filing date of the preliminary short form prospectus. Following receipt of an application, we will advise the reporting issuer of the expected timing for the review. Timing will be dependent on the reporting issuer's current disclosure and the volume of current prospectus and pre-filing reviews.

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B.1.5 CSA Staff Notice 45-308 (Revised) Guidance for Preparing and Filing Reports of Exempt Distribution Under National Instrument 45-106 Prospectus Exemptions



CSA STAFF NOTICE 45-308 (REVISED) GUIDANCE FOR PREPARING AND FILING REPORTS OF EXEMPT DISTRIBUTION UNDER NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS

First Published April 26, 2012; Revised June 25, 2015, April 7, 2016, September 29, 2016, July 19, 2018, October 4, 2018 and June 9, 2023

June 9, 2023

Purpose

Issuers and underwriters that rely on certain prospectus exemptions to distribute securities are required to file a report of exempt distribution on Form 45-106F1 *Report of Exempt Distribution* (the **report**) within a prescribed timeframe set out in National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**).

Staff (**staff** or **we**) of the Canadian Securities Administrators (**CSA**) have prepared this revised Staff Notice (this **Notice**) to assist issuers, underwriters and their advisors in preparing and filing reports. This Notice replaces a prior version of this notice issued on October 4, 2018.

This Notice includes the following documents:

- Annex 1 – Tips for Completing and Filing the Report
- Annex 2 – Checklist of Certain Information Requirements in the Report
- Annex 3 – Frequently Asked Questions
- Annex 4 – Contact Information of Public Officials regarding Indirect Collection of Personal Information

Background to this Notice

We may from time to time reissue this Notice to respond to additional questions or concerns raised about the completion and filing of reports. The following table sets out the history of this Notice.

Date	Development
June 9, 2023	The CSA will be implementing the first phase of the National Systems Renewal Program, an initiative to replace CSA national systems. The first phase replaces SEDAR, the National Cease Trade Order Database, the Disciplined List and certain filings in the British Columbia Securities Commission eServices system and the Ontario Securities Commission Electronic Filing Portal. We are reissuing this notice to change references to SEDAR to SEDAR+, and to provide guidance on the filing of reports of exempt distribution on SEDAR+. We have also removed guidance on the transition period for the report.
October 4, 2018	The Alberta Securities Commission (ASC) repealed and replaced ASC Rule 72-501 <i>Distributions to Purchasers Outside Alberta</i> effective August 31, 2018, which included moving ASC Policy 45-601 <i>Distributions Outside Alberta</i> into Companion Policy 72-501 <i>Distributions to Purchasers Outside Alberta</i> . The response in Question 1 of Annex 3 of this Notice was revised to reflect this change.
July 19, 2018	To further address concerns expressed by foreign dealers conducting offerings into Canada and Canadian institutional investors, on July 19, 2018, the CSA made amendments to the report to provide greater clarity and flexibility regarding the certification requirement and to streamline certain information requirements. This Notice was reissued in light of these amendments and provide further clarity on certain existing requirements. The amendments came into force on October 5, 2018.

Date	Development
September 29, 2016	In spring and summer 2016, staff became aware of concerns expressed by foreign dealers conducting offerings into Canada, as well as Canadian institutional investors, about the certification requirements in the report and other related issues. In certain instances, Canadian institutional investors were being excluded from participating in foreign offerings into Canada through certain foreign dealers as a result of a perceived change in the risk of personal liability in the report, as well as the more extensive information required in the report. We reissued this Notice in September 2016 to provide: • clarification regarding the certification of the report, • guidance on the reasonable steps the underwriter filing the report should undertake to obtain and confirm the required information regarding the issuer, • guidance on the procedures that an issuer or underwriter could implement in order to reasonably confirm that a purchaser meets the conditions for a particular exemption, • guidance on the increased flexibility for completing Schedule 1 for purchasers in certain circumstances who may qualify under more than one paragraph of the definition of “accredited investor”, and • guidance on disclosure of an issuer’s North American Industry Classification Standard (NAICS) code that corresponds to the issuer’s primary business activity where there is ambiguity on the appropriate code.
April 7, 2016	In June 2016, the CSA introduced a new harmonized version of the report set out in Form 45-106F1 <i>Report of Exempt Distribution</i> (i.e. the report). Both investment fund issuers and non-investment fund issuers that distribute securities under certain prospectus exemptions are required to file the report, which replaced both the prior version of Form 45-106F1 <i>Report of Exempt Distribution</i> and Form 45-106F6 <i>British Columbia Report of Exempt Distribution</i>. We reissued this Notice in April 2016 to reflect the adoption of the report, to provide guidance on the new information requirements set out in the report, and to assist filers to transition to the report.
June 25, 2015	This Notice was revised in June 2015 primarily to reflect the introduction of certain new prospectus exemptions in Ontario.
April 26, 2012	Staff first published this Notice in April 2012 to highlight compliance issues identified in some reports filed. This Notice provided guidance to issuers, underwriters and their advisors for preparing and filing reports.

Annexes to Notice

Annex 1 – Tips for Completing and Filing the Report

Annex 2 – Checklist of Certain Information Requirements in the Report

Annex 3 – Frequently Asked Questions

Annex 4 – Contact Information of Public Officials regarding Indirect Collection of Personal Information

Questions

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ANNEX 1

Tips for Completing and Filing the Report

The following are tips to assist issuers, underwriters and advisors in completing and filing the report.

1. File the report on time

If the issuer is relying on an exemption from the prospectus requirement that requires a report to be filed, the filers must file the report in each jurisdiction of Canada where the distribution occurred. The deadline for filing the report is generally 10 days after the distribution. If filing a report for distributions occurring on multiple dates, such distributions must occur within a 10-day period and the filer must file the report no later than 10 days after the first distribution date.

For a distribution made in reliance on the prospectus exemption in National Instrument 45-110 *Start-up Crowdfunding Registration and Prospectus Exemptions*, a report must be filed no later than 30 days after the distribution.

Pursuant to section 6.2(2) of NI 45-106, investment fund issuers relying on certain prospectus exemptions have the option of filing the report on an annual basis, within 30 days of the end of the calendar year. This option is only available for investment fund issuers distributing securities in reliance on the following prospectus exemptions in NI 45-106:

- section 2.3 [*Accredited investor*]¹
- section 2.10 [*Minimum amount investment*]
- section 2.19 [*Additional investment in investment funds*]

2. Pay the required fees

Filers must pay the applicable fee in each jurisdiction of Canada in which the report is filed. In order to determine the applicable fee in a particular jurisdiction of Canada, consult the securities legislation of that jurisdiction.

Filing fees payable in a particular jurisdiction are not affected by identifying all purchasers in a single report.

3. Complete the issuer information

Item 5 requires certain information about the issuer distributing the securities, where the issuer is not an investment fund.

Where an underwriter is filing the report, the underwriter should take reasonable steps to obtain and confirm the information regarding the issuer set out in Item 5. These reasonable steps may include:

- reviewing the offering document prepared in connection with the distribution of securities,
- reviewing the issuer's public continuous disclosure record, where available,
- reviewing information provided by the issuer's or the underwriter's legal counsel, and
- making inquiries of the issuer.

4. Include a complete list of purchasers in the report

Filers must ensure that Item 7(f) and Schedule 1 include all purchasers that participated in the distribution.

If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, the filer is required to provide information in the report about purchasers resident in that jurisdiction of Canada only. See Question 12 in Annex 3 for further guidance on issuers located outside of Canada.

If an issuer makes a distribution in more than one jurisdiction of Canada, the filer may complete a single report identifying all purchasers, and file that report in each jurisdiction of Canada in which the distribution occurs.

¹ This option is also available for investment fund issuers distributing securities in reliance on section 73.3 of the *Securities Act* (Ontario) [*Accredited investor*].

5. Ensure the information provided in the report and schedules is true and complete

Filers should verify that the information included in the report and schedules is true and, to the extent required, complete. In particular, filers should verify the following:

- The information provided in Item 7 about the distribution date, number and type of securities distributed, total dollar amount of securities distributed, number of unique purchasers in each jurisdiction and prospectus exemptions relied on, must reconcile with the information provided in Schedule 1.
- The identities of persons compensated provided in Item 8 must reconcile with the information provided in Schedule 1 about the persons compensated for each purchaser.
- Ensure that all appropriate columns in Schedule 1 that relate to use of the following prospectus exemptions are completed:
 - section 2.3 [*Accredited investor*],²
 - section 2.5 [*Friends, family and business associates*], or
 - subsection 2.9(2) or 2.9(2.1) [*Offering memorandum*] and the purchaser is an "eligible investor".
- The information about directors, executive officers and promoters provided in Item 9 must reconcile with the information provided in Schedule 2.

6. Correctly identify the total number of unique purchasers

The table in Item 7(f) requires the total number of unique purchasers to which the issuer distributed securities. To determine the total number of unique purchasers, the filer should count each purchaser only once, regardless of whether the issuer distributed different types of securities to that purchaser, on different dates, and/or relied on multiple prospectus exemptions for such distributions. See Question 15 in Annex 3 for further guidance on counting unique purchasers.

However, filers must list a purchaser multiple times on Schedule 1 if the issuer has distributed different types of securities to that purchaser, or has distributed securities to that purchaser on different dates.

7. Ensure the purchase price of the securities distributed is correct

If an issuer is relying on the prospectus exemption in section 2.10 [*Minimum amount investment*] of NI 45-106 for distributions to a purchaser, the purchase price paid by that purchaser must be at least \$150,000 (among other conditions), and the purchase price provided in Item 7 and Schedule 1 must be at least that minimum amount. An issuer is not permitted to distribute securities under this prospectus exemption to a purchaser that is an individual, or to multiple purchasers acting in concert or as a "syndicate" in order to pool separate purchases and reach the \$150,000 minimum.

8. Ensure that a valid prospectus exemption is available

Not all prospectus exemptions are available in all jurisdictions. An issuer should ensure that a valid prospectus exemption is available for a distribution to each purchaser.

Section 1.9 of Companion Policy 45-106CP *Prospectus Exemptions (45-106CP)* describes procedures that an issuer (or seller) could implement in order to reasonably confirm that the purchaser meets the conditions for a particular exemption. Some examples of these steps include:

- establishing policies and procedures to confirm that all parties acting on behalf of the issuer (or seller) understand the conditions that must be satisfied to rely on the exemption, and
- obtaining information that confirms the purchaser meets the criteria in the exemption.

Whether the steps taken are reasonable will depend on the particular facts and circumstances of the purchaser, the offering and the exemption being relied on. For certain purchasers, such as Canadian financial institutions, Schedule III banks and pension funds, it may not be necessary for the issuer (or seller) to reconfirm the purchaser's status for each distribution to that purchaser.

² In Ontario, the accredited investor exemption is set out under subsection 73.3(2) of the *Securities Act* (Ontario).

9. Disclose all compensation paid in connection with the distribution

A filer must complete Item 8 for each person to whom the issuer directly provides, or will provide, any compensation in connection with the distribution. Compensation includes cash commissions, securities-based compensation, gifts, discounts or other compensation of a similar nature, paid in connection with a distribution of securities, regardless of the term used to describe the payment. For example, we consider a brokerage fee or finance fee to be compensation in connection with a distribution.

Compensation does not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

Item 8 and Schedule 1 do not require details about internal allocation arrangements with the directors, officers or employees of an entity compensated by the issuer.

In completing Item 8, where the person compensated is a non-individual with an NRD number, the filer should report the entity's NRD number. A filer may refer to the CSA's National Registration Search tool to determine if the entity has an NRD number. Registered firms and firms relying on the "international dealer exemption" or the "international adviser exemption" (as set out in section 8.18 and in section 8.26, respectively, of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*) have been assigned an NRD number.

In completing Schedule 1, where the person compensated is an individual and is not associated with an entity that has an NRD number, the filer should report the individual by the 'family name', 'first given name' and 'secondary given names' (i.e., Smith; John Allen). A semi-colon should be used to separate the 'family name' from the 'first given name'.

10. Date and certify the report

The report must be certified by the issuer or the underwriter, or by an agent that has been authorized by an officer or director of the issuer or underwriter to do so on behalf of the issuer or underwriter. Item 10 of the report must include the date of the report and the name and signature of the individual signing the report for and on behalf of the issuer or underwriter.

If the report is certified by an issuer or underwriter, this individual must be a director or officer of a corporate issuer or underwriter or, in other cases, an individual who performs functions similar to that of a director or officer (as determined by the issuer or underwriter). For example, if the issuer is a trust, the report may be signed by the issuer's trustee on behalf of the trust. 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 sign the report on behalf of the investment fund if the director or officer has been authorized to do so by the investment fund.

The certification date should be recorded at the top of Schedule 1 and, if applicable, Schedule 2.

See Question 22 in Annex 3 for further guidance on the certification of the report.

ANNEX 2
Checklist of Certain Information Requirements in the Report

The checklist below is designed to assist filers in gathering certain of the required information to complete the report.

All issuers	☐ Most recent previous legal name (if issuer's name has changed in last 12 months) ☐ Website of issuer (if issuer has one) and underwriter (if underwriter has one and is not a registrant) ☐ Legal entity identifier (if issuer has one) ☐ Firm NRD number and SEDAR+ profile number for underwriter ☐ CUSIP numbers of securities distributed (if applicable) ☐ Details about the distribution (number of purchasers and total amount raised) by jurisdiction and prospectus exemption relied on ☐ Electronic copies of all offering materials required to be filed with or delivered to the securities regulatory authority or regulator for the distribution³ ☐ NRD number of registrant compensated (if applicable) ☐ Whether person compensated facilitated distribution through funding portal or internet-based portal ☐ Description of terms of any deferred compensation ☐ Relationship of person compensated to issuer or investment fund manager (connected with issuer or investment fund manager/insider/director or officer/employee/none of the above) Schedule 1 (non-public) ☐ Email address of purchaser (if provided by purchaser) ☐ Specific prospectus exemption relied on to distribute securities to each purchaser⁴ ☐ Identification of whether purchaser is a registrant or insider⁵ ☐ Name of person compensated for the distribution for each purchaser
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³ Refer to question 23 in Annex 3 for additional guidance.

⁴ Refer to question 21.1 in Annex 3 for additional guidance.

⁵ Filers are not required to disclose whether a purchaser is a registrant or an insider of the issuer 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.

Non-investment fund issuers	☐ NAICS industry code ⁶ ☐ Stage of operations for issuers in mining industry (exploration/development/production) ☐ Areas of asset holdings for issuers involved in investment activities (mortgages/real estate/commercial/business debt/ consumer debt/private companies/cryptoassets) ☐ Number of employees (within a range) ☐ SEDAR+ profile number
Investment fund issuers	☐ NRD number of investment fund manager ☐ SEDAR+ profile number ☐ Type of investment fund (money market/equity/fixed income/balanced/alternative strategies/cryptoasset/other) ☐ Net asset value (within a range) and date of calculation ☐ Net proceeds by jurisdiction
Issuers that are not any of the following: • investment fund issuers • reporting issuers and their wholly owned subsidiaries • foreign public issuers and their wholly owned subsidiaries • issuers distributing only eligible foreign securities and the distribution is to permitted clients only	☐ Names, titles and locations of directors, executive officers and promoters ☐ If a promoter is not an individual, this information is also required for the directors and executive officers of the promoter Schedule 2 (non-public) ☐ Business email address and telephone number of issuer's CEO ☐ Residential addresses of directors, executive officers, promoters and control persons that are individuals ☐ If a promoter or control person is not an individual, this information is required for the directors and executive officers of the promoter and control person. ☐ If control person is not an individual: ☐ Organization or company name ☐ Province or country of business location

⁶ Refer to question 7 in Annex 3 for additional guidance.

ANNEX 3 Frequently Asked Questions

Filing the report

1. An issuer whose head office is in Alberta distributes securities to a purchaser resident in Saskatchewan. Where is the issuer required to file the report?

The issuer must file a report with the Alberta Securities Commission and with the Financial and Consumer Affairs Authority of Saskatchewan.

The issuer must file a report in each jurisdiction where the distribution occurred. To determine if a distribution has occurred in one or more jurisdictions of Canada, consult applicable securities legislation, securities directions and case law.

For example:

- In Alberta, an issuer should consult Companion Policy 72-501 *Distributions to Purchasers Outside Alberta*.
- In British Columbia, an issuer should consult BC Interpretation Note 72-702 *Distribution of Securities to Persons Outside British Columbia*.
- In New Brunswick, an issuer should consult Companion Policy to Local Rule 72-501 *Distributions of Securities to Persons Outside New Brunswick*.
- In Québec, an issuer should consult *Avis du personnel de l'Autorité des marchés financiers – Règlement 45-106 sur les dispenses de prospectus et d'inscription: Questions fréquemment posées*.

In all cases, a distribution occurs when a distribution is made to a purchaser resident in that jurisdiction. In most cases, a distribution includes a distribution made by an issuer whose head office is in that jurisdiction (or, in the case of an investment fund, an investment fund whose manager's head office is in that jurisdiction), to purchasers resident outside that jurisdiction. A distribution may also occur in a jurisdiction of Canada if the issuer has a significant connection to that jurisdiction.

If an issuer is uncertain as to whether a distribution has occurred in a jurisdiction of Canada, the issuer should file the report in that jurisdiction.

2. How does a filer file a report for a distribution to purchasers in every CSA jurisdiction?

Filers are required to file the report in all CSA jurisdictions where it is required to be filed through SEDAR+ in accordance with National Instrument 13-103 *System for Electronic Data Analysis and Retrieval + (SEDAR+)*.

Schedule 1 and Schedule 2 of the report must be filed in .xlsx format using the Excel templates adopted and published by the CSA. The Excel templates are available on the website of each CSA member and on the CSA website.⁷ Schedule 2 will be auto-generated in SEDAR+ in .xlsx format and pre-populated with certain information provided in Item 9, as applicable.

Filers must not manipulate, rename or delete the tabs in the templates, and must not modify the content, formatting or columns of the templates. We may reject a modified template and require it to be refiled using the approved template.

3. [intentionally deleted]

4. [intentionally deleted]

4.1 The section in the report under the heading “Notice – Collection and use of personal information” requires the filer to confirm that each individual listed in Schedules 1 and 2 was notified about certain information, including the title of the public official in the local jurisdiction who can answer questions about the security regulatory authority's or regulator's indirect collection of personal information. Where can I find the titles of these public officials?

Please see Annex 4 for the contact information and title of the public official in each local jurisdiction who can answer questions regarding the indirect collection of personal information. This information can also be found in the report and on the CSA's website.

⁷ <https://www.securities-administrators.ca/resources/reports-of-exempt-distribution/>

4.2 How do I report co-issuer distributions?

If two or more issuers distributed a single security, only one report of exempt distribution is required to be filed for the distribution. The report may be completed and filed by any one of the co-issuers.

Provide the full legal name of the co-issuer completing and filing the report in the 'Full legal name' field at the top of Item 3.

The full legal name(s) of the *other* co-issuer(s) should be provided in the 'Full legal name(s) of co-issuer(s)' field at the end of Item 3.

Names and identifiers

5. What information should be provided for individuals under family name, first given name and secondary given names in the report?⁸

Family name refers to the individual's last name or surname.

First given name refers to the first name of an individual, used to identify the person from other members of a family, all of whom usually share the same family name.

Secondary given names, often referred to as middle names, refer to all given names of an individual, other than their first given name and family name.

The ordering of family and given names can vary among cultures. Indicate the 'family name', 'first given name' and 'secondary given names' in the appropriate field in the report regardless of the order in which they may be given or traditionally used.

If an individual has only a single legal name, this name should be recorded as the 'family name' and "N/A" should be entered for 'first given name' and 'secondary given names'.

Do not include aliases, nicknames, preferred names, initials or short forms of full names in the name fields of the report.

Avoid entering account numbers, account types, "in trust" references or other unnecessary information within the name fields. Enter only the legal name of the beneficial owner. See Question 20 below for further details.

If two or more individuals have purchased a security as joint purchasers, complete the Schedule 1 Excel template by providing information for each purchaser under the columns for family name, first given name and secondary given names, if applicable, and separating 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, and "Jane & Robert" in the first given name column of the Schedule 1 Excel template. Joint purchasers may be counted as one purchaser for the purposes of Item 7(f).

6. What is a legal entity identifier (LEI)? Is it necessary to obtain an LEI to complete Item 3 of the report?

An LEI is a globally recognized 20-character alphanumeric code used to identify entities that enter into financial transactions. If an issuer already has an LEI, the filer must provide the LEI in Item 3. The LEI will be pre-populated on SEDAR+ if the issuer has an LEI in their SEDAR+ profile. If an issuer does not have an LEI, it is not necessary to obtain one to complete the report.

7. How does the filer determine an issuer's North American Industry Classification Standard (NAICS) code?

NAICS was developed to classify the domestic activities of businesses within North America, and also covers a wide range of industries that exist outside of North America.

If the issuer has already identified a NAICS code for its business, and the filer is the issuer, then it should use that previously identified code. For example, Canadian businesses that file tax returns with the Canada Revenue Agency should use the same NAICS code that they report on those forms. The NAICS code provided in the SEDAR+ profile will be prepopulated in Item 5 on SEDAR+.

⁸ Names of individuals are required to be provided in Item 8(a), Items 9(a) and (b), Item 10, Item 11, Schedule 1 and Schedule 2.

If the issuer has not already identified a NAICS code, or if the filer is an underwriter and has not been able to obtain the NAICS code previously identified by the issuer, the filer should use [Statistics Canada's NAICS search tool](http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=380372)⁹ to find a NAICS code that is appropriate for the issuer. An alternative is the [US Census Bureau's NAICS search tool](https://www.census.gov/naics/).¹⁰

The online search tools listed above allow the filer to enter keywords that describe the issuer's business, and generate a list of primary business activities containing that keyword and the corresponding NAICS codes. If more than one NAICS code may apply to an issuer, the filer should use its reasonable judgment to choose the one that most closely describes the issuer's primary business activity. Alternatively, the filer may browse a list of NAICS market sectors to find the more detailed industry level descriptions and the appropriate 6-digit code that, in the filer's reasonable judgment, most closely matches the issuer's primary business activity.

Below are some examples of NAICS codes to consider:

Description of Issuer	Keywords searched	Possible NAICS Codes to consider
ABC-ABS Inc. is structured as a special purpose financial vehicle organized for the securitization of pools of receivables and the issuance of marketable fixed-income securities (asset-backed securities)	"special purpose vehicle" or "securitization"	526981 - Securitization vehicles
ABC Minerals operates as a mining and metals company worldwide. It produces copper, nickel, gold, zinc, platinum-group elements and pyrite.	"zinc" or "copper" or "nickel" or "gold"	212233 - Copper-zinc ore mining 212232 - Nickel-copper ore mining 212220 - Gold and silver ore mining
ABC LP is a private equity fund that invests in a portfolio of private companies. The fund will typically acquire a controlling or substantial minority interest in a portfolio of companies.	"investment firm" or "portfolio companies"	526989 - All other miscellaneous funds and financial vehicles 523920 - Portfolio management

Issuer information

8. **The issuer distributing securities was formed in 2002 by the completion of a plan of arrangement. Does Item 5(e) of the report require the date(s) of incorporation of the companies that completed the plan of arrangement, or the date of the completion of the plan of arrangement?**

In this example, the filer is not required to provide the incorporation dates of any predecessor entities in Item 5(e), only the date that the issuer was formed by the completion of the plan of arrangement in 2002.

9. **How does a filer determine the number of employees for Item 5(b) of the report?**

Employees are individuals that are employed directly by the issuer and on the issuer's payroll, including full and part-time employees.

- 9.1 **What steps should be taken by an underwriter filing a report to obtain the information in Item 5 of the report?**

Where an underwriter is filing the report, the underwriter should take reasonable steps to obtain and confirm the information regarding the issuer set out in Item 5. These reasonable steps may include:

- reviewing the offering document prepared in connection with the distribution of securities,
- reviewing the issuer's public continuous disclosure record, where available,
- reviewing information provided by the issuer's or the underwriter's legal counsel, and
- making inquiries of the issuer.

⁹ <http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=380372>

¹⁰ <https://www.census.gov/naics/>

9.2 What is meant by the term “cryptoassets” in Item 5(a) of the report?

Cryptoassets include, for example, cryptocurrencies, digital coins or tokens, derivatives linked to cryptoassets and operations to mine cryptoassets. An issuer whose primary business is to invest all or substantially all of its assets in the above noted cryptoassets should check off the corresponding checkbox in item 5(a) of the report.

Investment fund issuer information

10. What do the different investment fund types in Item 6(b) of the report refer to?

In Item 6(b), an investment fund issuer must select the investment fund type that most accurately describes the issuer based on the following:

- Money Market – An investment fund that invests in cash, cash equivalents and/or short term debt securities, such as government bonds and treasury bills.
- Equity – An investment fund that invests primarily in equity securities of other issuers.
- Fixed Income – An investment fund that invests primarily in fixed income (debt) securities.
- Balanced – An investment fund that invests primarily in a balanced combination of fixed income and equity securities.
- Alternative Strategies – An investment fund that primarily adopts alternative investment strategies, such as short selling, leverage or the use of derivatives, or that invests primarily in alternative asset classes, such as real estate or commodities.
- Cryptoasset – An investment fund that invests primarily in cryptoassets, which include for example, cryptocurrencies, digital coins or tokens, or derivatives linked to cryptoassets.
- Other – An investment fund that cannot be classified under one of the above investment fund types. Include a short description of the type of investment fund in the box provided.

11. When would an investment fund issuer be considered to be primarily invested in other investment funds under Item 6(b) of the report?

An investment fund is generally considered a ‘fund of funds’ if a majority of its assets are invested in other funds, under normal market conditions. One factor to consider in determining whether an investment fund issuer is a ‘fund of funds’ is whether its investment objectives specifically state this as a strategy.

Distribution details

12. What does “located outside of Canada” mean in Item 7 of the report?

The onus is on an issuer and its counsel to determine where the issuer is located for the purposes of determining where a distribution has occurred, including whether an issuer is located in a jurisdiction of Canada.

The determination is based on the facts and circumstances of each particular distribution. The issuer should consider the following factors:

- where the issuer’s mind and management are primarily located, which may be determined by the location of the issuer’s head office or the residences of the issuer’s key officers and directors,
- where the issuer’s operations are conducted,
- where the issuer administers its business,
- whether any acts in furtherance of a distribution have occurred in a jurisdiction, including active advertisements or solicitations, negotiations, underwriting activities or investor relations activities, and
- where the issuer is incorporated or organized.

The above are examples of the types of factors that an issuer should consider in determining whether it is making a distribution from a jurisdiction, but it is not an exhaustive list.

13. What dates should be provided as the distribution date under Item 7(b) of the report?

If the report is being filed for securities distributed only on a single distribution date, provide this distribution date in Item 7(b) as both the start date and end date. For example, if the report is being filed for securities distributed only on July 1, 2016, provide July 1, 2016 as both the start date and end date.

If the report is being filed for securities distributed on more than one distribution date, in Item 7(b) provide the date of the earliest distribution as the start date and provide the date of the last distribution as the end date. A single report can be filed for distributions occurring on multiple dates only if such distributions occur within a 10-day period and the report is filed no later than 10 days after the first distribution date (other than investment funds that file reports on an annual basis).

For example:

- If the report is being filed for securities distributed on July 1, July 4, July 5 and July 7, 2016, in Item 7(b) provide July 1, 2016 as the start date and July 7, 2016 as the end date.
- If the report is being filed for an investment fund issuer that files annually and has distributed securities on a continuous basis from January 1, 2017 to December 31, 2017, in Item 7(b) provide January 1, 2017 as the start date and December 31, 2017 as the end date.

14. The type of security distributed by the issuer is not on the list of security codes in Instruction 12 of the report. What security code should the filer provide in Item 7(d) of the report?

The list of security codes in Instruction 12 of the report captures most types of securities distributed under a prospectus exemption triggering the filing of a report in Canada. If the security being distributed is not listed, enter "OTH" (for other) as the security code in Item 7(d) and include a description of the security in the box provided. Examples are provided below.

Security code			CUSIP number (if applicable)	Description of security
N	O	T	555555555	6.26% medium term notes
C	E	R	555555556	Commercial mortgage pass-through certificates
U	B	S		Units comprised of one common share and one-half of one non-transferrable share purchase warrant
O	T	H		Managed joint venture interest

14.1 When should the "DCT" security code be used?

Businesses that distribute digital coins or tokens, either directly or indirectly through a convertible or exercisable feature in any instrument, should first consider whether they are distributing securities. One way of determining whether they are distributing securities is to consider the four-prong investment contract test and the guidance outlined in CSA Staff Notice 46-307 *Cryptocurrency Offerings (CSA Staff Notice 46-307)* and CSA Staff Notice 46-308 *Securities Law Implications for Offerings of Tokens (CSA Staff Notice 46-308)*. CSA Staff Notice 46-307 indicates that many initial coin offerings (ICOs) and initial token offerings (ITOs) involve distributions of securities, including because they are investment contracts and CSA Staff Notice 46-308 provides examples of situations and their possible implications on one or more of the elements of an investment contract. Filers should consider CSA Staff Notice 46-307, CSA Staff Notice 46-308 and any other relevant guidance published by the CSA.

15. How does a filer determine the number of unique purchasers for Item 7(f) of the report?

For the total number of unique purchasers, each purchaser should only be counted once, regardless of whether the issuer distributed different types of securities to that purchaser, distributed securities on different dates to that purchaser and/or relied on multiple prospectus exemptions for such distributions.

As an example, an issuer located in Alberta distributes (at \$10/debenture, \$10/common share):

- 100 debentures to Purchaser A in Alberta in reliance on the accredited investor prospectus exemption

- 100 common shares to Purchaser A in Alberta in reliance on the offering memorandum prospectus exemption
- 100 common shares to Purchaser B in Alberta in reliance on the accredited investor prospectus exemption
- 100 common shares to Purchaser C in Ontario in reliance on the family, friends and business associates prospectus exemption
- 100 debentures to Purchaser D in France in reliance on the accredited investor prospectus exemption

In this example, there are a total of 4 unique purchasers.

The table in Item 7(f) requires a separate line item for:

- each jurisdiction where a purchaser resides,
- each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and
- each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction.

Complete the table as follows:

Province or country	Exemption relied on	Number of unique purchasers ^{2a}	Total amount (Canadian \$)
Alberta	Accredited investor (NI 45-106 s.2.3)	2	2,000
Alberta	Offering memorandum (NI 45-106 s.2.9(2.1))	1	1,000
Ontario	Family, friends and business associates (NI 45-106 s.2.5)	1	1,000
France	Accredited investor (NI 45-106 s.2.3)	1	1,000
Total dollar amount of securities distributed			5,000
Total number of unique purchasers^{2b}		4	

In Schedule 1, create a separate entry for each distribution date, security type and exemption relied on for the distribution to each purchaser. In the example above, this means there must be two separate entries for Purchaser A in Schedule 1: one entry for the distribution of 100 debentures in reliance on the accredited investor prospectus exemption, and a second entry for the distribution of 100 common shares in reliance on the offering memorandum prospectus exemption.

16. [intentionally deleted]

Compensation information

17. How does an issuer report compensation paid to two dealers in connection with the distribution?

Item 8 of the report must be completed separately for each dealer to whom the issuer provides compensation in connection with the distribution. In completing Schedule 1, where the person compensated is an individual, the filer should report the individual by the 'family name'; 'first given name' and 'secondary given names' (i.e., Smith; John Allen). A semi-colon should be used to separate the 'family name' from the 'first given name'. Where the person compensated is an entity, the full legal name of the entity should be reported.

In section f(3) of Schedule 1, the filer must indicate which of the two dealers received compensation in connection with the distribution to each purchaser by indicating the firm NRD number of the dealer, or the dealer's full legal name if not a registered firm. The firm NRD number or name must be consistent with the information provided in Item 8. If neither of

the two dealers received compensation in connection with the distribution to a particular purchaser, then section f(3) of Schedule 1 should be left blank for that purchaser.

As noted in the instructions to Item 8(d), the report does not require disclosure of details about internal allocation arrangements with the directors, officers or employees of entities compensated by the issuer. This information is also not required in Schedule 1.

17.1 How do I find out whether a person compensated has an NRD number?

A filer may refer to the CSA's National Registration Search tool to check whether an entity to which the issuer is paying compensation in connection with a distribution has a Firm NRD number.

Registered firms and firms relying on the "international dealer exemption" or the "international adviser exemption" (as set out in section 8.18 and in section 8.26, respectively, of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*) have been assigned a Firm NRD number.

18. The issuer entered into a referral arrangement pursuant to which it pays an ongoing annual referral fee in cash to a third party for so long as the purchaser holds the securities distributed. Is the issuer required to disclose the ongoing referral fee in the report? Is the issuer required to do so each year for so long as it pays the referral fee?

If the referral fee is paid in cash in connection with a distribution, the filer must report the referral fee in Item 8(d) of the report, by checking the box that indicates a person is receiving deferred compensation in connection with the distribution and describing the terms of the referral arrangement in the box provided.

The filer is not required to report the referral fee every year. If no distributions were made in a particular year that give rise to referral fees being paid, then the referral fee is not required to be reported that year.

18.1 How should an issuer report deferred compensation shares?

Where an issuer agrees to distribute deferred shares to a person as compensation, the filer should not include the deferred compensation in the "Total Compensation Paid" section of item 8(d). However, the filer should check the box at the end of item 8(d) indicating a person will or may receive deferred compensation in connection with the distribution, and should describe the terms of deferred compensation in the box provided.

For example, if an issuer issues securities and agrees to pay a person the following compensation:

- 100 shares on the distribution date, and
- 300 shares to be issued over the course of 3 months following the distribution date, with 100 shares issued each month.

The filer should report the 100 shares issued on the distribution date by completing the "Value of all securities distributed as compensation" and "Security codes" boxes in item 8(d) of the report. The filer should also check the box at the bottom of item 8(d) indicating that a person is receiving deferred compensation and should describe that a total of 300 shares will or may be issued over the course of the 3 months following the distribution, with 100 shares issued each month.

Each time that the issuer distributes 100 deferred bonus shares to the person following the distribution (that is, 100 shares per month), the issuer must ensure that it has a prospectus exemption for that distribution and consider whether relying on that exemption triggers the requirement to file a new report.

19. What do the terms "funding portal" and "internet-based portal" refer to in Item 8(a) of the report?

These terms generally refer to an intermediary that provides an online platform for issuers to offer and sell securities to investors. These include funding portals as defined under Multilateral Instrument 45-108 *Crowdfunding* and National Instrument 45-110 *Start-up Crowdfunding Registration and Prospectus Exemptions* or an investment dealer or exempt market dealer facilitating distributions of securities for an issuer under other prospectus exemptions.

Purchaser information

20. The issuer sold shares to a purchaser that instructed that the shares be registered in the name of its investment adviser. What name is the filer required to disclose in Schedule 1 of the report?

All references to a purchaser in the report are to the beneficial owner of the securities (with the exception of fully managed accounts described below). In this example, the filer should provide the name of the beneficial owner as the purchaser in Schedule 1. The investment adviser in this example is the registered, not the beneficial, owner.

Similarly, if a trust or personal holding corporation purchases securities from an issuer, the trust or corporation is the beneficial owner. The names of the trust beneficiaries or shareholders of the holding corporation are not required.

Beneficial owner information is not required in Schedule 1 where a trust company, trust corporation, or registered adviser is deemed to be purchasing the securities as principal on behalf of a fully managed account and the issuer is relying on the exemption described in paragraph (p) or (q) of the definition of “accredited investor” in section 1.1 of NI 45-106 to issue the securities. In that case, only the name of the trust company, trust corporation or registered adviser should be provided in Schedule 1.

21. The filer does not have a purchaser’s email address. What is the filer required to disclose in section c(7) of Schedule 1 of the report?

If the purchaser has not provided an email address to the filer, or the purchaser does not have an email address, the filer may leave section c(7) of Schedule 1 blank for that purchaser.

21.1 Certain purchasers may qualify as an accredited investor under more than one paragraph of the definition of “accredited investor”. It may not always be clear to the filer which paragraph the purchaser qualifies under for the purpose of a particular distribution. For example, trust companies, trust corporations, registered advisers and registered dealers may be purchasing securities as principal for their own account, and/or may be deemed to be purchasing securities as principal on behalf of a fully managed account. In these circumstances, which paragraph of the definition of “accredited investor” should the filer select when completing Schedule 1?

If a purchaser is a trust company or a trust corporation, the filer can select paragraphs “(a) and/or (p)” of the definition of “accredited investor” for that purchaser when completing Schedule 1 if the trust company or trust corporation is:

- purchasing as principal for its own account and qualifies as an accredited investor under paragraph (a) of that definition, and/or
- deemed to be purchasing as principal on behalf of a fully managed account and qualifies as an accredited investor under paragraph (p) of that definition.

If a purchaser is a registered adviser or registered dealer, the filer can select paragraphs “(d) and/or (q)” for that purchaser when completing Schedule 1 if the registered adviser or registered dealer is:

- purchasing as principal for its own account and qualifies as an accredited investor under paragraph (d) of that definition, and/or
- deemed to be purchasing as principal on behalf of a fully managed account and qualifies as an accredited investor under paragraph (q) of that definition.

The Schedule 1 Excel template includes these options for filers to select.

21.2 What steps are sellers expected to take to verify a purchaser’s status?

The seller of securities is responsible for determining whether the terms and conditions of the prospectus exemption are met. Sellers are reminded of the guidance set out in section 1.9 of 45-106CP regarding their responsibility for compliance and verifying purchaser status. In particular, paragraph 1.9(4) of 45-106CP describes procedures that a seller could implement in order to reasonably confirm that the purchaser meets the conditions for a particular exemption. Some examples of these steps include:

- establishing policies and procedures to confirm that all parties acting on behalf of the seller understand the conditions that must be satisfied to rely on the exemption, and
- obtaining information that confirms the purchaser meets the criteria in the exemption.

Whether the types of steps are reasonable will depend on the particular facts and circumstances of the purchaser, the offering and the exemption being relied on. For certain purchasers, such as Canadian financial institutions, Schedule III banks and pension funds, it may not be necessary for the seller to reconfirm the purchaser’s status for each distribution to that purchaser.

Certification**22. Who must certify the report?**

The certification in item 10 of the report must be provided by a director or officer of the issuer or underwriter filing the report, or by 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. Refer to item 10 in Annex 1 for guidance on how to date and certify the report.

In signing the certification, the director, officer or agent certifying the report is doing so on behalf of the issuer or underwriter.

Securities legislation of a jurisdiction in which the report is filed may impose liability on any person that makes a statement in the report that, in a material respect and at the time and in light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement not misleading. Securities legislation may also impose liability on any director or officer of an issuer or underwriter who authorizes, permits or acquiesces in the filing of such a report, including the individual signing the report for and on behalf of the filer. Such legislation may also provide a defence to liability based on the person or company's knowledge after exercising reasonable diligence. The potential personal liability of directors and officers of the filer is determined by applicable securities legislation and case law.

Offering Materials**23. Are offering materials required to be filed or delivered with the report?**

If the securities legislation of a jurisdiction where the distribution occurred requires offering materials for the distribution to be filed with or delivered to the securities regulatory authority or regulator at the same time as the report for the distribution, the materials should be filed or delivered with the report. There is an option on SEDAR+ to include such documents along with the report.

In Ontario, in addition to any materials that may be specified in the provisions of a specific prospectus exemption as being required to be filed with or delivered to the securities regulatory authority or regulator, filers should also consider Part 5 of Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions* and the general definition of "offering memorandum" in subsection 1(1) of the *Securities Act* (Ontario).

ANNEX 4

Contact Information of Public Officials regarding Indirect Collection of Personal Information

Alberta Securities Commission

Suite 600, 250 – 5th Street SW Calgary, Alberta T2P 0R4

Telephone: 403-297-6454

Toll free in Canada: 1-877-355-0585

Facsimile: 403-297-6156

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

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

Government of Nunavut

Office of the Superintendent of Securities

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Prince Edward Island Securities Office

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B.1.6 CSA Staff Notice 51-324 (Revised) Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities



Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières

CSA STAFF NOTICE 51-324 (REVISED)
GLOSSARY TO NI 51-101 STANDARDS OF DISCLOSURE FOR
OIL AND GAS ACTIVITIES

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June 9, 2023

Section 1.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (NI 51-101 or Rule) defines a number of terms used in NI 51-101, Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information* (Form 51-101F1), Form 51-101F2 *Report on [Reserves Data][,][Contingent Resources Data][and][Prospective Resources Data] by Independent Qualified Reserves Evaluator or Auditor* (Form 51-101F2), Form 51-101F3 *Report of Management and Directors on Oil and Gas Disclosure* (Form 51-101F3), Form 51-101F5 *Notice of Ceasing to Engage in Oil and Gas Activities* (Form 51-101F5) and Companion Policy 51-101 *Standards of Disclosure for Oil and Gas Activities* (Companion Policy). Terms italicized in this Glossary are defined herein. Section 1.2 of NI 51-101 provides that terms used in the Rule but not defined in the Rule, National Instrument 14-101 *Definitions* (NI 14-101) or the securities statute in the jurisdiction have the meaning or interpretation, if any, set out in the Canadian Oil and Gas Evaluation Handbook (*COGE Handbook*).

Part 1 of this Glossary explains much of the terminology used in NI 51-101 and its forms and the Companion Policy. It is provided only as a convenience to users of NI 51-101, to assist them in better understanding the purpose and application of NI 51-101. Part 2 of the Glossary focuses on the reserves explanations and is derived from section 5 of volume 1 of the *COGE Handbook*.

The explanations in Part 1 of this Glossary are derived from a number of sources, including section 1.1 of NI 51-101, NI 14-101 and the *COGE Handbook*. Where applicable, the source document for the explanation is indicated in square brackets after the explanation (even if the explanation is not verbatim to the source document). These explanations may change from time to time. Readers are cautioned to consult a current edition of the source document for updated explanations.

Background or further guidance may be found in the source documents:

- The *COGE Handbook* can be obtained from the Society of Petroleum Evaluation Engineers, Calgary Section (email spee@speecanada.org; website <https://speecanada.org/>).
- NI 14-101 can be viewed on the websites of a number of securities regulatory authorities.

Part 1 of this Glossary includes definitions of the various categories of *resources other than reserves* that are identified and defined in the *COGE Handbook*. At the present time, these categories are as follows:

- *total petroleum initially-in-place* (equivalent to *total resources*);
- *discovered petroleum initially-in-place* (equivalent to *discovered resources*);
- *discovered unrecoverable petroleum initially-in-place* (equivalent to *discovered unrecoverable resources*);
- *contingent resources*;
- *undiscovered petroleum initially-in-place* (equivalent to *undiscovered resources*);
- *undiscovered unrecoverable petroleum initially-in-place* (equivalent to *undiscovered unrecoverable resources*); and
- *prospective resources*.

Readers are cautioned to consult a current edition of the *COGE Handbook* for updated *resource* categories and definitions.

PART 1 DEFINITIONS

The terms (and plural, singular or other grammatical variants thereof) set out in the left column below have the meanings respectively set out in the right column.

Defined Term	Meaning
1934 Act	The Securities Exchange Act of 1934 of the United States of America, as amended from time to time. [NI 14-101]
Abandonment and reclamation costs	All costs associated with the process of restoring a <i>reporting issuer's property</i> that has been disturbed by <i>oil and gas activities</i> to a standard imposed by applicable government or regulatory authorities. [NI 51-101]
Accumulation	An individual body of <i>petroleum</i> in a <i>reservoir</i> . [COGE Handbook]
Adsorption	The adhesion of molecules to a surface. This may occur as physisorption, due to weak van der Waals forces, chemisorption, the result of covalent bonding, or to electrostatic attraction. [COGE Handbook]
Alternate reference point	A location at which quantities and values of a <i>product type</i> are measured before the <i>first point of sale</i> . [NI 51-101]
Amenable volumes	A subsurface stratigraphic interval containing a certain minimum thickness of continuous, predominantly <i>bitumen</i> -saturated sand, net of non- <i>reservoir</i> , with porosity and mass <i>bitumen</i> content (ratio of <i>bitumen</i> to water and mineral matter) meeting specific criteria (typically, a minimum of 27 and 7-8 percent, respectively). This is the volume of <i>bitumen</i> that it is estimated could be physically extracted from an <i>accumulation</i> being evaluated after the application of <i>reservoir</i> cut-offs and project technical considerations, but before consideration of regulatory aspects, and surface limitations such as access. [COGE Handbook]
Annual information form	A completed Form 51-102F2 <i>Annual Information Form</i> , or in the case of an <i>SEC</i> issuer (as defined in National Instrument 51-102 Continuous Disclosure Obligations) a completed Form 51-102F2 or an annual report or transition report under the 1934 Act on Form 10-K, Form 10-KSB or Form 20-F. [NI 51-102]
Analogous fields	Fields having similar <i>properties</i> that are at a more advanced stage of development or <i>production</i> history than the field of specific interest; may provide concepts or patterns to assist in the interpretation of more limited data. [COGE Handbook]
Analogous information	Information about an area outside the area in which the <i>reporting issuer</i> has an interest or intends to acquire an interest, which is referenced by the <i>reporting issuer</i> for the purpose of drawing a comparison or conclusion to an area in which the <i>reporting issuer</i> has an interest or intends to acquire an interest, which comparison or conclusion is reasonable, and includes: • historical information concerning <i>reserves</i>; • estimates of the volume or value of <i>reserves</i>; • historical information concerning <i>resources</i>; • estimates of the volume or value of <i>resources</i>; • historical <i>production</i> amounts; • <i>production</i> estimates; or • information concerning a <i>field</i>, well, basin or <i>reservoir</i>. [NI 51-101]

Defined Term	Meaning
Analogy	The process of transferring information on a subject <i>accumulation</i> or <i>reservoir</i> (the analogue or source) to another <i>accumulation</i> or <i>reservoir</i> (the target or subject). (See also reservoir analogue and recovery process analogue.) [COGE Handbook]
Anticipated results	Information that may, in the opinion of a reasonable person, indicate the potential value or quantities of <i>resources</i> in respect of the <i>reporting issuer's resources</i> or a portion of its <i>resources</i> and includes: • estimates of volume; • estimates of value; • areal extent; • pay thickness; • flow rates; or • <i>hydrocarbon</i> content. [NI 51-101]
Audit	In relation to <i>reserves data</i> , the process whereby an <i>independent qualified reserves auditor</i> carries out procedures designed to allow the <i>independent qualified reserves auditor</i> to provide reasonable assurance, in the form of an opinion that the <i>reporting issuer's reserves data</i> (or specific parts thereof) have, in all <i>material</i> respects, been determined and presented in accordance with the <i>COGE Handbook</i> and are, therefore, free of <i>material</i> misstatement. Because of (a) the nature of the subject matter (estimates of future results with many uncertainties); (b) the fact that the <i>independent qualified reserves auditor</i> assesses the qualifications and experience of the <i>reporting issuer's</i> staff, assesses the <i>reporting issuer's</i> systems, procedures and controls and relies on the competence of the <i>reporting issuer's</i> staff and the appropriateness of the <i>reporting issuer's</i> systems, procedures and controls; and (c) the fact that tests and samples (involving examination of underlying documentation supporting the determination of the <i>reserves</i> and <i>future net revenue</i>) as opposed to complete <i>evaluations</i>, are involved; the level of assurance is designed to be high, though not absolute. The level of assurance cannot be described with numeric precision. It will usually be less than, but reasonably close to, that of an <i>independent evaluation</i> and considerably higher than that of a <i>review</i> . [COGE Handbook]
bbl	Barrel. [COGE Handbook]
Bitumen	A naturally occurring solid or semi-solid <i>hydrocarbon</i> (a) consisting mainly of heavier <i>hydrocarbons</i>, with a viscosity greater than 10,000 millipascal-seconds (mPa·s) or 10,000 centipoise (cP) measured at the <i>hydrocarbons'</i> original temperature in the <i>reservoir</i> and at atmospheric pressure on a gas-free basis, and (b) that is not primarily recoverable at economic rates through a well without the implementation of enhanced recovery methods. [NI 51-101]
BOE	Barrel of oil equivalent. [NI 51-101 and COGE Handbook]
By-product	A substance that is recovered as a consequence of producing a <i>product type</i> . [NI 51-101]
Chance of commerciality	The product of the <i>chance of discovery</i> and the <i>chance of development</i> . [COGE Handbook]

Defined Term	Meaning
Chance of development	The estimated probability that, once discovered, a <i>known accumulation</i> will be <i>commercially</i> developed. [COGE Handbook]
Chance of discovery	The estimated probability that exploration activities will confirm the existence of a significant <i>accumulation</i> of potentially recoverable <i>petroleum</i> . [COGE Handbook]
Coal bed methane	Natural gas that (a) primarily consists of methane, and (b) is contained in a coal deposit. [NI 51-101]
COGE Handbook	The "Canadian Oil and Gas Evaluation Handbook" maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter), as amended from time to time. [NI 51-101]
Commercial	When a <i>project</i> is commercial this implies that the essential social, environmental, and economic conditions are met, including political, legal, regulatory, and contractual conditions. Considerations with regard to determining commerciality include • economic viability of the related development <i>project</i>; • a reasonable expectation that there will be a market for the expected sales quantities of <i>production</i> required to justify development; • evidence that the necessary <i>production</i> and transportation facilities are available or can be made available; • evidence that legal, contractual, environmental, governmental, and other social and economic concerns will allow for the actual implementation of the recovery <i>project</i> being <i>evaluated</i>; • a reasonable expectation that all required internal and external approvals will be forthcoming. Evidence of this may include items such as signed contracts, budget approvals, and approvals for expenditures, etc. • evidence to support a reasonable timetable for development. A reasonable time frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. Although five years is recommended as a maximum time frame for classification of a project as commercial, a longer time frame could be applied where, for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons or to meet contractual or strategic objectives. [COGE Handbook]
Conceptual (scoping) study	The initial stage of the development of a project scenario, with limited detail and typically based on limited information. [COGE Handbook]
Contingency	A condition that must be satisfied for a portion of <i>contingent resources</i> to be classified as <i>reserves</i> that is: (a) specific to the <i>project</i> being <i>evaluated</i>; and (b) expected to be resolved within a reasonable timeframe. For additional information, see section 2.5 of the <i>ROTR Guidelines</i>. Note that the Petroleum Resources Management System equates contingency with conditions, which are defined as follows: "the economic, marketing, legal, environmental, social, and governmental factors forecast to exist and impact the project during the time period being evaluated." Contingency was not defined in the <i>COGE Handbook</i> before the <i>ROTR Guidelines</i> was published, although a similar list is provided. The term "condition" is purely descriptive and does not imply that that any action is required, whereas a "contingency" is a factor that must be resolved in order to reclassify a resource. The Petroleum Resources Management System Guidelines use the term "critical contingency" and, although some contingencies may be more easily resolved than others, they are all go/no-go decision gates that must be resolved. (See also technical contingency.) [COGE Handbook]

Defined Term	Meaning
Contingent resources	Those quantities of <i>petroleum</i> estimated, as of a given date, to be potentially recoverable from <i>known accumulations</i> using <i>established technology</i> or <i>technology under development</i> , but which are not currently considered to be <i>commercially</i> recoverable due to one or more <i>contingencies</i> . (See also economic contingent resources, and sub-economic contingent resources.) [COGE Handbook]
Contingent resources data	Means (a) an estimate of the volume of <i>contingent resources</i>, and (b) the <i>risked</i> net present value of <i>future net revenue of contingent resources</i>. [NI 51-101]
Conventional natural gas	<i>Natural gas</i> that has been generated elsewhere and has migrated as a result of hydrodynamic forces and is trapped in discrete <i>accumulations</i> by seals that may be formed by localized structural, depositional or erosional geological features. [NI 51-101]
Crude oil	A mixture consisting mainly of pentanes and heavier <i>hydrocarbons</i> that exists in the liquid phase in <i>reservoirs</i> and remains liquid at atmospheric pressure and temperature. <i>Crude oil</i> may contain small amounts of sulphur and other non- <i>hydrocarbons</i> but does not include liquids obtained from the processing of <i>natural gas</i> . [COGE Handbook]
CSA	The Canadian Securities Administrators, an association consisting of the thirteen <i>securities regulatory authorities</i> in Canada.
Cut-off	A limiting value of a <i>reservoir</i> parameter that removes non-contributing intervals from <i>resource</i> calculations. The <i>petroleum</i> contained in the <i>reservoir</i> below a cut-off is classified as <i>unrecoverable</i> . [COGE Handbook]
Developed non-producing reserves	See Part 2 of this Glossary. [COGE Handbook]
Developed producing reserves	See Part 2 of this Glossary. [COGE Handbook]
Developed reserves	See Part 2 of this Glossary. [COGE Handbook]
Development costs	Costs incurred to obtain access to <i>reserves</i> and to provide facilities for extracting, treating, gathering and storing the <i>oil</i> and <i>gas</i> from the <i>reserves</i> . More specifically, <i>development costs</i> , including applicable <i>operating costs</i> of <i>support equipment and facilities</i> and other costs of development activities, are costs incurred to: (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, <i>gas</i> lines and power lines, to the extent necessary in developing the <i>reserves</i>; (b) drill and equip <i>development wells</i>, development type <i>stratigraphic test wells</i> and <i>service wells</i>, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly; (c) acquire, construct and install <i>production</i> facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and <i>production</i> storage tanks, <i>natural gas</i> cycling and processing plants, and central utility and waste disposal systems; and (d) provide improved recovery systems.
Development not viable	Where no further data acquisition or evaluation is currently planned and hence there is a low <i>chance of development</i> . [COGE Handbook]

Defined Term	Meaning
Development on hold	Where there is a reasonable <i>chance of development</i> , but there are major non-technical <i>contingencies</i> to be resolved that are usually beyond the control of the operator. [COGE Handbook]
Development pending	Where resolution of the final conditions for development is being actively pursued (high <i>chance of development</i>). [COGE Handbook]
Development study	The most detailed step in the development of a <i>project</i> evaluation scenario. It is based on detailed geological and engineering study and economic analysis of information on the specific <i>project</i> , and provides sufficient information for the creation of a development plan, from which a development decision can be made. [COGE Handbook]
Development unclarified	When the evaluation is incomplete and there is ongoing activity to resolve any risks or uncertainties. [COGE Handbook]
Development well	A well drilled inside the established limits of an <i>oil</i> or <i>gas reservoir</i> , or in close proximity to the edge of the <i>reservoir</i> , to the depth of a stratigraphic horizon known to be productive.
Discovered petroleum initially-in-place	That quantity of <i>petroleum</i> that is estimated, as of a given date, to be contained in <i>known accumulations</i> prior to <i>production</i> . The recoverable portion of <i>discovered petroleum initially-in-place</i> includes <i>production</i> , <i>reserves</i> and <i>contingent resources</i> ; the remainder is <i>unrecoverable</i> . [COGE Handbook]
Discovered resources	Refer to <i>discovered petroleum initially-in-place</i> as both terms are equivalent. [COGE Handbook]
Discovered unrecoverable petroleum initially-in-place	That portion of <i>discovered petroleum initially-in-place</i> which is estimated, as of a given date, not to be recoverable by future development <i>projects</i> . A portion of these quantities may become recoverable in the future as <i>commercial</i> circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and <i>reservoir</i> rocks. [COGE Handbook]
Discovered unrecoverable resources	Refer to <i>discovered unrecoverable petroleum initially-in-place</i> as both terms are equivalent.
Discovery	The confirmation of the existence of an <i>accumulation</i> of a significant quantity of potentially recoverable <i>petroleum</i> . For additional information, see section 2.2.2 of the <i>COGE Handbook</i> , vol. 2 Definitions. [COGE Handbook]
Economic contingent resources	Those <i>contingent resources</i> that are currently economically recoverable. [COGE Handbook]
Effective date	In respect of information, the date as at which, or for the period ended on which, the information is provided. [NI 51-101]
Established technology	Methods that have been proven to be successful in <i>commercial</i> applications. [COGE Handbook]
Evaluation	In relation to <i>reserves data</i> or <i>resources other than reserves</i> , the process whereby an economic analysis is made of a <i>property</i> to arrive at an estimate of a range of net present values of the estimated <i>future net revenue</i> resulting from the <i>production</i> of the <i>reserves</i> or <i>resources other than reserves</i> associated with the <i>property</i> . [COGE Handbook]
Experimental technology	A technology that is being field tested to determine the technical viability of applying a recovery process to <i>unrecoverable discovered petroleum initially-in-place</i> in a subject <i>reservoir</i> . It cannot be used to assign any class of recoverable <i>resources</i> (i.e., <i>reserves</i> , <i>contingent resources</i> , <i>prospective resources</i>). [COGE Handbook]
Exploitable bitumen in-place (EBIP)	This is the volume of accessible <i>bitumen</i> that is estimated could be extracted from a volume considered to be amenable to exploitation, after the application of regulatory factors and surface limitations. [COGE Handbook]

Defined Term	Meaning
Exploration costs	Costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have <i>prospects</i> that may contain <i>oil</i> and <i>gas reserves</i>, including costs of drilling <i>exploratory wells</i> and exploratory type <i>stratigraphic test wells</i>. Exploration costs may be incurred both before acquiring the related <i>property</i> (sometimes referred to in part as "prospecting costs") and after acquiring the <i>property</i>. <i>Exploration costs</i>, which include applicable <i>operating costs</i> of <i>support equipment and facilities</i> and other costs of exploration activities, are: (a) costs of topographical, geochemical, geological and geophysical studies, rights of access to <i>properties</i> to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as "geological and geophysical costs"); (b) costs of carrying and retaining <i>unproved properties</i>, such as delay rentals, taxes (other than income and capital taxes) on <i>properties</i>, legal costs for title defence, and the maintenance of land and <i>lease</i> records; (c) dry hole contributions and bottom hole contributions; (d) costs of drilling and equipping <i>exploratory wells</i>; and (e) costs of drilling exploratory type <i>stratigraphic test wells</i>.
Exploratory well	<i>A well that is not a development well, a service well or a stratigraphic test well.</i>
First point of sale	The first point after initial <i>production</i> at which there is a transfer of ownership of a <i>product type</i> . [NI 51-101]
Forecast prices and costs	Future prices and costs that are: (a) generally accepted as being a reasonable outlook of the future; (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the <i>reporting issuer</i> is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a). [NI 51-101]
Foreign geographic area	A geographic area outside North America within one country or including all or portions of a number of countries.
Form 51-101F1	Form 51-101F1 <i>Statement of Reserves Data and Other Oil and Gas Information</i> .
Form 51-101F2	Form 51-101F2 <i>Report on [Reserves Data][.][Contingent Resources Data][and][Prospective Resources Data] by Independent Qualified Reserves Evaluator or Auditor</i> .
Form 51-101F3	Form 51-101F3 <i>Report of Management and Directors on Oil and Gas Disclosure</i> .
Form 51-101F4	Form 51-101F4 <i>Notice of Filing of 51-101F1 Information</i> .
Form 51-101F5	Form 51-101F5 <i>Notice of Ceasing to Engage in Oil and Gas Activities</i>
Future income tax expenses	Expenses estimated (generally, year-by-year): (a) making appropriate allocations of estimated unclaimed costs and losses carried forward for tax purposes, between <i>oil and gas activities</i> and other business activities; (b) without deducting estimated future costs (for example, Crown royalties) that are not deductible in computing taxable income; (c) taking into account estimated tax credits and allowances (for example, royalty tax credits); and

Defined Term	Meaning
	(d) applying to the future pre-tax net cash flows relating to the <i>reporting issuer's oil and gas activities</i> the appropriate year-end statutory tax rates, taking into account future tax rates already legislated.
Future net revenue	A forecast of revenue, estimated using <i>forecast prices and costs</i> or constant prices and costs, arising from the anticipated development and production of <i>resources</i> , net of the associated royalties, <i>operating costs</i> , <i>development costs</i> , and <i>abandonment and reclamation costs</i> . [NI 51-101]
Gas	Includes <i>natural gas</i> , <i>conventional natural gas</i> , <i>coal bed methane</i> , <i>gas hydrates</i> , <i>shale gas</i> , and <i>synthetic gas</i> .
Gas hydrate	A naturally occurring crystalline substance composed of water and gas in an ice-lattice structure. [NI 51-101]
Gross	(a) In relation to a <i>reporting issuer's</i> interest in <i>production</i> or <i>reserves</i>, its "company <i>gross reserves</i>", which are the <i>reporting issuer's</i> working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the <i>reporting issuer</i>. (b) In relation to wells, the total number of wells in which a <i>reporting issuer</i> has an interest. (c) In relation to <i>properties</i>, the total area of <i>properties</i> in which a <i>reporting issuer</i> has an interest.
Heavy crude oil	<i>Crude oil</i> with a relative density greater than 10 degrees API gravity and less than or equal to 22.3 degrees API gravity. [NI 51-101]
Hydrocarbon	A compound consisting of hydrogen and carbon, which, when naturally occurring, may also contain other elements such as sulphur. [NI 51-101]
Independent	In respect of the relationship between a <i>reporting issuer</i> and a person or company, the relationship between the <i>reporting issuer</i> and that person or company in which there is no circumstance that could, in the opinion of a reasonable person aware of all relevant facts, interfere with that person's or company's exercise of judgment regarding the preparation of information which is used by the <i>reporting issuer</i> . [NI 51-101]
Instrument (or NI 51-101)	National Instrument 51-101 <i>Standards of Disclosure for Oil and Gas Activities</i> .
Jurisdiction	For the purposes of NI 51-101, a province or territory of Canada. [NI 14-101]
Kerogen	A solid organic substance, insoluble in organic solvents, that results from the degradation of algae and woody plant material. [COGE Handbook]
Kerogenous shale (oil shale)	Shale that contains the solid <i>hydrocarbon kerogen</i> , which can sometimes be burned without processing or can be converted to liquid <i>petroleum</i> by a pyrolysis process, either in situ or at surface after mining. [COGE Handbook]
Known accumulation	An <i>accumulation</i> that has been penetrated by a well that has demonstrated the existence of a significant quantity of potentially recoverable <i>petroleum</i> , preferably by flow testing that demonstrates that the <i>petroleum</i> is moveable. If there is no flow test, log and/or core data may suffice, provided a good <i>commercial</i> analogue is available to justify the assumption that the <i>petroleum</i> is moveable. Where log and/or core data demonstrate the existence of an <i>accumulation</i> but recovery potential can only be justified through extensive testing or <i>experimental technology</i> , the associated <i>petroleum initially-in-place</i> must be classified as <i>discovered unrecoverable</i> until a technically viable recovery technology can be demonstrated. [COGE Handbook]
Lead	A potential <i>accumulation</i> within a <i>play</i> that requires more data acquisition and/or evaluation in order to be classified as a <i>prospect</i> . [COGE Handbook]
Lease	An agreement granting to the lessee rights to explore, develop and exploit a <i>property</i> .
Light crude oil	<i>Crude oil</i> with a relative density greater than 31.1 degrees API gravity. [NI 51-101]

Defined Term	Meaning
Marketable	In respect of <i>reserves</i> or sales of <i>oil</i> , <i>gas</i> or associated <i>by-products</i> , the volume of <i>oil</i> , <i>gas</i> or associated <i>by-products</i> measured at the point of sale to a third party, or of transfer to another division of the issuer for treatment prior to sale to a third party. For <i>gas</i> , this may occur either before or after the removal of <i>natural gas liquids</i> . For <i>heavy crude oil</i> or <i>bitumen</i> , this is before the addition of diluent.
Material (or materiality)	For the purposes of <i>NI 51-101</i> , information is <i>material</i> , in respect of a <i>reporting issuer</i> , if it would be likely to influence a decision by a reasonable investor to buy, hold or sell a security of the <i>reporting issuer</i> . This meaning differs from the definitions of "material change" and "material fact" in <i>securities legislation</i> . [<i>NI 51-101</i>]
Mcf	Thousand cubic feet. [<i>COGE Handbook</i>]
McfGE	Thousand cubic feet of <i>gas</i> equivalent. [<i>NI 51-101</i> and <i>COGE Handbook</i>]
Medium crude oil	<i>Crude oil</i> with a relative density that is greater than 22.3 degrees API gravity and less than or equal to 31.1 degrees API gravity. [<i>NI 51-101</i>]
Natural gas	A naturally occurring mixture of <i>hydrocarbon gases</i> and other gases. [<i>NI 51-101</i>]
Natural gas liquids (or NGLs)	Those <i>hydrocarbon</i> components that can be recovered from <i>natural gas</i> as a liquid including, but not limited to, ethane, propane, butanes, pentanes plus, and condensates. [<i>NI 51-101</i>]
Net	(a) In relation to a <i>reporting issuer's</i> interest in <i>production</i> or <i>reserves</i> , the <i>reporting issuer's</i> working interest (operating or non-operating) share after deduction of royalty obligations, plus the <i>reporting issuer's</i> royalty interests in <i>production</i> or <i>reserves</i> . (b) In relation to a <i>reporting issuer's</i> interest in wells, the number of wells obtained by aggregating the <i>reporting issuer's</i> working interest in each of its gross wells. (c) In relation to a <i>reporting issuer's</i> interest in a <i>property</i> , the total area in which the <i>reporting issuer</i> has an interest multiplied by the working interest owned by the <i>reporting issuer</i> .
Net pay	That portion of the thickness of a <i>reservoir</i> from which <i>petroleum</i> can be produced or extracted. [<i>COGE Handbook</i>]
NI 14-101	National Instrument 14-101 <i>Definitions</i> .
NI 51-101 or the Instrument	National Instrument 51-101 <i>Standards of Disclosure for Oil and Gas Activities</i> .
NI 51-102	National Instrument 51-102 <i>Continuous Disclosure Obligations</i> .
Oil	Includes <i>crude oil</i> , <i>bitumen</i> , <i>tight oil</i> and <i>synthetic crude oil</i> .
Oil and gas activities	Includes the following: (a) searching for a <i>product type</i> in its natural location; (b) acquiring <i>property</i> rights or a <i>property</i> for the purpose of exploring for or removing <i>product types</i> from their natural locations; (c) any activity necessary to remove <i>product types</i> from their natural locations, including construction, drilling, mining and production, and the acquisition, construction, installation and maintenance of <i>field</i> gathering and storage systems including treating, <i>field</i> processing and <i>field</i> storage; (d) producing or manufacturing of <i>synthetic crude oil</i> or <i>synthetic gas</i> ; but does not include any of the following: (e) any activity that occurs after the <i>first point of sale</i> ;

Defined Term	Meaning
	(f) any activity relating to the extraction of a substance other than a <i>product type</i> and their <i>by-products</i>; (g) extracting <i>hydrocarbons</i> as a consequence of the extraction of geothermal steam. [NI 51-101]
Oil and gas metric	A numerical measure of a <i>reporting issuer's oil and gas activities</i> .
Operating costs	<i>Production costs</i> .
Ore	Ore is a mining term describing oil sand with a minimum thickness that can be technically removed with current mining equipment and contains a minimum <i>bitumen</i> content required for anticipated extraction technology. [COGE Handbook]
Petroleum	A naturally occurring mixture consisting predominantly of <i>hydrocarbons</i> in the gaseous, liquid, or solid phase. [COGE Handbook]
Play	A family of geologically similar fields, <i>discoveries</i> , <i>prospects</i> , and <i>leads</i> . [COGE Handbook]
Possible reserves	See Part 2 of this Glossary. [COGE Handbook]
Pre-development study	An intermediate step in the development of a <i>project</i> evaluation scenario. The amount of information that is available for the <i>reservoir</i> of interest is greater than for a <i>conceptual study</i> . In particular, the <i>petroleum initially-in-place</i> has been reasonably well defined and the remaining uncertainty lies largely in the recovery factor and the economic viability. The level of economic analysis is sufficient to assess development options and overall <i>project</i> viability, but is insufficient for a final investment decision or for seeking outside major financing. [COGE Handbook]
Preparation date	In respect of written disclosure, the most recent date to which information relating to the period ending on the <i>effective date</i> was considered in the preparation of the disclosure. [NI 51-101]
Probable reserves	See Part 2 of this Glossary. [COGE Handbook]
Product type	Any of the following: (a) <i>bitumen</i>; (b) <i>coal bed methane</i>; (c) <i>conventional natural gas</i>; (d) <i>gas hydrates</i>; (e) <i>heavy crude oil</i>; (f) <i>light crude oil</i> and <i>medium crude oil</i> combined; (g) <i>natural gas liquids</i>; (h) <i>shale gas</i>; (i) <i>synthetic crude oil</i>; (j) <i>synthetic gas</i>; or (k) <i>tight oil</i>. [NI 51-101]
Production	The cumulative quantity of <i>petroleum</i> that has been recovered at a given date. [COGE Handbook] Recovering, gathering, treating, field or plant processing (for example, processing gas to extract <i>natural gas liquids</i>) and field storage of <i>oil</i> and <i>gas</i>.

Defined Term	Meaning
	The <i>oil</i> production function is usually regarded as terminating at the outlet valve on the <i>lease</i> or field production storage tank. The <i>gas</i> production function is usually regarded as terminating at the plant gate. In some circumstances, it may be more appropriate to regard the production function as terminating at the first point at which <i>oil</i> , <i>gas</i> or their by-products are delivered to a main pipeline, a common carrier, a refinery or a marine terminal.
Production costs (or Operating costs)	Costs incurred to operate and maintain wells and related equipment and facilities, including applicable <i>operating costs of support equipment and facilities</i> and other costs of operating and maintaining those wells and related equipment and facilities. Lifting costs become part of the cost of <i>oil</i> and <i>gas</i> produced. Examples of <i>production costs</i> are: (a) costs of labour to operate the wells and related equipment and facilities; (b) costs of repairs and maintenance; (c) costs of materials, supplies and fuel consumed, and supplies utilized, in operating the wells and related equipment and facilities; (d) costs of workovers; (e) <i>property</i> taxes and insurance costs applicable to <i>properties</i> and wells and related equipment and facilities; and (f) taxes, other than income and capital taxes.
Professional organization	A self-regulatory organization of engineers, geologists, other geoscientists or other professionals whose professional practice includes <i>reserves evaluations</i> or <i>reserves audits</i>, that: (a) admits members primarily on the basis of their educational qualifications; (b) requires its members to comply with the professional standards of competence and ethics prescribed by the organization that are relevant to the estimation, <i>evaluation</i>, <i>review</i> or <i>audit</i> of <i>reserves data</i>; (c) has disciplinary powers, including the power to suspend or expel a member; and (d) is either: (i) given authority or recognition by statute in a <i>jurisdiction</i> of Canada; or (ii) accepted for this purpose by the <i>securities regulatory authority</i> or the <i>regulator</i>. [NI 51-101]
Project	A defined activity, or set of activities, that provides the basis for the assessment and classification of <i>resources</i> . [COGE Handbook]
Project Evaluation Scenario Status	The degree to which the project scenario has been developed. Three levels of development are identified - conceptual, pre-development, and development. For additional information, see section 2.4.7 Recovery Project Evaluation Scenario Status in section 2 of volume 2 of the <i>COGE Handbook</i> . (See also <i>conceptual (scoping) study</i> , <i>pre-development study</i> , and <i>development study</i> .) [COGE Handbook]
Project Maturity Sub-Classes for Contingent Resources	See also <i>development unclarified</i> , <i>development pending</i> , <i>development on hold</i> , and <i>development not viable</i> . [COGE Handbook]

Defined Term	Meaning
Property	Includes: (a) fee ownership or a <i>lease</i>, concession, agreement, permit, licence or other interest representing the right to extract <i>oil</i> or <i>gas</i> subject to such terms as may be imposed by the conveyance of that interest; (b) royalty interests, <i>production</i> payments payable in <i>oil</i> or <i>gas</i>, and other non-operating interests in <i>properties</i> operated by others; and (c) an agreement with a foreign government or authority under which a <i>reporting issuer</i> participates in the operation of <i>properties</i> or otherwise serves as "producer" of the underlying <i>reserves</i> (in contrast to being an <i>independent</i> purchaser, broker, dealer or importer). A <i>property</i> does not include supply agreements, or contracts that represent a right to purchase, rather than extract, <i>oil</i> or <i>gas</i>.
Property acquisition costs	Costs incurred to acquire a <i>property</i> (directly by purchase or <i>lease</i>, or indirectly by acquiring another corporate entity with an interest in the <i>property</i>), including: (a) costs of <i>lease</i> bonuses and options to purchase or <i>lease</i> a <i>property</i>; (b) the portion of the costs applicable to <i>hydrocarbons</i> when land including rights to <i>hydrocarbons</i> is purchased in fee; (c) brokers' fees, recording and registration fees, legal costs and other costs incurred in acquiring <i>properties</i>.
Prospect	A geographic or stratigraphic area, in which the <i>reporting issuer</i> owns or intends to own one or more <i>oil</i> and <i>gas</i> interests, which is geographically defined on the basis of geological data and which is reasonably anticipated to contain at least one <i>reservoir</i> or part of a <i>reservoir</i> of <i>oil</i> and <i>gas</i> .
Prospective resources	Those quantities of <i>petroleum</i> estimated, as of a given date, to be potentially recoverable from undiscovered <i>accumulations</i> by application of future development projects. Prospective resources have both an associated <i>chance of discovery</i> and a <i>chance of development</i>. [COGE Handbook]
Prospective resources data	Means (a) an estimate of the volume of <i>prospective resources</i>, and (b) the <i>risked</i> net present value of <i>future net revenue of prospective resources</i>; [NI 51-101]
Proved property	A <i>property</i> or part of a <i>property</i> to which <i>reserves</i> have been specifically attributed.
Proved reserves	See Part 2 of this Glossary. [COGE Handbook]
Qualified reserves auditor	An individual who: (a) in respect of particular <i>reserves data</i>, <i>resources</i> or related information, possesses professional qualifications and experience appropriate for the estimation, <i>evaluation</i>, <i>review</i> and <i>audit</i> of the <i>reserves data</i>, <i>resources</i> and related information; and (b) is a member in good standing of a <i>professional organization</i>. [NI 51-101]
Qualified reserves evaluator	An individual who: (a) in respect of particular <i>reserves data</i>, <i>resources</i> or related information, possesses professional qualifications and experience appropriate for the estimation, <i>evaluation</i> and <i>review</i> of the <i>reserves data</i>, <i>resources</i> and related information; and

Defined Term	Meaning
	(b) is a member in good standing of a <i>professional organization</i> . [NI 51-101]
Qualified reserves evaluator or auditor	A <i>qualified reserves evaluator</i> or a <i>qualified reserves auditor</i> . [NI 51-101]
Recovery process analogue	A recovery process that is an <i>established technology</i> or <i>technology under development</i> in the analogue <i>reservoir</i> that can be applied to the subject <i>reservoir</i> being evaluated. [COGE Handbook]
Recovery technology status	See <i>established technology</i> , <i>technology under development</i> , and <i>experimental technology</i> . [COGE Handbook]
Refinery	A refinery (depending on the processes in the facility) can use different <i>crude oils</i> , conventional (unprocessed) or synthetic (already <i>upgraded</i> once) including <i>heavy crude oil</i> and <i>bitumen</i> , to make final products for the market or specialized products for further processing, like petrochemicals. [COGE Handbook]
Regulator	The <i>securities regulatory authority</i> or a person who holds a specified position with the <i>securities regulatory authority</i> (in several instances, its Executive Director or Director) in each <i>jurisdiction</i> . [NI 14-101]
Reporting issuer	(a) A " <i>reporting issuer</i> " as defined in <i>securities legislation</i> ; or (b) in a <i>jurisdiction</i> in which the term is not defined in <i>securities legislation</i> , an issuer of securities that is required to file financial statements with the <i>securities regulatory authority</i> .
Reservation	In relation to a report on <i>reserves data</i> or <i>resources</i> (if applicable), a modification of the standard report of an <i>independent qualified reserves evaluator or auditor</i> on <i>reserves data</i> or <i>resources</i> set out in <i>Form 51-101F2</i> , caused by a departure from the <i>COGE Handbook</i> or by a limitation in the scope of work that the <i>independent qualified reserves evaluator or auditor</i> considers necessary. A modification may take the form of a qualified or adverse opinion or a denial of opinion.
Reserves	See Part 2 of this Glossary. [COGE Handbook]
Reserves data	Estimates of <i>proved reserves</i> and <i>probable reserves</i> and related <i>future net revenue</i> estimated using <i>forecast prices</i> and <i>costs</i> . [NI 51-101]
Reservoir	A subsurface rock unit that contains an <i>accumulation</i> of <i>petroleum</i> . [COGE Handbook]
Reservoir Analogue	A <i>reservoir</i> with similar rock properties (lithological, depositional, diagenetic, and structural), fluid properties (<i>hydrocarbon</i> type, composition, density, and viscosity), <i>reservoir</i> conditions (depth, temperature, and pressure) and drive mechanisms that can be used as a model for the subject <i>reservoir</i> being evaluated. [COGE Handbook]
Resource Type	Describes the <i>accumulation</i> and is determined by the combination of the type of <i>hydrocarbon</i> and the rock in which it occurs. For additional information, see section 2.1.3 Resource Types of section 2 of volume 2 of the <i>COGE Handbook</i> . [COGE Handbook]
Resources	<i>Petroleum</i> quantities that originally existed on or within the earth's crust in naturally occurring <i>accumulations</i> , including discovered and undiscovered (recoverable and <i>unrecoverable</i>) plus quantities already produced. <i>Total resources</i> is equivalent to <i>total petroleum initially-in-place</i> . [COGE Handbook]
Review	In relation to the role of a <i>qualified reserves evaluator or auditor</i> in respect of <i>reserves data</i> , steps carried out by the <i>qualified reserves evaluator or auditor</i> , consisting primarily of enquiry, analytical procedures, analysis, review of historical <i>reserves</i> performance and discussion with <i>reserves</i> management staff related to a <i>reporting issuer's reserves data</i> , with the limited objective of assessing whether the <i>reserves data</i> is "plausible" in the sense of appearing to be worthy of belief based on the information obtained by the <i>qualified reserves evaluator or auditor</i> as a result of carrying out such steps. Examination of documentation is not required unless the information does not appear to be plausible.

Defined Term	Meaning
	A reserves review, due to the limited nature of the investigation involved, does not provide the level of assurance provided by a <i>reserves audit</i> . Although <i>reserves reviews</i> can be done for specific applications, they are not a substitute for an <i>audit</i> . [COGE Handbook]
Risked	Adjusted for the probability of loss or failure in accordance with the <i>COGE Handbook</i> . [NI 51-101]
SEC	The Securities and Exchange Commission of the United States of America. [NI 14-101]
Securities legislation	The statute (in most cases entitled the "Securities Act") and subordinate legislation (in most cases including regulations or rules) specified, for each <i>jurisdiction</i> , in NI 14-101. References in NI 51-101 to <i>securities legislation</i> are to be read as references to <i>securities legislation</i> in the particular <i>jurisdiction</i> .
Securities regulatory authority	The securities commission or comparable body specified, for each <i>jurisdiction</i> , in NI 14-101. References in NI 51-101 to the <i>securities regulatory authority</i> are to be read as references to the <i>securities regulatory authority</i> in the particular <i>jurisdiction</i> .
SEDAR+	The System for Electronic Data Analysis and Retrieval + referred to in National Instrument 13-103 <i>System for Electronic Data Analysis and Retrieval + (SEDAR+)</i> .
Service well	A well drilled or completed for the purpose of supporting <i>production</i> in an existing <i>field</i> . Wells in this class are drilled for the following specific purposes: <i>gas injection (natural gas, propane, butane or flue gas)</i> , <i>water injection</i> , <i>steam injection</i> , <i>air injection</i> , <i>salt-water disposal</i> , <i>water supply for injection</i> , <i>observation</i> , or <i>injection for combustion</i> .
Shale gas	<i>Natural gas</i> : (a) contained in dense organic-rich rocks, including low-permeability shales, siltstones and carbonates, in which the <i>natural gas</i> is primarily adsorbed on the kerogen or clay minerals, and (b) that usually requires the use of hydraulic fracturing to achieve economic production rates. [NI 51-101]
Solution gas	Gas dissolved in <i>crude oil</i> .
Stratigraphic test well	A drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Ordinarily, such wells are drilled without the intention of being completed for <i>hydrocarbon production</i> . They include wells for the purpose of core tests and all types of expendable holes related to <i>hydrocarbon</i> exploration. <i>Stratigraphic test wells</i> are classified as (a) "exploratory type" if not drilled into a proved <i>property</i> ; or (b) "development type", if drilled into a proved <i>property</i> . Development type stratigraphic wells are also referred to as "evaluation wells".
Sub-economic contingent resources	Those <i>contingent resources</i> that are not currently economically recoverable. There should be a reasonable expectation of a change in economic conditions within the near future that will result in them becoming economically viable. [COGE Handbook]
Support equipment and facilities	Equipment and facilities used in <i>oil and gas activities</i> , including seismic equipment, drilling equipment, construction and grading equipment, vehicles, repair shops, warehouses, supply points, camps, and division, district or field offices.
Supporting filing	A document filed by a <i>reporting issuer</i> with a <i>securities regulatory authority</i> . [NI 51-101]
Synthetic crude oil	A mixture of liquid <i>hydrocarbons</i> derived by upgrading <i>bitumen</i> , <i>kerogen</i> or other substances such as coal, or derived from <i>gas</i> to liquid conversion and may contain sulphur or other compounds. [NI 51-101]

Defined Term	Meaning
Synthetic gas	A gaseous fluid (a) generated as a result of the application of an in-situ transformation process to coal or other <i>hydrocarbon</i>-bearing rock; and (b) comprised of not less than 10% by volume of methane. [NI 51-101]
Technical contingency	A technical issue that must be resolved to allow the <i>commercial</i> application of a recovery process technology to a specific <i>reservoir</i> . [COGE Handbook]
Technology under development	A recovery process that has been determined to be technically viable via field test and is being field tested further to determine its economic viability in the subject <i>reservoir</i> . <i>Contingent resources</i> may be assigned if the <i>project</i> provides information that is sufficient and of a quality to meet the requirements for this <i>resource class</i> . (Note: this replaces the definition in the COGE Handbook volume 1, Appendix A - Glossary. [COGE Handbook])
Tight Oil	<i>Crude oil</i> (a) contained in dense organic-rich rocks, including low-permeability shales, siltstones and carbonates, in which the <i>crude oil</i> is primarily contained in microscopic pore spaces that are poorly connected to one another, and (b) that typically requires the use of hydraulic fracturing to achieve economic <i>production</i> rates. [NI 51-101]
Total petroleum initially-in-place	That quantity of <i>petroleum</i> that is estimated to exist originally in naturally occurring <i>accumulations</i> . It includes that quantity of <i>petroleum</i> that is estimated, as of a given date, to be contained in <i>known accumulations</i> , prior to <i>production</i> , plus those estimated quantities in <i>accumulations</i> yet to be discovered. [COGE Handbook]
Total resources	Refer to <i>total petroleum initially-in-place</i> as both terms are equivalent. [COGE Handbook]
Total volume (m³): bitumen in-place (m³) (TV:BIP)	The ratio of the total volume of material under consideration for mining to the total contained <i>bitumen</i> within the ore component of that volume. The in-place <i>bitumen</i> content is derived exclusively from the component model blocks or zones, which have been determined to be <i>ore</i> , through an <i>ore-waste</i> discrimination process. [COGE Handbook]
Undeveloped reserves	See Part 2 of this Glossary. [COGE Handbook]
Undiscovered petroleum initially-in-place	That quantity of <i>petroleum</i> that is estimated, on a given date, to be contained in <i>accumulations</i> yet to be discovered. The recoverable portion of <i>undiscovered petroleum initially-in-place</i> is referred to as <i>prospective resources</i> ; the remainder is <i>unrecoverable</i> . [COGE Handbook]
Undiscovered resources	Refer to <i>undiscovered petroleum initially-in-place</i> as both terms are equivalent. [COGE Handbook]
Undiscovered unrecoverable petroleum initially-in-place	That portion of <i>undiscovered petroleum initially-in-place</i> which is estimated, as of a given date, not to be recoverable by future development <i>projects</i> . A portion of these quantities may become recoverable in the future as <i>commercial</i> circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and <i>reservoir</i> rocks. [COGE Handbook]
Undiscovered unrecoverable resources	Refer to <i>undiscovered unrecoverable petroleum initially-in-place</i> as both terms are equivalent.
Unproved property	A <i>property</i> or part of a <i>property</i> to which no <i>reserves</i> have been specifically attributed.
Unrecoverable	That portion of discovered or undiscovered <i>petroleum initially-in-place</i> quantities which is estimated, as of a given date, not to be recoverable by future development <i>projects</i> . A

Defined Term	Meaning
	portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and <i>reservoir</i> rocks. [COGE Handbook]
Upgrader	An upgrader is a facility that processes either <i>heavy crude oil</i> or <i>bitumen</i> into products that can either flow without diluent being added or other blends of <i>crude</i> with properties that are now desirable in a typical <i>refinery</i> . Many different blends can be made at an upgrader for the final user. One of the most common (sweet synthetic) is the premium <i>crude</i> , which is made from a blend of treated naphtha, kerosene (distillate) and gas oil. This product has been sold in the market place since the late 1960s. It is also possible to make untreated blends of upgraded <i>crude oils</i> and final products like diesel fuel. Typically, gasoline is not made at an upgrader. [COGE Handbook]
Upgrading	Upgrading is a term used to describe the process of changing the structure or improving the quality of a <i>heavy crude oil</i> or <i>bitumen</i> to allow either further use as a final product or feedstock to a <i>refinery</i>. Typically, <i>heavy oils</i> and <i>bitumen</i> contain large amounts of asphaltenes, metals, sulphur, and nitrogen components. Removal of these components or impurities will usually result in a higher price for the upgraded <i>oil</i>. Constituents like asphaltenes are long chain aromatic ring type hydrocarbons that are prone to coking (a term which results in these long chain molecules breaking and then rejoining to form even longer chain molecules), which will plug or foul equipment and catalyst. [COGE Handbook]
U.S. federal securities laws	The federal statutes of the United States of America concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time. [NI 14-101]

PART 2 DEFINITIONS OF RESERVES

This Part is derived from Section 5 of Volume 1 of the *COGE Handbook* (Second Edition, September 1, 2007). Consult a current edition of the *COGE Handbook* for updates and for additional explanation and guidance.

The following *reserves* definitions and guidelines are designed to assist evaluators in making *reserves* estimates on a reasonably consistent basis, and assist users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards.

The guidelines outline

- general criteria for classifying *reserves*,
- procedures and methods for estimating *reserves*,
- confidence levels of individual entity and aggregate *reserves* estimates,
- verification and testing of *reserves* estimates.

The determination of *oil* and *gas reserves* involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of *proved*, *probable*, and *possible reserves* have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of *reserves* requires the application of professional judgement combined with geological and engineering knowledge to assess whether or not specific *reserves* classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply *reserves* definitions. These concepts are presented and discussed in greater detail within the guidelines in Section 5.5 [of the *COGE Handbook*].

The following definitions apply to both estimates of individual *reserves* entities and the aggregate of *reserves* for multiple entities.

Reserves Categories

Reserves are estimated remaining quantities of *oil* and *natural gas* and related substances anticipated to be recoverable from *known accumulations*, as of a given date, based on

- analysis of drilling, geological, geophysical and engineering data;
- the use of established technology;
- specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates.

- (a) **Proved reserves** are those *reserves* that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated *proved reserves*.
- (b) **Probable reserves** are those additional *reserves* that are less certain to be recovered than *proved reserves*. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated *proved* plus *probable reserves*.
- (c) **Possible reserves** are those additional *reserves* that are less certain to be recovered than *probable reserves*. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated *proved* plus *probable* plus *possible reserves*.

Other criteria that must also be met for the classification of *reserves* are provided in [Section 5.5.4 of the *COGE Handbook*].

Development and *Production Status*

Each of the *reserves* categories (*proved*, *probable* and *possible*) may be divided into *developed* and *undeveloped* categories:

- (a) **Developed reserves** are those *reserves* that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the *reserves* on *production*. The *developed* category may be subdivided into producing and non-producing.

Developed producing reserves are those *reserves* that are expected to be recovered from completion intervals open at the time of the estimate. These *reserves* may be currently producing or, if shut-in, they must have previously been on *production*, and the date of resumption of *production* must be known with reasonable certainty.

Developed non-producing reserves are those *reserves* that either have not been on *production*, or have previously been on *production* but are shut-in and the date of resumption of *production* is unknown.

- (b) **Undeveloped reserves** are those *reserves* expected to be recovered from *known accumulations* where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of *production*. They must fully meet the requirements of the *reserves* category (*proved*, *probable*, *possible*) to which they are assigned.

In multi-well pools it may be appropriate to allocate total pool *reserves* between the *developed* and *undeveloped* categories or to subdivide the *developed reserves* for the pool between *developed producing* and *developed non-producing*. This allocation should be based on the estimator's assessment as to the *reserves* that will be recovered from specific wells, facilities, and completion intervals in the pool and their respective development and *production* status.

Levels of Certainty for Reported *Reserves*

The qualitative certainty levels referred to in the definitions above are applicable to "individual *reserves* entities", which refers to the lowest level at which *reserves* calculations are performed, and to "reported *reserves*", which refers to the highest level sum of individual entity estimates for which *reserves* estimates are presented. Reported *reserves* should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated *proved reserves*;
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated *proved* plus *probable reserves*; and
- at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated *proved* plus *probable* plus *possible reserves*.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various *reserves* categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of *reserves* estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with *reserves* estimates and the effect of aggregation is provided in Section 5 [of the *COGE Handbook*].

Questions

Please refer questions to any of the following:

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B.1: Notices

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B.1.7 OSC Staff Notice 51-711 (Revised) Refilings and Corrections of Errors

**OSC STAFF NOTICE 51-711 (REVISED)
REFILINGS AND CORRECTIONS OF ERRORS**

June 9, 2023

This Notice has been revised to reflect the launch of SEDAR+.

Background

This staff notice (the **Notice**) discusses our expectations when an issuer amends its continuous disclosure (**CD**) record or makes changes to its website or social media to comply with CD requirements. The Notice also discusses the public list of Refilings and Errors (the **List**).

On October 25, 2002, we introduced the List on the Commission's web site (<https://www.osc.ca/en/industry/refilings-and-errors-list>). The purpose of the List is to provide transparency to the market when, during a staff review, an issuer has amended its CD record, website or social media.

We refer to any changes made by an issuer to CD filings, website or social media in the circumstances described in the Notice as "Corrective Disclosure". It is our view that Corrective Disclosure should be communicated to the market in a transparent manner. The following are examples of Corrective Disclosure that may be made by an issuer:

- (1) restating and refiling its financial statements;
- (2) implementing accounting or disclosure changes on a retroactive basis if the changes correct an error in the originally filed information;
- (3) amending and refiling other CD documents previously filed with the Commission;
- (4) filing document(s) that were required to be filed at an earlier date;
- (5) clarifying or removing content from the issuer's website or made by the issuer on social media;
- (6) issuing a news release to clarify information included in a CD document or news release previously filed with the Commission.

Part A of the Notice provides clarification around the circumstances when staff will put an issuer on the List and our expectations regarding Corrective Disclosure identified during, or as a result of a staff review. Part B of the Notice outlines guidance on what communication issuers are expected to provide with Corrective Disclosure whether or not it is identified in the course of a staff review.

Part A – Corrective Disclosure identified during a staff review

Any deficiency for an issuer that is identified during a staff review and that leads to Corrective Disclosure will result in the issuer being placed on the List. Please note that we will add the name of an issuer to the List irrespective of whether the deficiency was identified by staff, by the issuer or the issuer's advisors during the review process. We will also add the issuer to the List regardless of whether the Commission ordered the filing or refiling or the issuer took this step voluntarily.

An issuer's name will be kept on the List for a period of three years from the date the Corrective Disclosure is made to an issuer's CD record or website, or on social media. After the three-year period, the issuer's name will be archived.

The following are frequently-asked questions and answers about errors identified during a staff review:

Q1: What constitutes the beginning and end of a staff review?

A1: The beginning and end of a staff review will vary depending on the basis for staff's review. A CD review pursuant to CSA Staff Notice 51-312 (Revised) *Harmonized Continuous Disclosure Review Program* is considered to begin when an issuer receives a comment letter from staff and ends when the issuer is notified that staff has completed its review.

A review in connection with a prospectus or application begins when an issuer delivers materials to the OSC and ends when (a) a final receipt is issued for a prospectus, (b) the issuer is granted the exemption sought for an application, or (c) the issuer is otherwise notified that staff has completed its review.

Q2: Can an issuer wait until a subsequent filing to make Corrective Disclosure?

A2: Generally, staff expect Corrective Disclosure to be made by an issuer as soon as possible after the determination that the CD record needs to be corrected. However, in limited circumstances, staff may not object if the issuer includes its Corrective Disclosure in an imminent CD filing. In either case, we expect the issuer to follow the guidelines in Part B of the Notice about the details of the Corrective Disclosure. The issuer will be placed on the List shortly after filing its Corrective Disclosure.

Q3: What if an issuer is asked to remove or clarify content on its website or social media?

A3: If the issuer provides social media disclosure which staff conclude is potentially misleading or unbalanced, or is otherwise inconsistent with information already disclosed on SEDAR+, we would ask the issuer to clarify the disclosure on SEDAR+ as soon as possible and/or to remove the social media disclosure. In these circumstances, the issuer will be placed on the List.

Q4: Should issuers provide a draft of the Corrective Disclosure and a draft of any news release to OSC staff prior to disseminating to the public?

A4: Yes, we generally recommend that an issuer share a draft of any news release as well as a draft of the Corrective Disclosure, with sufficient time for staff review, before making the documents public.

Please note that responsibility for the content of the news release and the Corrective Disclosure remains with the issuer and their advisors. Our review does not in any way diminish such responsibility.

Q5: Should the news release make reference to the Ontario Securities Commission (OSC)?

A5: Yes. For greater transparency, the news release should indicate that the Corrective Disclosure was requested by staff of the OSC in connection with a staff review.

Q6: Will an issuer be noted in default until it files or makes Corrective Disclosure?

A6: Depending on the nature of the issue(s) identified, the issuer may be noted in default of its disclosure requirements under the *Securities Act* (Ontario) (the **Act**) and regulations. Please refer to the guidance contained in OSC Policy 51-601 *Reporting Issuer Defaults*.

Part B – What other communications or documentation should accompany the Corrective Disclosure?

Once an issuer has decided to file or make Corrective Disclosure, staff would consider this to be an acknowledgement by the issuer of a significant event that should be clearly and broadly disclosed to the market in a timely manner by way of a news release and, if appropriate and required, a material change report. Consistent with this view, it would not generally be considered appropriate for an issuer to withhold the Corrective Disclosure until the next required filing or the next earnings news release, even if the issuer requires more time to investigate and quantify all aspects of the error. We further note that the issuer's responsibility is the same whether the correction is made in the context of a staff review or at any other time.

A news release should be widely and publicly disseminated. Issuers should consider both the timing of the news release and the prominence of the description of the Corrective Disclosure to ensure that market participants are not likely to miss it. Also, staff expect the news release and any Corrective Disclosure to be prominently displayed on the issuer's website.

We note that if the issuer identifies and makes Corrective Disclosure that is not in the context of a staff review, the issuer will not be placed on the List.

The following are frequently-asked questions and answers about Corrective Disclosure and news releases:

Q7: What should issuers include in the communication/news release?

A7: The news release should clearly describe the nature and implication(s) of any error or other factors leading to the Corrective Disclosure as well as how the issuer is proposing to correct the disclosure. The Corrective Disclosure should not be put at the end of a news release that includes other disclosure. We expect the news release to be clear on its face that the issuer has made Corrective Disclosure.

As noted above in the responses to Q4 and Q5, if the Corrective Disclosure is made during the time of a staff review, we recommend that an issuer provide staff with a draft of the news release before its dissemination and we expect the issuer to include reference to a review by the OSC in the news release.

Q8: Is the Corrective Disclosure a material change?

A8: When Corrective Disclosure is required, issuers are reminded to consider whether the circumstances give rise to a material change under the Act. If so, issuers must comply with the applicable reporting obligations. However, even where the Corrective

Disclosure (including the surrounding circumstances giving rise to the correction(s)) does not represent a material change, we take the view that investors should be informed as soon as possible by way of a news release (as described in the Notice).

Q9: How should an error be described in the Corrective Disclosure of a CD document and how should it be filed on SEDAR+?

A9: Any documents that are amended and refiled should be clearly titled as “revised” or “restated”, should identify and describe the nature of the revisions and should be filed under the applicable “amended” document type on SEDAR+.

Any documents that are being filed for the first time to correct a non-filing at an earlier date should clearly indicate that the filing is remedying a previous non-filing and should describe the circumstances surrounding the late filing of the document.

Questions

Questions or comments concerning the Notice should be provided to:

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B.1.8 CSA Notice Regarding Coordinated Blanket Order 24-930 Exemption from certain filing requirements of National Instrument 24-101 Institutional Trade Matching and Settlement



**Canadian Securities
Administrators**

**Autorités canadiennes
en valeurs mobilières**

**CSA NOTICE REGARDING
COORDINATED BLANKET ORDER 24-930 EXEMPTION FROM CERTAIN FILING REQUIREMENTS OF
NATIONAL INSTRUMENT 24-101 INSTITUTIONAL TRADE MATCHING AND SETTLEMENT**

June 15, 2023

Introduction

On June 15, 2023, the Canadian Securities Administrators (**CSA**) published a temporary exemption on the applicability of section 4.1 of National Instrument 24-101 *Institutional Trade Matching and Settlement* (**NI 24-101**) for registered dealers and advisers (**Registered Firms**) with respect to the exception reporting requirement of NI 24-101 (**Exception Reporting Requirement**). The CSA has implemented the relief through local blanket orders that are substantively harmonized across the country. This notice contains CSA staff's views about the exemption in the local blanket orders (collectively, the **Blanket Orders**).

The Blanket Orders are being issued in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon.

Description of the Blanket Orders

The Blanket Orders exempt Registered Firms from the requirement to deliver Form 24-101F1 to the participating jurisdictions.

Although the outcome of any coordinated Blanket Order is the same in participating CSA jurisdictions, the language of the Blanket Order issued by each province or territory may not be identical because each jurisdiction's Blanket Order must fit within the authority provided for in local securities legislation.

In Alberta, British Columbia, New Brunswick and Nova Scotia, the Blanket Orders will be implemented by varying the existing relief set out in Alberta Securities Commission Blanket Order 24-505, BC Instrument 24-501, New Brunswick Blanket Order 24-502 and Nova Scotia Securities Commission Blanket Order No. 24-503.

Background

NI 24-101 has been in effect since 2007. It provides a framework for ensuring efficient and timely settlement of the processing of institutional trades (equity and debt) by Registered Firms. NI 24-101 has a number of requirements including that Registered Firms are required to establish, maintain and enforce policies and procedures designed to achieve the matching threshold of institutional trades.

Under the Exception Reporting Requirement, Registered Firms are required to deliver Form 24-101F1 to the securities regulatory authority if less than 90% of trades (by value and volume) executed by or for the Registered Firm during the quarter matched within the time required by NI 24-101. Form 24-101F1 requires Registered Firms, among other things, to explain why they did not meet the exception reporting thresholds and the steps to address the delay.

In 2020, the CSA implemented a three-year moratorium on the applicability of the Exception Reporting Requirement through a local rule in Ontario and by Blanket Orders in all other jurisdictions (the **2020 Moratorium**). As a result of the 2020 Moratorium, Registered Firms are no longer required to deliver Form 24-101F1 beginning on July 1, 2020 and ending on July 1, 2023.

On December 15, 2022, the CSA published for comment proposed amendments to NI 24-101 (the **Proposed 24-101 Amendments**). The Proposed 24-101 Amendments are intended to align with the shortening of the standard settlement cycle for equity and long-term debt market trades in Canada from two days after the date of a trade to one day after the date of a trade. The Proposed 24-101 Amendments would, if implemented, also include the permanent elimination of the Exception Reporting Requirement for Registered Firms.

The Proposed 24-101 Amendments, if approved, are expected to come into force on a date that is aligned with Canada's industry move to a T+1 settlement cycle, currently expected to be May 27, 2024.

Day on Which the Blanket Orders Cease to be Effective

The Blanket Orders come into effect on July 2, 2023, and will cease to be effective on the earlier of the following:

- (a) the effective date of the Proposed 24-101 Amendments;
- (b) the date that is 18 months after the date of the Blanket Orders unless extended by the participating jurisdictions.

Questions

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B.1.9 CSA Notice of Amendments to National Instrument 14-101 Definitions and Consequential Amendments



**CSA NOTICE OF AMENDMENTS TO
NATIONAL INSTRUMENT 14-101 *DEFINITIONS* AND CONSEQUENTIAL AMENDMENTS**

June 15, 2023

PART 1 – Introduction

The Canadian Securities Administrators (**CSA** or **we**) are adopting amendments to:

- National Instrument 14-101 *Definitions* (**NI 14-101**);
- National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**);
- National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**);
- National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* (**NI 62-103**);
- National Instrument 94-102 *Derivatives: Customer Clearing and Protection of Customer Collateral and Positions* (**NI 94-102**)

(collectively, the **Initial Amendments**).

The CSA is also adopting amendments, and as applicable changes to:

- National Instrument 33-109 *Registration Information* (**NI 33-109**);
- Companion Policy 52-107CP *Acceptable Accounting Principles and Auditing Standards* (**52-107CP**);
- National Instrument 81-102 *Investment Funds* (**NI 81-102**)

(collectively, the **Additional Amendments**)

(the Initial Amendments and the Additional Amendments are collectively the **Amendments**)

In some jurisdictions, ministerial approvals are required for the adoption of the Amendments. Provided all necessary ministerial approvals are obtained, the Amendments will come into force on September 13, 2023 in all CSA jurisdictions. Annex J of this Notice provides information about each jurisdiction's approval process.

Annex I is being published in any local jurisdiction that is proposing related changes to local securities laws in that jurisdiction.

The text of the Amendments is published with this Notice in the following annexes:

- Annex A – Amendments to NI 14-101;
- Annex B – Amendments to NI 31-103;
- Annex C – Amendments to NI 33-109;
- Annex D – Amendments to NI 45-106;
- Annex E – Changes to 52-107 CP;
- Annex F – Amendments to NI 62-103;
- Annex G – Amendments to NI 81-102;

- Annex H – Amendments to NI 94-102;
- Annex I – Local Matters;
- Annex J – Adoption of the Amendments.

This Notice is also available on the following websites of CSA jurisdictions:

www.bcsc.bc.ca
www.albertasecurities.com
www.fcaa.gov.sk.ca
www.mbsecurities.ca
www.osc.gov.on.ca
www.lautorite.qc.ca
www.fcnb.ca
nssc.novascotia.ca

PART 2 – Substance and Purpose

The two central Amendments to NI 14-101 are:

- Canadian financial institution: The amendment to NI 14-101, and consequential amendments to other instruments, provide a uniform definition of “Canadian financial institution” that applies to all national and multilateral instruments. The consequential amendments also repeal existing definitions of the same expression contained in certain national instruments.
- Handbook: The amendment to NI 14-101 introduces a revised definition of “Handbook” to reflect the separate publications of the Chartered Professional Accountants of Canada (**CPAC**) that set out the Canadian accounting and assurance frameworks. The consequential amendments to other instruments replace the terms “CICA Handbook”, “CPA Canada Handbook”, “Canadian Institute of Chartered Accountants (the Handbook)” and “CICA Handbook – Assurance” with “Handbook” where those terms are in reference to the definition.

PART 3 – Background

The Amendments to the definition of Canadian financial institution were initiated as a result of comments we received for the CSA project on proposed National Instrument 93-101 *Derivatives: Business Conduct* (**NI 93-101**), which suggested that an update be made to the definition of “Canadian financial institution” used in proposed NI 93-101.

CSA staff studied this matter and concluded that the preferred approach would be to have a common definition in NI 14-101 of “Canadian financial institution” for all CSA instruments and to repeal definitions of that expression elsewhere in the national instruments.

The Amendments to the definition of “Handbook” were identified by CSA staff when the CPAC, formerly, the Canadian Institute of Chartered Accountants (**CICA**), separated the Handbook into two publications in 1999. However, the driving force for the change to the definition of “Handbook” occurred when the CICA became the CPAC in 2013, at which time it was determined that these amendments would be published for comment when other amendments to NI 14-101 were published. CSA staff determined that it is appropriate to publish the amendments to the definition of “Handbook” concurrently with the amendments to the definition of “Canadian financial institution.”

PART 4 – Summary of the Amendments

NI 14-101 (Annex A)

The amendments to the definition of “Canadian financial institution” are as follows:

- The revised definition of “Canadian financial institution” does not include a foreign bank listed in Schedule III to the *Bank Act* (Canada) (**Schedule III Bank**). Prior to this revision, the definition of “Canadian financial institution” in NI 14-101 included a “bank”, but “bank” is not defined. CSA staff determined that the definition of “Canadian financial institution” should be revised to specifically indicate that the only banks included are those listed in Schedule I and II to the *Bank Act* (Canada). Schedule III Banks are not included in the revised definition, as it would be counterintuitive to include a foreign bank as a “Canadian financial institution.”
- The revised definition includes, from the current definition of “Canadian financial institution” in NI 45-106 (which definition is being repealed as part of the Amendments) an association to which the *Cooperative Credit*

Associations Act (Canada) applies, but does not include a reference to subsection 473(1) of that Act because that subsection has been repealed.

- The revised definition retains a reference to a credit union and a caisse populaire and adds a reference to a central credit union, financial services cooperative, credit union league or federation that is incorporated or otherwise authorized to carry on business by or under an Act of the legislature of a jurisdiction to ensure that the definition includes all relevant references.
- The revised definition does not refer to “the Confédération des caisses populaires et d’économie Desjardins de Québec”, as this organization is now included in the revised definition because of that definition’s references to a credit union league and a caisse populaire.

The revised definition of “Handbook” reflects that the CPAC have separate publications dealing with accounting and assurance.

Consequential Amendments (Annexes B, D and H)

Each of these annexes includes the repeal of definitions of “Canadian financial institution” from the national instruments referenced in the annexes. These definitions are no longer required in those national instruments, as the definition of that expression in NI 14-101 will apply to these national instruments.

Consequential Amendment (Annex F)

CSA staff determined that, in order to maintain the status quo for the application of the early warning requirements, an amendment was required to NI 62-103 to specifically include Schedule III Banks in the definition of “financial institution” given the exclusion of Schedule III Banks from the amended definition of “Canadian financial institution” in NI 14-101.

Consequential (Annexes B and D)

The following are consequential amendments to NI 31-103 and NI 45-106:

- References to “financial intermediary” in NI 31-103 and NI 45-106 are being removed since that expression is narrower than “Canadian financial institution” and thus not necessary.
- The definition of “bank” in NI 45-106 is being removed since it is not necessary in light of the exclusion of Schedule III Banks from the amended definition of “Canadian financial institution” in NI 14-101.

Consequential Amendments (Annexes B, C, E and G)

Subsequent to the Initial Amendments being published for comment, CSA staff determined that the following Additional Amendments, all of which are technical in nature, are required to be made to NI 31-103, 33-109F6, 52-107CP and NI 81-102:

- Reference to “CICA Handbook” in NI 31-103 is being replaced with “Handbook”.
- Reference to “CPA Canada Handbook” in NI 33-109 is being replaced with “Handbook”.
- Reference to “Handbook of the Canadian Institute of Chartered Accountants (the Handbook)” in 52-107CP is being replaced with “Handbook”.
- Reference to “CICA Handbook – Assurance” in NI 81-102 is being replaced with “Handbook”.

The terms mentioned above are in reference to the definition of “Handbook” and therefore the new definition of “Handbook” in NI 14-101 will apply in place of these terms.

PART 5- Comments and Changes

We published the proposed Initial Amendments for comment on April 22, 2021 for a 90-day comment period. We received no comment letters on the proposed Initial Amendments.

We have made a few changes to the proposed Amendments, of which, the notable changes are summarized below:

- We have added subsection 1.1(1) (d) to NI 62-103 to ensure that the reference to a Schedule III bank in this national instrument reflects the reference to a Schedule III bank in other national instruments.
- We have made consequential amendments to NI 31-103, Form 33-109F6, 52-107CP and NI 81-102, so that the terms “CICA Handbook”, “CPA Canada Handbook”, “Handbook of the Canadian Institute of Chartered

Accountants (the Handbook)” and “CICA Handbook – Assurance” in these instruments match the revised definition of “Handbook” in NI 14-101.

- We have amended subsection 1.1(3) of NI 14-101, and in particular, the meaning of a “trust, loan or insurance corporation” in subsection (e) of “Canadian financial institution” by deleting the word “incorporated” and reverting to the current “authorized to carry on business” wording in NI 14-101.

In addition to the changes summarized above, the Amendments also include technical drafting changes. Since the above-noted changes are not material, most jurisdictions are not publishing the changes for a further comment period.

In addition to changes to the proposed Amendments, consequential amendments will also be made to Québec’s *Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting* and Manitoba’s *Rule 91-507 Trade Repositories and Derivatives Data Reporting* (together **Local Instrument 91-507**). CSA staff determined that, in order to maintain the status quo for the data reporting requirements, an amendment (**Local Amendment**) was required to section 25 of Rule 91-507 to specifically include a reference to Schedule III Banks given the exclusion of Schedule III Banks from the amended definition of “Canadian financial institution” in NI 14-101. A 30-day consultation period regarding the Local Amendments will be conducted in Québec and Manitoba, commencing on the same date as the final publication of the Amendments. The Local Amendments will come into force on the same day as the Amendments, namely September 13, 2023.

PART 6– Local Matters

Annex I is being published in any local jurisdiction that is making related changes to local securities law, including local notices or other policy instruments in that jurisdiction. It also includes any additional information that is relevant to that jurisdiction only.

PART 7– Questions

If you have any questions, please contact any of the CSA staff listed below.

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ANNEX A

Amendments to
National Instrument 14-101 *Definitions*

1. *National Instrument 14-101 Definitions is amended by this Instrument.*

2. *Subsection 1.1(3) is amended by*

(a) *replacing the definition of “Canadian financial institution” with the following:*

“Canadian financial institution” means

- (a) a bank listed in Schedule I or II to the *Bank Act* (Canada),
- (b) a body corporate, as defined in the *Trust and Loan Companies Act* (Canada) and to which that Act applies,
- (c) an association, as defined in the *Cooperative Credit Associations Act* (Canada) and to which that Act applies,
- (d) an insurance company or a fraternal benefit society incorporated or formed under the *Insurance Companies Act* (Canada),
- (e) a trust, loan or insurance corporation authorized to carry on business by or under an Act of the legislature of a jurisdiction of Canada,
- (f) a credit union, central credit union, caisse populaire, financial services cooperative or credit union league or federation that is incorporated or otherwise authorized to carry on business by or under an Act of the legislature of a jurisdiction of Canada, or
- (g) a treasury branch established by or under an Act of the legislature of a jurisdiction of Canada, **and**

(b) *replacing the definition of “Handbook” with the following:*

“Handbook” means

- (a) the Chartered Professional Accountants of Canada Handbook - Accounting, as amended from time to time, and
- (b) the Chartered Professional Accountants of Canada Handbook - Assurance, as amended from time to time;.

3. This Instrument comes into force on September 13, 2023.

ANNEX B

Amendments to
National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*

1. *National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations is amended by this Instrument.*
2. *Section 1.1 is amended by repealing the definition of “Canadian financial institution”.*
3. *Subparagraph 8.19(2)(a)(iii) is repealed.*
4. *Form 31-103F1 is amended by replacing, in the notes pertaining to line 5, “CICA Handbook” with “Handbook”.*
5. This Instrument comes into force on September 13, 2023.

ANNEX C

Amendments to
National Instrument 33-109 *Registration Information*

1. *National Instrument 33-109 Registration Information is amended by this Instrument.*
2. *Schedule C to Form 33-109F6 is amended by replacing, in the notes pertaining to line 5, “CPA Canada Handbook” with “Handbook”.*
3. This Instrument comes into force on September 13, 2023.

ANNEX D

Amendments to
National Instrument 45-106 *Prospectus Exemptions*

1. *National Instrument 45-106 Prospectus Exemptions is amended by this Instrument.*
2. *Section 1.1 is amended by repealing the definitions of “bank” and “Canadian financial institution”.*
3. *Paragraph 2.43(a) is amended by*
 - (a) *adding “or” at the end of subparagraph (i),*
 - (b) *replacing “or,” at the end of subparagraph (ii) with “and”, and*
 - (c) *repealing subparagraph (iii).*
4. This Instrument comes into force on September 13, 2023.

ANNEX E

Changes to
Companion Policy 52-107CP *Acceptable Accounting Principles and Auditing Standards*

1. *Companion Policy 52-107CP Acceptable Accounting Principles and Auditing Standards is changed by this Document.*
2. **Section 1.1 is changed by replacing** “Handbook of the Canadian Institute of Chartered Accountants (the Handbook)” **with** “Handbook”.
3. These changes become effective on September 13, 2023.

ANNEX F

Amendment to
National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*

1. *National Instrument 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* is amended by this Instrument.
2. *Subsection 1.1(1) is amended in the definition of “financial institution” by*
 - (a) *deleting “or” at the end of paragraph (b),*
 - (b) *replacing “Northern Ireland;” with “Northern Ireland, or”, in paragraph (c), and*
 - (c) *adding the following paragraph:*
 - (d) an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
3. This Instrument comes into force on September 13, 2023.

ANNEX G

Amendments to
National Instrument 81-102 *Investment Funds*

1. *National Instrument 81-102 Investment Funds is amended by this Instrument.*
2. *Appendices B-1, B-2 and B-3 are amended by replacing, wherever it appears, “CICA Handbook – Assurance” with “Handbook”.*
3. This Instrument comes into force on September 13, 2023.

ANNEX H

Amendment to
National Instrument 94-102 *Derivatives: Customer Clearing and Protection of Customer Collateral and Positions*

1. ***National Instrument 94-102 Derivatives: Customer Clearing and Protection of Customer Collateral and Positions is amended by this Instrument.***
2. ***Section 1(1) is amended by repealing the definition of “Canadian financial institution”.***
3. This Instrument comes into force on September 13, 2023.

ANNEX I

Ontario Local Matters

The main body of this Notice provides an overview of the substance and purpose, as well as a summary, of the Amendments. When the proposed Amendments were published for comment, the OSC also sought public comments on related proposed local amendments to Ontario Securities Commission Rule 14-501 *Definitions* and Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions* (**OSC Rule 45-501**). No comments were received, and no changes have been made to the proposed local amendments.

The amendments now being made in Schedule 1 of this Annex repeal related local definitions that are not used in the regulations. The amendments in Schedule 2 of this Annex repeal the definition of "Canadian financial institution" in OSC Rule 45-501 as it is no longer necessary in light of the revised definition of "Canadian financial institution" in NI 14-101.

Schedule 1

Amendments to Ontario Securities Commission Rule 14-501 *Definitions*

1. ***Ontario Securities Commission Rule 14-501 Definitions is amended by this Instrument.***
2. ***Subsection 1.1(2) is amended by repealing the definitions of “financial intermediary” and “Ontario financial institution”.***
3. This Instrument comes into force on September 13, 2023.

Schedule 2

Amendments to Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions*

1. ***Ontario Securities Commission Rule 45-501 Ontario Prospectus and Registration Exemptions is amended by this Instrument.***
2. ***Section 1.1 is amended by repealing the definition of “Canadian financial institution”.***
3. This Instrument comes into force on September 13, 2023.

ANNEX J

ADOPTION OF THE INSTRUMENTS

The Amendments are being implemented as:

- a rule in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Yukon
- a regulation in Québec
- a commission regulation in Saskatchewan

In Ontario, the Amendments, as well as other required materials, were delivered to the Minister of Finance on or about June 15, 2023. The Minister may approve or reject the Amendments or return them for further consideration. If the Minister approves the Amendments or does not take any further action, the Amendments will come into force on September 13, 2023.

In Québec, the Amendments are adopted as regulations made under section 331.1 of the *Securities Act* (Québec) and must be approved, with or without amendment, by the Minister of Finance. The regulations will come into force on the date of their publication in the *Gazette officielle du Québec* or on any later date specified in the regulations. They are also published in the Bulletin of the Autorité des marchés financiers.

In British Columbia and Nova Scotia, the adoption of the Amendments is subject to ministerial approval. If all necessary approvals are obtained, the Amendments will come into force on September 13, 2023.

In Saskatchewan, the implementation of the Amendments is subject to ministerial approval. If all necessary approvals are obtained, the Amendments will come into force on September 13, 2023 or, if all necessary approvals are obtained after September 13, 2023, on the day on which they are filed with the Registrar of Regulations.

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B.2 Orders

B.2.1 Ontario Securities Commission – Coordinated Blanket Order 24-930

Ontario Securities Commission COORDINATED BLANKET ORDER 24-930

Citation: Temporary Exemption from certain filing requirements of National Instrument 24-101 *Institutional Trade Matching and Settlement*

June 15, 2023

Definitions

1. Terms defined in the *Securities Act (Ontario)* (**OSA**) and National Instrument 24-101 *Institutional Trade Matching and Settlement* (**NI 24-101**) have the same meanings in this blanket order.

Background

2. On July 1, 2020, the Ontario Securities Commission (the **Commission**) amended NI 24-101 (the **2020 Amendment**) to provide a three-year moratorium on the applicability of section 4.1 of NI 24-101 (**Exception Reporting Requirement**).¹ Pursuant to the 2020 Amendment, registered dealers and advisers (**Registered Firms**) were not required to deliver Form 24-101F1 to the Commission from July 1, 2020 to July 1, 2023 (the **2020 Moratorium**).
3. The securities regulatory authorities of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Nunavut, the Northwest Territories, and Yukon, effected the 2020 Moratorium by way of blanket orders which were harmonized with the 2020 Amendment.
4. On December 15, 2022, the Canadian Securities Administrators (the **CSA**) published for comment proposed amendments to NI 24-101 (the **Proposed 24-101 Amendments**) in its Notice entitled: "Proposed Amendments to National Instrument 24-101 Institutional Trade Matching and Settlement and Proposed Changes to Companion Policy 24-101 Institutional Trade Matching and Settlement."² The Proposed 24-101 Amendments would, if implemented, among other things, include the permanent elimination of the Exception Reporting Requirement and are expected to come into force on a date that is aligned with Canada's industry to move to a T+1 settlement cycle, currently expected to be May 27, 2024.
5. The Commission seeks to provide Registered Firms with the exemption listed below to address the time between the end of the 2020 Moratorium and the effective date of the Proposed 24-101 Amendments.

Order

6. The Commission, considering that it would not be prejudicial to the public interest to do so, orders under subsection 143.11(2) of the OSA that a Registered Firm is exempt from the Exception Reporting Requirement.

Effective Date and Term

7. This blanket order comes into effect on July 2, 2023, and will cease to be effective on the earlier of the following:
 - (a) the effective date of the Proposed 24-101 Amendments;
 - (b) the date that is 18 months after the date of this blanket order unless extended by the Commission.

For the Commission:

"D. Grant Vingoe"
Chief Executive Officer
Ontario Securities Commission

¹ <https://www.osc.ca/en/securities-law/instruments-rules-policies/2/24-101/ontario-securities-commission-amendments-national-instrument-24-101-institutional-trade-matching>

² <https://www.osc.ca/en/securities-law/instruments-rules-policies/2/24-101/csa-notice-and-request-comment-proposed-amendments-national-instrument-24-101-institutional-trade>

B.2.2 Manitou Gold Inc. – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16 as am., s. 1(6).

**IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT
R.S.O. 1990, c. B.16, AS AMENDED
(the OBCA)**

AND

**IN THE MATTER OF
MANITOU GOLD INC.
(the Applicant)**

**ORDER
(Subsection 1(6) of the OBCA)**

UPON the application of the Applicant to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is an “offering corporation” as defined in subsection 1(1) of the OBCA.
2. The Applicant has no intention to seek public financing by way of an offering of securities.
3. On May 30, 2023, the Applicant was granted an order (the **Reporting Issuer Order**) pursuant to subclause 1(10)(a)(ii) of the *Securities Act* (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or equivalent in any other jurisdiction of Canada in accordance with the simplified procedure set out in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*.
4. The representations set out in the Reporting Issuer Order continue to be true.

AND UPON the Commission being satisfied that to grant this order would not be prejudicial to the public interest;

IT IS ORDERED by the Commission pursuant to subsection 1(6) of the OBCA, that the Applicant is deemed to have ceased to be offering its securities to the public.

DATED at Toronto on this 8th day of June, 2023.

“Lina Creta”
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2023/0240

B.2.3 Paycore Minerals Inc. – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16 as am., s. 1(6).

**IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, c. B.16, AS AMENDED
(the OBCA)**

AND

**IN THE MATTER OF
PAYCORE MINERALS INC.
(the Applicant)**

**ORDER
(Subsection 1(6) of the OBCA)**

UPON the application of the Applicant to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an "offering corporation" as defined in subsection 1(1) of the OBCA;
2. The Applicant's head office is located at 1100 Russell Street, Thunder Bay, Ontario, P7B 5N2 and its registered office is located at 77 King Street West, Suite 400, Toronto, Ontario, M5K 0A1;
3. The Applicant has no intention to seek public financing by way of an offering of securities;
4. On May 30, 2023, the Applicant was granted an order (the **Reporting Issuer Order**) pursuant to subclause 1(10)(a)(ii) of the *Securities Act* (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or equivalent in any other jurisdiction in Canada in accordance with the simplified procedure set out in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*; and
5. The representations set out in the Reporting Issuer Order continue to be true.

AND UPON the Commission being satisfied that to grant this order would not be prejudicial to the public interest;

IT IS HEREBY ORDERED pursuant to subsection 1(6) of the OBCA that the Applicant be deemed to have ceased to be offering its securities to the public.

DATED at Toronto on this 8th day of June, 2023.

"Michael Balter"
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2023/0220

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B.3

Reasons and Decisions

B.3.1 Dye & Durham Limited

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption from the extension take up requirements in subsection 2.32(4) of National Instrument 62-104 Take-Over Bids and Issuer Bids – an issuer conducting an issuer bid requires relief from the requirement not to extend its issuer bid if all terms and conditions are met unless the issuer first takes up all securities validly deposited and not withdrawn under the issuer bid – requested relief granted, subject to conditions.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, ss. 2.32(4) and 6.1.

June 7, 2023

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
DYE & DURHAM LIMITED
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that, in connection with the proposed purchase by the Filer of a portion of its issued and outstanding common shares (the **Common Shares**) pursuant to an issuer bid commenced on May 12, 2023 (the **Offer**), the Filer be exempt from the requirement set out in subsection 2.32(4) of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (**NI 62-104**) that the Offer not be extended if all the terms and conditions of the Offer have been complied with or waived unless the Filer first takes up all of the Common Shares deposited under the Offer and not withdrawn (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, the Northwest Territories, Nunavut and Yukon.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation validly existing under the *Business Corporations Act* (Ontario) and is in good standing.
2. The registered office and the principal executive office of the Filer is located in Toronto, Ontario.
3. The Filer is a reporting issuer in the Province of Ontario and is not in default of any requirement of the securities legislation in any jurisdiction in which it is a reporting issuer.
4. The authorized share capital of the Filer consists of an unlimited number of Common Shares. As at May 11, 2023, 55,626,060 Common Shares were issued and outstanding.
5. On May 10, 2023, the date of the announcement of the Offer, the closing price of the Common Shares on the TSX was \$16.54 per Common Share. Based on such closing price, the Common Shares had an aggregate market value of approximately \$920,055,032 on such date.
6. The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the **TSX**) under the symbol "DND".
7. The board of directors of the Filer (the **Board**) believes that the purchase of Common Shares pursuant to the Offer constitutes an efficient means of providing value to the holders of Common Shares (each a **Shareholder**, collectively the **Shareholders**) and is in the best interests of the Filer and its Shareholders. The Board believes that the Offer is a prudent use of the Filer's financial resources given its business profile and assets, the current market price of the Common Shares, the excess capital position of the Filer and its cash requirements and borrowing costs. The Offer allows the Filer an opportunity to return up to \$15,000,000 of capital to Shareholders who elect to tender their Common Shares to the Offer while at the same time increasing the equity ownership of Shareholders who elect not to tender.
8. The Filer commenced the Offer on May 12, 2023. The issuer bid circular dated May 12, 2023 prepared and filed by the Filer in connection with the Offer (the **Circular**) specifies that the Filer proposes to purchase, by way of a modified "Dutch auction" procedure in the manner described therein and below, up to \$15,000,000 of the issued and outstanding Common Shares (the **Maximum Purchase Amount**) at a purchase price of not less than \$17.00 and not more than \$20.00 per Common Share (the **Price Range**).
9. The Offer is made only for Common Shares and not for any convertible securities. Pursuant to subsection 2.8(b) of NI 62-104, the Filer also made the Offer to each holder of convertible securities that, before the expiry of the deposit period of the Offer, are convertible into Common Shares. Such convertible securities may, at the option of the holder, be converted for Common Shares in accordance with the terms of such convertible securities prior to the expiry of the deposit period of the Offer. Common Shares issued upon the conversion of the convertible securities may be tendered to the Offer in accordance with the terms of the Offer.
10. The Filer will fund any purchase of Common Shares pursuant to the Offer, together with all related fees and expenses of the Offer, from funds drawn from its \$75,000,000 revolving credit facility pursuant to a credit agreement between Ares Capital Corporation, as administrative and collateral agent, Ares Capital Management LLC, as lead arranger, and certain other parties dated December 2, 2021, or from available cash on hand. The Offer is not conditional upon the receipt of any financing.
11. Each Shareholder wishing to tender to the Offer may do so pursuant to:
 - (a) auction tenders in which the tendering Shareholders specify the number of Common Shares being tendered at a specified price per Common Share (the **Auction Price**) within the Price Range in increments of \$0.10 per Common Share (the **Auction Tenders**); or
 - (b) purchase price tenders in which the tendering Shareholders do not specify a price per Common Share, but rather agree to have a specified number of Common Shares purchased at the Purchase Price (as defined below) to be determined by the Filer (the **Purchase Price Tenders**).
12. Shareholders may make both Auction Tenders and Purchase Price Tenders, but not in respect of the same Common Shares. Shareholders may also make multiple Auction Tenders at different Auction Prices, but not in respect of the same Common Shares (i.e. Shareholders may tender different Common Shares at different prices, but cannot tender the same Common Shares at different prices). Shareholders who tender Common Shares without making a valid Auction Tender or Purchase Price Tender will be deemed to have made a Purchase Price Tender.

13. If a Shareholder wishes to deposit Common Shares in separate lots at a different price for each lot, that Shareholder must complete a separate letter of transmittal (and, if applicable, a notice of guaranteed delivery) for each price at which the Shareholder is depositing Common Shares. A Shareholder may not deposit the same Common Shares pursuant to both an Auction Tender and a Purchase Price Tender, or pursuant to an Auction Tender at more than one price.
14. Any Shareholder who beneficially owns fewer than 100 Common Shares (an **Odd Lot Holder**) and tenders all such Common Shares pursuant to an Auction Tender at a price at or below the Purchase Price, or pursuant to a Purchase Price Tender, will be considered to have made an "Odd Lot Tender".
15. The Filer will determine a single purchase price payable per Common Share (the **Purchase Price**) promptly after the expiry of the Offer by taking into account the number of Common Shares deposited pursuant to Auction Tenders and Purchase Price Tenders and the Auction Prices specified by Shareholders depositing Common Shares pursuant to Auction Tenders. The Purchase Price will be the lowest price per Common Share that enables the Filer to purchase the maximum number of Common Shares validly deposited and not properly withdrawn pursuant to the Offer having an aggregate purchase price not exceeding the Maximum Purchase Amount. For the purposes of determining the Purchase Price, Common Shares deposited pursuant to a Purchase Price Tender will be deemed to have been deposited at a price of \$17.00 per Common Share (which is the minimum price per Common Share under the Offer).
16. If the aggregate Purchase Price for the Common Shares validly deposited and not withdrawn pursuant to Auction Tenders at Auction Prices at or below the Purchase Price and Purchase Price Tenders would result in an aggregate Purchase Price in excess of the Maximum Purchase Amount, then such deposited Common Shares will be purchased as follows:
 - (a) first, the Filer will purchase all Common Shares tendered at or below the Purchase Price by Odd Lot Holders at the Purchase Price; and
 - (b) second, the Filer will purchase Common Shares at the Purchase Price on a *pro rata* basis according to the number of Common Shares deposited or deemed to be deposited at a price equal to or less than the Purchase Price by the depositing Shareholders, for an aggregate purchase price of the Maximum Purchase Amount less the aggregate purchase price of the Common Shares purchased from Odd Lot Holders. All Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Common Shares (with fractions rounded down to the nearest whole Common Share).
17. Until expiry of the Offer, all information about the number of Common Shares tendered and the prices at which such Common Shares are tendered will be required to be kept confidential by the depositary and the Filer until the Purchase Price has been determined.
18. All Common Shares purchased by the Filer pursuant to the Offer (including Auction Tenders tendered at a price below the Purchase Price) will be purchased at the Purchase Price, payable in cash. All payments to Shareholders will be subject to deduction of applicable withholding taxes.
19. Common Shares validly deposited by a Shareholder pursuant to an Auction Tender will not be purchased by the Filer pursuant to the Offer if the Auction Price per Common Share specified by the Shareholder is greater than the Purchase Price.
20. Certificates for all Common Shares not purchased under the Offer (including Common Shares deposited pursuant to an Auction Tender at prices greater than the Purchase Price, Common Shares not purchased because of proration, improper tenders, or Common Shares not taken up due to the termination of the Offer), or properly withdrawn before the Expiration Time (as defined below), will be returned (in the case of certificates representing Common Shares all of which are not purchased) or replaced with new certificates representing the balance of Common Shares not purchased (in the case of certificates representing Common Shares of which less than all are purchased), promptly after the Expiration Time or termination of the Offer or the date of withdrawal of the Common Shares, without expense to the Shareholder. In the case of Common Shares tendered through book-entry transfer into the account of Computershare Trust Company of Canada at Depository Trust Company (**DTC**) or CDS Clearing and Depository Services Inc. (**CDS**), the Common Shares will be credited to the appropriate account maintained by the tendering Shareholder at DTC or CDS, as applicable, without expense to the Shareholder.
21. Shareholders who do not accept the Offer will continue to hold the same number of Common Shares held before the Offer and their proportionate ownership of Common Shares will increase following completion of the Offer, subject to the number of Common Shares purchased under the Offer.
22. As at May 11, 2023, there were 55,626,060 Common Shares issued and outstanding. If the Purchase Price is determined to be \$17.00 (being the minimum Purchase Price under the Offer), the maximum number of Common Shares that the Filer is offering to purchase pursuant to the Offer represents approximately 1.59% of the outstanding Common Shares as at May 11, 2023. If the Purchase Price is determined to be \$20.00 (being the maximum Purchase Price under the

Offer), the maximum number of Common Shares that the Filer is offering to purchase pursuant to the Offer represents approximately 1.35% of the outstanding Common Shares as at May 11, 2023.

23. Mawer Investment Management Ltd. (**Mawer**) exercises control or direction over 8,923,656 Common Shares (approximately 16.04% of the total number of Common Shares outstanding as at May 11, 2023). As at May 11, 2023, to the knowledge of the Filer, and to the knowledge of its directors and officers, after reasonable inquiry, Mawer will not be tendering any of its Common Shares to the Offer. If the Purchase Price is determined to be \$17.00 (being the minimum Purchase Price under the Offer) and the maximum number of Common Shares are repurchased, Mawer will exercise control or direction over 8,923,656 Common Shares, representing approximately 16.30% of the then outstanding Common Shares immediately following the Offer. If the Purchase Price is determined to be \$20.00 (being the maximum Purchase Price under the Offer) and the maximum number of Common Shares are repurchased, Mawer will exercise control or direction over 8,923,656 Common Shares, representing approximately 16.26% of the then outstanding Common Shares immediately following the Offer.
24. Plantro Ltd. (**Plantro**) exercises control or direction over 8,274,310 Common Shares (approximately 14.87% of the total number of Common Shares outstanding as at May 11, 2023). As at May 11, 2023, to the knowledge of the Filer, and to the knowledge of its directors and officers, after reasonable inquiry, Plantro will not be tendering any of its Common Shares to the Offer. If the Purchase Price is determined to be \$17.00 (being the minimum Purchase Price under the Offer) and the maximum number of Common Shares are repurchased, Plantro will exercise control or direction over 8,274,310 Common Shares, representing approximately 15.11% of the then outstanding Common Shares immediately following the Offer. If the Purchase Price is determined to be \$20.00 (being the maximum Purchase Price under the Offer) and the maximum number of Common Shares are repurchased, Plantro will exercise control or direction over 8,274,310 Common Shares, representing approximately 15.08% of the then outstanding Common Shares immediately following the Offer.
25. Invesco Canada Ltd. (**Invesco**) exercises control or direction over 6,636,792 Common Shares (approximately 11.93% of the total number of Common Shares outstanding as at May 11, 2023). As at May 11, 2023, to the knowledge of the Filer, and to the knowledge of its directors and officers, after reasonable inquiry, Invesco will not be tendering any of its Common Shares to the Offer. If the Purchase Price is determined to be \$17.00 (being the minimum Purchase Price under the Offer) and the maximum number of Common Shares are repurchased, Invesco will exercise control or direction over 6,636,792 Common Shares, representing approximately 12.12% of the then outstanding Common Shares immediately following the Offer. If the Purchase Price is determined to be \$20.00 (being the maximum Purchase Price under the Offer) and the maximum number of Common Shares are repurchased, Invesco will exercise control or direction over 6,636,792 Common Shares, representing approximately 12.09% of the then outstanding Common Shares immediately following the Offer.
26. Capital International Investors (**CII**) exercises control or direction over 5,507,038 Common Shares (approximately 9.90% of the total number of Common Shares outstanding as at May 11, 2023). As at May 11, 2023, to the knowledge of the Filer, and to the knowledge of its directors and officers, after reasonable inquiry, CII will not be tendering any of its Common Shares to the Offer. If the Purchase Price is determined to be \$17.00 (being the minimum Purchase Price under the Offer) and the maximum number of Common Shares are repurchased, CII will exercise control or direction over 5,507,038 Common Shares, representing approximately 10.06% of the then outstanding Common Shares immediately following the Offer. If the Purchase Price is determined to be \$20.00 (being the maximum Purchase Price under the Offer) and the maximum number of Common Shares are repurchased, CII will exercise control or direction over 5,507,038 Common Shares, representing approximately 10.04% of the then outstanding Common Shares immediately following the Offer.
27. To the knowledge of the Filer, after reasonable inquiry, no person or company other than Mawer, Plantro and Invesco beneficially owns, or exercises control or direction over, more than 10% of the voting rights attached to all of the Filer's outstanding Common Shares.
28. As at May 11, 2023, to the knowledge of the Filer and its directors and officers after reasonable inquiry, no director or officer of the Filer, no insider of the Filer, no associate or affiliate of the Filer or of an insider of the Filer, and no person or company acting jointly or in concert with the Filer, has indicated any present intention to deposit any of such person's or company's Common Shares pursuant to the Offer.
29. The Offer is scheduled to expire at 5:00 p.m. (Eastern time) on June 16, 2023 (the **Expiration Time**).
30. If all the terms and conditions of the Offer have been complied with or waived by the Filer by the Expiration Time but the aggregate Purchase Price of the Common Shares validly tendered and not withdrawn pursuant to Auction Tenders and Purchase Price Tenders is less than the Maximum Purchase Amount, the Filer may wish to extend the Offer. The Filer will not extend the Offer if all the terms and conditions of the Offer have been complied with or waived by the Filer by the Expiration Time and the aggregate Purchase Price of the Common Shares validly tendered and not withdrawn pursuant to Auction Tenders and Purchase Price Tenders is equal to or greater than the Maximum Purchase Amount.

31. Pursuant to subsection 2.32(4) of NI 62-104, an issuer may not extend an issuer bid if all the terms and conditions of the issuer bid have been complied with or waived unless the issuer first takes up all securities deposited under the issuer bid and not withdrawn.
32. As the determination of the Purchase Price requires that all Auction Prices and the number of Common Shares deposited pursuant to both Auction Tenders and Purchase Price Tenders be known and taken into account, the Filer will be unable to take up the Common Shares deposited and not withdrawn under the Offer as of the Expiration Time prior to extending the Offer because the Purchase Price will not and cannot be known as additional Auction Tenders and Purchase Price Tenders may be made during the extension period that will impact the calculation of the Purchase Price. Accordingly, the Exemption Sought is required in connection with an extension of the Offer to enable the Filer to make a final determination regarding the Purchase Price, taking into account all Common Shares tendered prior to the Expiration Time and those tendered during any extension period.
33. Common Shares deposited pursuant to the Offer, including those deposited prior to the Expiration Time, may be withdrawn by the Shareholder at any time prior to the expiration of any extension period in respect of the Offer.
34. The Filer is relying on the “liquid market exemption” set out in subsection 3.4(b) of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions (MI 61-101)* from the formal valuation requirements applicable to issuer bids under MI 61-101 (the **Liquid Market Exemption**).
35. There was a “liquid market” for the Common Shares, as such term is defined in MI 61-101, as at the date the Offer was publicly announced because, in accordance with section 1.2 of MI 61-101:
 - (a) there is a published market for the Common Shares (i.e. the TSX); and
 - (b) during the 12-month period before May 10, 2023 (the date the Offer was publicly announced):
 - (i) the number of issued and outstanding Common Shares was at all times at least 5,000,000 (excluding Common Shares beneficially owned, or over which control or direction was exercised, by related parties), all of which Common Shares are freely tradeable;
 - (ii) the aggregate trading volume of Common Shares on the TSX was at least 1,000,000 Common Shares;
 - (iii) there were at least 1,000 trades in the Common Shares on the TSX; and
 - (iv) the aggregate value of the trades in the Common Shares on the TSX was at least \$15,000,000; and
 - (c) the market value of the Common Shares on the TSX, as determined in accordance with MI 61-101, was at least \$75,000,000 for April 2023 (the calendar month preceding the calendar month in which the Offer was publicly announced).
36. Based on the maximum number of Common Shares that may be purchased under the Offer, the Board determined that it is reasonable to conclude that, following the completion of the Offer, there will be a market for holders of Common Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer.
37. The Board has determined that the Offer is in the best interests of the Filer and Shareholders, and that the Offer is an advisable use of the Filer’s financial resources and that, after giving effect to the Offer, the Filer will continue to have sufficient financial resources and working capital to conduct its ongoing operations and that the Offer will not preclude the Filer from pursuing its foreseeable business opportunities or the future growth of the Filer’s business.
38. The Circular:
 - (a) discloses the mechanics for the take up of, and payment for, deposited Common Shares;
 - (b) explains that, by tendering Common Shares under an Auction Tender at the lowest price in the Price Range or by tendering Common Shares under a Purchase Price Tender, a Shareholder can reasonably expect that the Common Shares so tendered will be purchased at the Purchase Price, subject to proration and other terms of the Offer as specified herein;
 - (c) discloses that the Filer has applied for the Exemption Sought;
 - (d) sets out the manner in which an extension of the Offer will be communicated to Shareholders and the public;
 - (e) discloses that Common Shares deposited pursuant to the Offer may be withdrawn at any time prior to the expiration of any extension period in respect of the Offer;

- (f) discloses the facts supporting the Filer's reliance on the Liquid Market Exemption; and
- (g) contains the disclosure prescribed by the Legislation for issuer bids.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

- (a) Common Shares validly deposited under the Offer and not withdrawn are taken up and paid for, or dealt with, in the manner set out in the Circular and described above;
- (b) the Filer is eligible to rely on the Liquid Market Exemption; and
- (c) the Filer will issue and file a press release announcing receipt of the Exemption Sought promptly, and in any case, no later than one (1) business day following receipt of the Exemption Sought.

"David Mendicino"
Manager, Office of Mergers & Acquisitions
Ontario Securities Commission

B.3.2 BNP Paribas Securities Corp.

Headnote

U.S. registered broker-dealer exempted from the dealer registration requirement in subsection 25(1) of the Act to permit its provision of certain prime brokerage services (which do not include the execution of trades) – Exemption limited to trades in “Canadian securities” (which the decision defines as a security that is not a “foreign security” as that term is defined in subsection 8.18(1) of NI 31-103) for certain (institutional) permitted clients – Exemption is subject to a 5-year sunset clause.

Applicable Legislative Provisions

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 19, 19(1), 19(2), 25(1), 74 (1).

Instruments Cited

Multilateral Instrument 11-102 Passport System, ss. 4.4(c), 4.7, 4.7(1).

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 1.1, 8.5, 8.18, 8.18, 8.21, Form 31-103F1 Calculation of Excess Working Capital.

National Instrument 81-102 Investment Funds, Part 6.

Ontario Securities Commission Rule 13-502 Fees.

June 8, 2023

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
BNP PARIBAS SECURITIES CORP.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer (the **Application**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from the dealer registration requirement under subsection 25(1) of the *Securities Act* (Ontario) (the **Act**) in respect of Prime Services (as defined below) relating to Canadian securities (as defined below) that are provided in Canada to Institutional Permitted Clients (as defined below) (the **Exemption Sought**).

The principal regulator granted similar relief to the Filer in a decision dated September 15, 2017, subject to a five-year sunset clause (the **Previous Decision**). The Previous Decision expired on September 15, 2022 (the **Termination Date**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission (**OSC**) is the principal regulator for this Application, and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces of Canada in which the Filer relies on the exemption found in section 8.18 [*International dealer*] of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) other than the province of Alberta (the **Passport Jurisdictions** and together with the Jurisdiction, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 Definitions and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

For the purposes of this decision, the following terms have the following meanings:

“Canadian security” means a security that is not a foreign security, **“foreign security”** has the meaning ascribed to that term in subsection 8.18(1) of NI 31-103;

“Institutional Permitted Client” shall mean a “permitted client” as defined in section 1.1 of NI 31-103, except for: (a) an individual, (b) a person or company acting on behalf of a managed account of an individual, (c) a person or company referred to in paragraph (p) of that definition unless that person or company qualifies as a permitted client under another paragraph of that definition, or (d) a person or company referred to in paragraph (q) of that definition unless that person or company has net assets of at least \$100 million as shown on its most recently prepared financial statements or qualifies as a permitted client under another paragraph of that definition.

“Prime Services” means any of the following: (a) settlement, clearing and/or custody of trades, client cash and securities positions; (b) financing of long inventory; (c) lending and delivering securities on behalf of a client pursuant to a margin agreement to facilitate client short sales; (d) securities borrowing and/or lending pursuant to a securities lending agreement; (e) asset servicing, and (f) reporting of positions, margin and other balances and activity. For greater clarity, Prime Services do not include execution of trades in securities;

“Prime Services Clients” means an Institutional Permitted Client to whom the Filer provides Prime Services in the Jurisdictions in respect of Canadian securities in addition to foreign securities.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation incorporated under the laws of the State of Delaware, United States of America and headquartered at 787 7th Avenue, New York, New York, 10019, United States of America. The Filer is wholly owned by Wholesale Holdings Corp. Wholesale Holdings Corp. is a wholly-owned subsidiary of BNPP USA Inc. BNPP USA Inc. is a direct subsidiary of BNP Paribas.
2. The Filer is registered as a broker-dealer with the United States (**U.S.**) Securities and Exchange Commission (**SEC**) and is a member of the Financial Industry Regulatory Authority (**FINRA**). The registration and membership permits the Filer to provide Prime Services in the U.S.
3. The Filer is a member of a number of major U.S. securities exchanges, including the New York Stock Exchange (**NYSE**), NYSE ARCA and the Chicago Board of Options Exchange. The Filer is also a member of the CME Group (including the Chicago Board of Trade) and other principal U.S. commodity exchanges, and trades through affiliated or unaffiliated member firms on other global exchanges, including exchanges in Canada.
4. The Filer is a full service US broker-dealer that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments, insurance companies and investment firms. Services provided to clients by the Filer include securities brokerage, clearance and settlement services and related financing and record keeping services. The Filer also acts as a dealer and provides underwriting, investment banking, corporate advisory and other related services traditionally provided by a full service broker-dealer, including execution and clearing services. As a full service broker-dealer, the Filer engages in principal trading in furtherance of its market-making, risk-mitigating hedging and underwriting activities.
5. The Filer provides Prime Services in accordance with the Previous Decision.
6. The Filer has applied for the Exemption Sought in order to continue to provide the Prime Services to the Prime Services Clients following the expiry of the Previous Decision.
7. “Prime Services” provided by the Filer to its Prime Services Clients principally consist of the following: (a) settlement, clearing and/or custody of trades; (b) financing of long inventory; (c) securities borrowing and/or lending pursuant to a securities lending agreement or delivering securities on behalf of a client pursuant to a margin agreement, in each case, to facilitate client short sales; and (d) reporting of positions, margin and other balances and activity. For greater clarity, Prime Services do not include execution of trades in securities.
8. The Filer offers Prime Services in the Jurisdictions to Institutional Permitted Clients in respect of Canadian securities and securities of non-Canadian issuers.

9. In the case of a Prime Services Client that is an investment fund subject to Part 6 of National Instrument 81-102 *Investment Funds (NI 81-102)*, the custodianship requirements in Part 6 of NI 81-102 would only permit the Filer to provide the Prime Services to the investment fund as a sub-custodian of the investment fund in respect of portfolio assets held outside Canada, and the Filer would provide Prime Services to investment funds in compliance with the applicable securities laws, including Part 6 of NI 81-102 and the custody requirements set out in NI 31-103.
10. Prime Services Clients seek Prime Services from the Filer in order to separate the execution of a trade from the clearing, settlement, custody and/or financing of a trade. This allows the Prime Services Client to use many executing brokers, without maintaining an active, ongoing custody account with each executing broker. It also allows the Prime Services Client to consolidate settlement, clearing, custody and/or financing of securities in an account with the Filer.
11. The Filer's Prime Services Clients directly select their executing brokers. The Filer does not require its Prime Services Clients to use specific executing brokers through which Prime Services Clients must execute trades. Prime Services Clients send trade orders to the executing broker who carries out the trade. The executing broker will be an appropriately registered dealer or a person or company relying on an exemption from the dealer registration requirement that permits such executing broker to execute the trade for Prime Services Clients.
12. The Filer provides the Prime Services after the execution of the trade, but any commitment to provide financing or to lend or borrow securities in relation to a trade may be made prior to the execution of the trade. The executing broker will communicate the trade details to a Prime Services Client and the Filer or the Filer's clearing agent, as applicable. A Prime Services Client will also communicate the trade details to the Filer. For trades executed on a Canadian marketplace, the Filer will typically need to clear and settle the trades through a participant of the Canadian depository, clearing and settlement hub, CDS Clearing and Depository Services Inc.
13. The Filer exchanges money or securities and holds the money or securities in an account for each Prime Services Client. If the Filer is clearing and settling the trade through a clearing agent, the Filer's clearing agent exchanges money or securities and holds the money or securities in an omnibus account for the Filer, who in turn maintains a record of the position held for the Prime Services Client on its books and records.
14. On or following settlement, the Filer provides the other Prime Services as set out in paragraph 7.
15. The Filer enters into written agreements with each of its Prime Services Clients for the provision of Prime Services.
16. The Filer currently relies on the "international dealer exemption" under section 8.18 [*International dealer*] of NI 31-103 in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan to provide Prime Services in respect of "foreign securities" as defined in section 8.18 of NI 31-103.
17. The Filer is not registered under the securities legislation of any of the jurisdictions of Canada. The Filer among other things, is in the business of trading in securities, and in the absence of the Exemption Sought, cannot provide the full range of Prime Services in the Jurisdictions in respect of Canadian securities without registration, except as permitted under section 8.5 [*Trades through or to a registered dealer*], under the exemptions found in paragraphs (a), (b) and (f) of subsection 8.18(2) [*International dealer*], and under section 8.21 [*Specified debt*] of NI 31-103.
18. The Filer is subject to regulatory capital requirements under the Securities Exchange Act of 1934 (the **1934 Act**), specifically SEC Rule 15c3-1 Net Capital Requirements for Brokers or Dealers (**SEC Rule 15c3-1**) and SEC Rule 17a-5 Reports to be Made by Certain Brokers and Dealers (**SEC Rule 17a-5**). The Filer has been approved by the SEC pursuant to SEC Rule 15c3-1 to use the alternative method of computing net capital contained in Appendix E to SEC Rule 15c3-1, and therefore files such supplemental and alternative reports as may be prescribed by the SEC. The Alternative Net Capital (**ANC**) method provides large broker-dealers meeting specified criteria, such as the Filer, with an alternative to use mathematical models such as the value at risk model to calculate capital requirements for market and derivatives related credit risk. The Filer, who uses the ANC method, must document and implement a comprehensive internal risk management system which addresses market, credit, liquidity, legal and operational risk at the firm.
19. SEC Rule 15c3-1 requires that the Filer account for any guarantee of debt of a third party in calculating its excess net capital when a loss is probable and the amount can be reasonably estimated. Accordingly, the Filer will, in the event that it provides a guarantee of any debt of a third party, take a deduction from net capital when both of the preceding conditions exist. The Filer does not guarantee the debt of any third party.
20. SEC Rule 15c3-1 is designed to provide protections that are substantially similar to the protections provided by the capital formula requirements and specifically risk adjusted capital to which dealer members of the New Self-Regulatory Organization of Canada (**New SRO**) are subject. The Filer is in compliance with SEC Rule 15c3-1 and is in compliance in all material respects with SEC Rule 17a-5. If the Filer's net capital declines below the minimum amount required, the Filer is required to notify the SEC and FINRA pursuant to SEC Rule 17a-11 Notification Provisions for Brokers and

Dealers (**SEC Rule 17a-11**). The SEC and FINRA have the responsibility to provide oversight over the Filer's compliance with SEC Rule 15c3-1 and SEC Rule 17a-5.

21. The Filer is required to prepare and file a financial report, which includes Form X-17a-5 (the **FOCUS Report**) which is the financial and operational report containing a net capital calculation, and a compliance report annually with the SEC and FINRA pursuant to SEC Rule 17a-5(d). The FOCUS Report provides a more comprehensive description of the business activities of the Filer, and more accurately reflects those activities including client lending activity, than would be provided by Form 31-103F1 Calculation of Excess Working Capital (**Form 31-103F1**) under NI 31-103. The net capital requirements computed using methods prescribed by SEC Rule 15c3-1 are based on all assets and liabilities on the books and records of a broker-dealer whereas Form 31-103F1 is a calculation of excess working capital, which is a computation based primarily on the current assets and current liabilities on the books and records of the dealer. The Filer is up-to-date in its submissions of annual reports under SEC Rule 17a-5(d), including the FOCUS Report.
22. The Filer is subject to regulations of the Board of Governors of the U.S. Federal Reserve Board (**FRB**), the SEC, and FINRA regarding the lending of money, extension of credit and provision of margin to clients (the **U.S. Margin Regulations**) that provide protections that are substantially similar to the protections provided by the requirements regarding the lending of money, extension of credit and provision of margin to clients to which dealer members of the New SRO are subject. In particular, the Filer is subject to the margin requirements imposed by the FRB, including Regulation T, and under applicable SEC rules and under FINRA Rule 4210. The Filer is in compliance in all material respects with applicable U.S. Margin Regulations.
23. The Filer holds customer assets in accordance with Rule 15c3-3 of the 1934 Act, as amended (**SEC Rule 15c3-3**). SEC Rule 15c3-3 requires the Filer to segregate and keep segregated all "fully-paid securities" and "excess margin securities" (as such terms are defined in SEC Rule 15c3-3) of its customers from its proprietary assets. In addition to the segregation of customers' securities, SEC Rule 15c3-3 requires the Filer to deposit an amount of cash or qualified government securities determined in accordance with a reserve formula set forth in SEC Rule 15c3-3 in an account entitled "Special Reserve Account for the Exclusive Benefit of Customers" of the Filer at separate banks and/or custodians. The combination of segregated securities and cash reserve are designed to ensure that the Filer has sufficient assets to cover all net equity claims of its customers and provide protections that are substantially similar to the protections provided by the requirements to which dealer members of the New SRO are subject. If the Filer fails to make an appropriate deposit, the Filer is required to notify the SEC and FINRA pursuant to SEC Rule 15c3-3(i). The Filer is in material compliance with the possession and control requirements of SEC Rule 15c3-3.
24. The Filer is a member of the Securities Investors Protection Corporation (**SIPC**) and, subject to the eligibility criteria of SIPC, Prime Services Clients' assets held by the Filer are insured by SIPC against loss due to insolvency.
25. The Filer is not in default of any requirements of securities legislation in any jurisdiction in Canada, except with respect to the fact that the Previous Decision has lapsed and was not renewed on a timely basis. The Filer has at all times since the Previous Decision lapsed acted in full compliance with the terms and conditions set out in such relief, except for the five-year sunset clause.
26. The Filer is in compliance in all material respects with U.S. securities laws.
27. The Filer submits that the Exemption Sought would not be prejudicial to the public interest because:
 - (a) the Filer is regulated as a broker-dealer under the securities legislation of the U.S., and is subject to the requirements referred to in paragraphs 18 to 24,
 - (b) the availability of and access to Prime Services in respect of Canadian securities is important to Canadian institutional investors who are active participants in the international marketplace,
 - (c) the Filer will provide Prime Services in the Jurisdictions in respect of Canadian securities only to Institutional Permitted Clients,
 - (d) the OSC has entered into a memorandum of understanding with the SEC regarding mutual assistance in the supervision and oversight of regulated entities that operate on a cross-border basis in the U.S. and Canada, and
 - (e) the OSC has entered into a memorandum of understanding with FINRA to provide a formal basis for the exchange of regulatory information and investigative assistance.
28. The Filer will not rely on subsection 4.7(1) of MI 11-102 to passport this decision into Alberta.
29. The Filer is a "market participant" as that term is defined under subsection 1(1) of the Act. As a market participant, among other requirements, the Filer is required to comply with the record keeping and provision of information provisions under

section 19 of the Act, which include the requirement to keep such books, records and other documents as are necessary for the proper recording of business transactions and financial affairs and the transactions executed on behalf of others, and to deliver such records to the OSC if required.

30. If in the future the Filer wishes to offer Prime Services in Alberta, the Filer will not rely on subsection 4.7(1) of MI 11-102 to passport this decision into Alberta.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted so long as the Filer:

- (a) has its head office or principal place of business in the U.S.;
- (b) is registered as a broker-dealer under the securities legislation of the U.S., which permits the Filer to provide the Prime Services in the U.S.;
- (c) is a member of FINRA;
- (d) is a member of SIPC;
- (e) is subject to requirements over regulatory capital, lending of money, extension of credit, provision of margin, financial reporting to the SEC and FINRA, and segregation and custody of assets which provide protections that are substantially similar to the protections provided by the rules to which dealer members of the New SRO are subject;
- (f) limits its provision of Prime Services in the Jurisdictions in respect of Canadian securities to Institutional Permitted Clients;
- (g) does not execute trades in Canadian securities with or for Prime Services Clients, except as permitted under applicable Canadian securities laws;
- (h) does not require its Prime Services Clients to use specific executing brokers through which Prime Services Clients must execute trades;
- (i) submits the financial report and compliance report as described in SEC Rule 17a-5(d) to the OSC on an annual basis, at the same time such reports are filed with the SEC and FINRA;
- (j) submits audited financial statements to the OSC on an annual basis, within 90 days of the Filer's financial year end;
- (k) submits to the OSC immediately a copy of any notice it files under SEC Rule 17a-11 or under SEC Rule 15c3-3(i) with the SEC and FINRA;
- (l) complies with the filing and fee payment requirements that would be applicable to the Filer if it were a registrant under OSC Rule 13-502 Fees;
- (m) files in an electronic and searchable format with the OSC such reports as to any or all of its trading activities in Canada as the OSC may, upon notice, require from time to time; and
- (n) pays the increased compliance and case assessment costs of the principal regulator due to the Filer's location outside Ontario, including, as required, the reasonable cost of hiring a third party to perform a compliance review on behalf of the principal regulator.

This decision shall expire five years after the date hereof.

This decision may be amended by the OSC from time to time upon prior written notice to the Filer.

"Felicia Tedesco"
Deputy Director, Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2023/0157

B.3.3 Lithium Americas Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards (NI 52-107) – the Filer requested relief from the requirement under section 3.3 of NI 52-107 that financial statements be audited in accordance with Canadian GAAS – the Filer is an SEC Issuer that is planning to spin off certain assets to a newly created company (SpinCo) – the financial statements of the spin-out business and SpinCo in the circular will be audited in accordance with U.S. GAAS – Spinco will not meet the definition of SEC Issuer in NI 52-107 at the time of the filing of the circular – Spinco will meet the definition of SEC Issuer upon completion of the separation – if SpinCo does not become an SEC Issuer, the Filer and SpinCo will immediately re-file the financial statements audited in accordance with Canadian GAAS.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 3.3.

June 6, 2023

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND
ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
LITHIUM AMERICAS CORP.
(the Filer)

DECISION

Background

- ¶ 1. The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Filer from the requirement in subsection 3.3(1)(a) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (NI 52-107) that certain financial statements be audited in accordance with Canadian GAAS and be accompanied by an auditor's report that includes certain prescribed items, provided the financial statements be audited in accordance with U.S. PCAOB GAAS and be accompanied by an auditor's report that includes certain prescribed items in accordance with section 3.8(1) of NI 52-107 (the Exemption Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut; and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

- ¶ 2. Terms defined in National Instrument 14-101 *Definitions*, NI 52-107 and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

- ¶ 3. This decision is based on the following facts represented by the Filer:
1. the Filer exists under the *Business Corporations Act* (British Columbia) and is a reporting issuer in all provinces and territories of Canada, and is not in default of securities legislation in any jurisdiction;
 2. the Filer's principal office is located in the City of Vancouver, British Columbia;
 3. the Filer is listed on the Toronto Stock Exchange (TSX) and New York Stock Exchange (NYSE);
 4. the Filer is a "SEC Issuer" as defined under NI 52-107;
 5. the Filer's financial year end is December 31;
 6. the Filer's financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS) and the annual financial statements of the Filer for the years ended December 31, 2022, 2021, 2020, 2019 and 2018 are audited in accordance with "U.S. PCAOB GAAS" as defined under NI 52-107;
 7. the Filer is a mineral exploration and development company and is focused on advancing lithium projects in Argentina and the United States to production;
 8. 1397468 B.C. Ltd. (SpinCo) is a private company existing under the *Business Corporations Act* (British Columbia) that was incorporated by the Filer for the sole purpose of completing the Separation (as defined below);
 9. SpinCo does not currently carry on any business and has no assets or liabilities;
 10. SpinCo's principal office is located in the City of Vancouver, British Columbia;
 11. the Filer announced on November 3, 2022 its intention to advance a reorganization of its business into two, separate reporting issuers by way of "spin-out" of its North American business and assets, including, among other things its Thacker Pass mineral project located in Nevada (collectively, the Spin-Out Business), pursuant to which the Spin-Out Business will be transferred to SpinCo and shareholders of the Filer will receive common shares of SpinCo (the Separation);
 12. the Separation will be effected by way of plan of arrangement under the laws of British Columbia and will require certain approvals, including the approval of the Separation by the directors of the Filer and by the shareholders of the Filer at a meeting of such shareholders to consider the Separation (the Meeting);
 13. the Filer will provide its shareholders with a management information circular of the Filer (the Circular) in connection with the Meeting that will include certain disclosure with respect to the Separation, including audited financial statements of SpinCo and audited carve-out financial statements of the Spin-Out Business prepared in accordance with IFRS (collectively, the Spin-Out Financial Statements);
 14. in connection with the Separation, SpinCo has commenced the application process for the listing of its common shares on the TSX and the NYSE and has submitted a draft registration statement on a confidential basis on Form 20-F (the Form 20-F) with the United States Securities and Exchange Commission (the SEC), which will become effective prior to or concurrently with the completion of the Separation;
 15. in accordance with SEC requirements, the Form 20-F will include the Spin-Out Financial Statements prepared in accordance with IFRS, and must be audited in accordance with U.S. PCAOB GAAS;
 16. under subsection 3.3(1)(a) of NI 52-107, financial statements referred to in subsection 2.1(2)(b) and (c) of NI 52-107 to be included in the Circular must be audited in accordance with Canadian GAAS and be accompanied by an auditor's report that includes certain prescribed items;
 17. under section 3.8(1) of NI 52-107, despite section 3.3(1) of NI 52-107, an SEC issuer's financial statements may be audited in accordance with U.S. PCAOB GAAS and be accompanied by an auditor's report that includes certain prescribed items;
 18. an "SEC issuer" is defined under NI 52-107 to mean... "an issuer that has a class of securities registered under section 12 of the 1934 Act or is required to file reports under section 15(d) of the 1934 Act...";

19. at the timing of filing the Circular, SpinCo will not yet be a reporting issuer and will not yet meet the definition of "SEC Issuer" under NI 52-107; and
20. the Filer anticipates that SpinCo will become an "SEC issuer" prior to or concurrent with the completion of the Separation.

Decision

- ¶ 4. Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted, provided that:

- (a) if SpinCo does not become an "SEC Issuer" prior to or concurrent with the completion of the Separation, the Filer and SpinCo will immediately re-file the Spin-Out Financial Statements on their respective SEDAR profiles audited in accordance with Canadian GAAS and be accompanied by an auditor's report that includes certain prescribed items, and
- (b) the Filer and SpinCo will issue a news release upon re-filing the financial statements that explains the nature and purpose of the re-filings.

"John Hinze"
Director, Corporate Finance
British Columbia Securities Commission

OSC File #: 2023/0068

B.3.4 Nicola Wealth Management Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Investment fund manager and portfolio manager that manages pooled funds and discretionary managed accounts granted relief from the self-dealing restrictions in paragraph 13.5(2)(b) of NI 31-103 to permit (i) inter-fund trades of portfolio securities that are mortgages and securities issued by alternative asset funds between a pooled fund and another pooled fund, and between a discretionary managed account and a pooled fund, and (ii) in specie subscriptions and redemptions by managed accounts in the pooled funds, and by pooled funds in other pooled funds – Relief subject to conditions – For inter-fund trades and in specie transfers involving the transfer of mortgages, each mortgage will be subject to a valuation by an independent mortgage valuator that uses a risk-based system to independently value the mortgage, and for inter-fund trades and in specie transfers involving securities of an alternative asset fund, such securities will be subject to a valuation by an independent valuator to provide an opinion that the net asset value of the securities issued by the alternative asset fund is within the range of fair market value.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5(2)(b)(ii) and (iii) and 15.1.

June 1, 2023

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND
ONTARIO
(the Jurisdictions)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
NICOLA WEALTH MANAGEMENT LTD.
(the Filer)**

DECISION

Background

- ¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (each, a Decision Maker) has received an application (the Application) from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the prohibitions in sections 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) which prohibit a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to the investment portfolio of an associate of a responsible person, or from or to the investment portfolio of an investment fund for which a responsible person acts as an adviser, in order to permit,
- (a) a Pooled Fund (as defined below) to purchase or sell portfolio securities that are mortgages (**Mortgages**) and securities issued by

alternative asset funds including private equity funds, infrastructure funds, real estate funds and loan funds that are not publicly traded (each an **Alternative Asset Fund**) from or to a Pooled Fund or a Managed Account (as defined below);
 - (b) a Managed Account to purchase Mortgages and securities issued by Alternative Asset Funds from or sell such Mortgages and securities to a Pooled Fund (the transactions listed in (a) and (b), each an **Inter-Fund Trade** and (a) and (b) are collectively, the **Inter-Fund Trading Relief** and each); and
 - (c) in-specie subscriptions and redemptions by (each subscription or redemption, an In-Specie Transfer):
 - (i) Managed Accounts in the Pooled Funds; and

- (ii) Pooled Funds in the Pooled Funds (together, the **In-Specie Transfer Relief**)
- (iii) (the Inter-Fund Trading Relief and In-Specie Transfer Relief are, collectively, the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this Application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in each of the other provinces and territories of Canada; and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

¶ 2 Terms defined in MI 11-102, National Instrument 14-101 *Definitions*, National Instrument 81-102 *Investment Funds* (NI 81-102), NI 81-107 and NI 31-103 have the same meaning if used in this decision, unless otherwise defined. The following terms have the following meanings:

- 1. **Clients** means individuals, institutions and other entities to whom the Filer offers, or may offer, discretionary portfolio management services through a Managed Account (as defined below);
- 2. **Discretionary Management Agreement** means a written agreement between the Filer and a Client seeking wealth management or related services;
- 3. **Existing Pooled Funds** means each existing investment fund that is not a reporting issuer, securities of which are sold to investors in Canada pursuant to exemptions from the prospectus requirement, of which the Filer acts as the manager and portfolio manager;
- 4. **Future Pooled Funds** means each investment fund that is not a reporting issuer, securities of which are sold to investors in Canada pursuant to exemptions from the prospectus requirement, for which the Filer may act as manager and portfolio manager in the future;
- 5. **Managed Account** means an account managed by the Filer for a Client that is not a responsible person and over which the Filer has discretionary authority;
- 6. **Pooled Funds** means collectively, the Existing Pooled Funds and the Future Pooled Funds.

Representations

¶ 3 This decision is based on the following facts represented by the Filer:

- 1. the Filer is a corporation incorporated under the laws of British Columbia with its head office in Vancouver, British Columbia;
- 2. the Filer is registered as: (i) an investment fund manager in British Columbia, Ontario, Quebec and Newfoundland and Labrador; (ii) a portfolio manager in all jurisdictions of Canada; and (iii) an exempt market dealer in all jurisdictions of Canada;
- 3. the Filer is, or will be, the manager and portfolio manager of each of the Pooled Funds; the Filer may appoint third party sub-advisers to the Pooled Funds;
- 4. each of the Pooled Funds is, or will be, an investment fund established as a trust, partnership or corporation under the laws of British Columbia, Canada or another province or territory in Canada and is not, or will not be in the case of a Future Pooled Fund, a reporting issuer in any of the provinces and territories of Canada;
- 5. the securities of the Existing Pooled Funds are distributed on a private placement basis pursuant to available prospectus exemptions; each Existing Pooled Fund is not subject to NI 81-102;
- 6. the Filer and the Existing Pooled Funds are not in default of securities legislation in any of the provinces and territories of Canada;

7. the Filer offers discretionary portfolio management services to Clients seeking wealth management or related services under Discretionary Management Agreements in connection with the Managed Account of the Client with the Filer;
8. pursuant to the Discretionary Management Agreement entered into with each Client, the Client appoints the Filer to act as portfolio manager in connection with an investment portfolio of the Client with full discretionary authority to trade in securities for the Managed Account without obtaining the specific consent or instructions of the Client to execute the trade;
9. the portfolio management services provided by the Filer to each Client consist, or will consist, of the following:
 - (a) each Client executes a Discretionary Management Agreement whereby the Client authorizes the Filer to supervise, manage and direct purchases and sales in the Client's Managed Account, at the Filer's full discretion on a continuing basis;
 - (b) qualified employees of the Filer perform investment research, securities selection and portfolio management functions with respect to all securities, investments, cash and cash equivalents and other assets in the Managed Account;
 - (c) each Managed Account holds securities and other investments as selected by the Filer in its sole discretion; and
 - (d) the Filer retains overall responsibility for the advice provided to its Clients and has one or more designated registered advisors to oversee and supervise the Managed Accounts;
10. the Filer also offers advisory services to clients pursuant to which the Filer provides investment advice and clients make the final investment decision for themselves;
11. neither the Filer, the Pooled Fund nor the Managed Accounts are or will be related parties of the Alternative Asset Funds, the originators of the Mortgages or the borrowers under the Mortgages;

Inter-Fund Trades

12. the Filer wishes to be able to permit Inter-Fund Trades of Mortgages and securities issued by Alternative Asset Funds, between:
 - (a) a Pooled Fund and another Pooled Fund; and
 - (b) a Managed Account and a Pooled Fund;
13. the Filer considers that because of the various investment objectives and investment strategies utilized by the Pooled Funds and Managed Accounts, it may be appropriate for different investment portfolios to acquire or dispose of the same securities directly, rather than with a third party;
14. the Alternative Asset Funds are managed by third party managers, are not related to the Filer, the Pooled Funds or Managed Accounts, are not reporting issuers in a Jurisdiction, and are generally not expected to be "investment funds" under the Legislation. In the Future, if a Pooled Fund or Managed Account wants to invest in an Alternative Asset Fund that is an investment fund under the Legislation, the Filer would only proceed if that investment complies with the applicable Legislation. There is no active market for the securities of such Alternative Asset Funds;
15. the securities issued by Alternative Asset Funds, unlike traditional investment funds generally have no, or limited, redemption rights and where they provide for limited redemption rights, there is no guarantee that the Pooled Fund that would seek to purchase would be able to subscribe for those securities directly from the Alternative Asset Fund given that such Alternative Asset Funds may not be permitting new investors or there is a wait list for new or additional investments by investors;
16. the Filer has determined that it would be in the best interests of the Pooled Funds and Managed Accounts to receive the Inter-Fund Trading Relief because it will result in:
 - (a) quicker execution;
 - (b) access to limited investment opportunities;
 - (c) better liquidity; and
 - (d) better pricing;

17. each Inter-Fund Trade will be consistent with the investment objectives of the relevant Pooled Fund or Managed Account, as applicable;
18. at the time of an Inter-Fund Trade, the Filer will have policies and procedures in place to enable the applicable Pooled Funds and Managed Accounts to engage in Inter-Fund Trades;
19. the Filer, as manager of each Pooled Fund, has established, or will establish, an independent review committee (IRC) in respect of each Pooled Fund to review and provide its approval for any proposed Inter-Fund Trades between a Pooled Fund and another Pooled Fund or a Managed Account;
20. the IRC of the Pooled Funds will be composed by the manager of the Pooled Funds in accordance with section 3.7 of NI 81-107 and the IRC will be expected to comply with the standard of care set out in section 3.9 of NI 81-107; the IRC of the Pooled Funds will not approve an Inter-Fund Trade involving a Pooled Fund unless it has made the determination set out in subsection 5.2(2) of NI 81-107;
21. prior to engaging in Inter-Fund Trades on behalf of a Managed Account, each Discretionary Management Agreement or other documentation will contain the authorization of the Client for the portfolio manager of the Managed Account to engage in Inter-Fund Trades;
22. the Filer cannot rely on the exemption for Inter-Fund Trades under subsection 6.1(4) of NI 81-107 unless the bid and ask price of the security is readily available, the only cost of the transaction is the nominal cost incurred by the investment fund to print or otherwise display the trade and the transaction, and the transaction is executed at the current market price of the security;
23. mortgages and securities issued by Alternative Asset Funds do not trade on a marketplace and could be considered illiquid, and the manager of Alternative Asset Funds often charge fees to consent to transfers of the securities issued by Alternative Asset Funds;
24. when the Filer engages in an Inter-Fund Trade of Mortgages between Pooled Funds or between a Managed Account and a Pooled Fund, it will follow the following procedures:
 - (a) the portfolio manager (or sub-adviser, as applicable) of the Filer will request the approval of the Chief Compliance Officer of the Filer or his or her designated alternate to execute a purchase or sale of a Mortgage by a Pooled Fund or a Managed Account as an Inter-Fund Trade;
 - (b) upon receipt of the required approval, the portfolio manager (or sub-adviser, as applicable) of the Filer will obtain a valuation from an independent mortgage valuator which uses a risk-based system to independently value the Mortgage, which, if the applicable Pooled Fund uses an independent mortgage valuator to value Mortgages for such Pooled Fund, shall be the same independent mortgage valuator;
 - (c) the valuation for the Mortgage obtained from the independent mortgage valuator will be used by the Filer without alteration or adjustment to effect the Inter-Fund Trade;
 - (d) the Inter-Fund Trade of the Mortgage will be completed on a timely basis after obtaining such valuation;
25. when the Filer engages in an Inter-Fund Trade of securities issued by an Alternative Asset Fund between Pooled Funds or between a Managed Account and a Pooled Fund, it will follow the following procedures established by the Filer as applicable; currently, these policies and procedures apply to both the Filer and any sub-adviser to the Pooled Fund, as appropriate, and contemplate the following general steps:
 - (a) the portfolio manager (or sub-adviser, as applicable) of the Filer will request the approval of the Chief Compliance Officer of the Filer or his or her designated alternate to execute a purchase or sale of a security issued by an Alternative Asset Fund by a Pooled Fund or a Managed Account as an Inter-Fund Trade;
 - (b) upon receipt of the required approval, the portfolio manager (or sub-adviser, as applicable) of the Filer will obtain a valuation from an accounting firm (which is not an auditor of the Pooled Funds or the Filer) registered with the Canadian Public Accountability Board and the valuation services of which are provided by professionals who are members in good standing of the Canadian Institute of Chartered Business Valuators (the **Independent Valuator**) to opine as to whether the net asset value attributable to the securities of the Alternative Asset Fund that are the subject of such Inter-Fund Trade is within the price range of fair market value for such securities;
 - (c) the net asset value attributable to the securities of the Alternative Asset Fund, as determined by the manager of the Alternative Asset Fund, that are the subject of such Inter-Fund Trade will be used by

- the Filer without alteration or adjustment to effect the Inter-Fund Trade to the extent that the Independent Valuator confirms that such net asset value is within the price range of fair market value for such securities;
- (d) the Inter-Fund Trade of the securities of the Alternative Asset Fund will be completed as of the 12:01 a.m. on the day immediately following the day for which the manager of the Alternative Asset Fund determined the net asset value;
26. if the IRC of a Pooled Fund becomes aware of an instance where the Filer did not comply with the terms of this Decision, or a condition imposed by securities legislation or the IRC in its approval, the IRC of the Pooled Fund will, as soon as practicable, notify in writing the securities regulatory authority or regulator in the jurisdiction which is the Pooled Fund's principal regulator;

In-Specie Transfers

27. investments in individual securities may not be appropriate in certain circumstances for a Client; consequently, the Filer may, where authorized under the applicable Discretionary Management Agreement, from time to time, invest the assets in a Client's Managed Account in securities of any one or more of the Pooled Funds in order to give such Client the benefit of asset diversification and lower commission charges and generally to facilitate portfolio management;
28. the Filer may wish, or otherwise be required, to deliver portfolio securities held in a Managed Account or Pooled Fund to a Pooled Fund in respect of a purchase of units or shares of the Pooled Fund (**Fund Securities**), and may wish, or otherwise be required, to receive portfolio securities from a Pooled Fund in respect of a redemption of Fund Securities by a Managed Account or Pooled Fund;
29. as the Filer is, or will be, the portfolio manager of the Pooled Funds and is, or will be, the portfolio manager of the Managed Accounts, the Filer would be considered a 'responsible person' within the meaning of NI 31-103;
30. as the Filer may in the future be the trustee of a Pooled Fund which is organized as a trust, each such Pooled Fund may be an 'associate' of the Filer, and accordingly, absent the grant of the In-Specie Transfer Relief, the Filer could be precluded by the provisions of section 13.5(2)(b)(ii) of NI 31-103 from effecting the In-Specie Transfers in such circumstances; as the Filer is, or will be, a registered adviser, and is or will be the manager and/or portfolio manager of the Pooled Funds and is, or will be, the portfolio manager of the Managed Accounts, absent the grant of the In-Specie Transfer Relief, the Filer would be precluded by section 13.5(2)(b)(iii) of NI 31-103 from effecting the In-Specie Transfers;
31. each Discretionary Management Agreement or other documentation will contain the authorization of the Client for the Filer to engage in In-Specie Transfers on behalf of the Managed Account;
32. the Filer, as manager of the Pooled Funds, will value the securities transferred under an In-Specie Transfer on the same valuation day on which the purchase price or redemption price of the Fund Securities of a Pooled Fund is determined; with respect to the purchase of Fund Securities of a Pooled Fund, the securities transferred to a Pooled Fund under an In-Specie Transfer in satisfaction of the purchase price of those Fund Securities will be valued as if the securities were portfolio assets of the Pooled Fund, as contemplated by section 9.4(2)(b)(iii) of NI 81-102; with respect to the redemption of Fund Securities of a Pooled Fund, the securities transferred to a Managed Account or Pooled Fund in satisfaction of the redemption price of those Fund Securities will have a value equal to the amount at which those securities were valued in calculating the net asset value per security used to establish the redemption price of the Fund Securities of the Pooled Fund, as contemplated by section 10.4(3)(b) of NI 81-102;
33. should any In-Specie Transfer contemplated specifically by the Exemption Sought, involve the transfer of an "illiquid asset" (as defined in NI 81-102) that is not a Mortgage or a security of an Alternative Asset Fund, the Filer will obtain at least one quote for the asset from an independent arm's length purchaser or seller, immediately before effecting the In-Specie Transfer;
34. should any In-Specie Transfer contemplated specifically by the Exemption Sought, involve the transfer of a Mortgage, the Filer will obtain a valuation from an independent mortgage valuator which uses a risk-based system to independently value the Mortgage (a risk based system would, to the extent determined to be material, take into account the credit risk associated with the mortgage in addition to taking into account yield and current interest rates); to the extent that the applicable Pooled Fund uses an independent mortgage valuator to value Mortgages owned by the Pooled Fund, the independent mortgage valuator shall be the same independent mortgage valuator;

35. Should any *In-Specie* Transfer contemplated specifically by the Exemption Sought involve the transfer of securities of an Alternative Asset Fund, the Filer will:
- (a) obtain a valuation from an Independent Valuator to opine as to whether the net asset value attributable to the securities of the Alternative Asset Fund that are the subject of such *In-Specie* Transfer is within the price range of fair market value for such securities;
 - (b) the net asset value attributable to the securities of the Alternative Asset Fund, as determined by the manager of the Alternative Asset Fund, that are the subject of such *In-Specie* Transfer will be used by the Filer without alteration or adjustment to effect the *In-Specie* Transfer to the extent that the Independent Valuator confirms that such net asset value is within the price range of fair market value for such securities;
 - (c) the *In-Specie* Transfer of the securities of the Alternative Asset Fund will be completed as of the 12:01 a.m. on the day immediately following the day for which the manager of the Alternative Asset Fund determined the net asset value;
36. the Filer does not receive any compensation in respect of any sale or redemption of Fund Securities of a Pooled Fund and, in respect of any delivery of securities further to an *In Specie* Transfer, the only cost which will be incurred by a Managed Account or a Pooled Fund for an *In-Specie* Transfer is (i) a nominal administrative charge levied by the custodian of the relevant Pooled Fund in recording the trades, and any commission charged by the dealer executing the trade, (ii) in respect of Mortgages, any costs associated with registering or otherwise recording the transfer which would be incurred for any transfer of Mortgages, and (iii) in respect of securities of an Alternative Asset Fund, any fees and expenses charged by the manager of the Alternative Asset Fund in connection with the transfer which would be incurred in connection with any transfer to a third party;
37. *In-Specie* Transfers will be subject to (i) compliance with the written policies and procedures of the Filer respecting *In-Specie* Transfers that are consistent with applicable securities legislation, and (ii) the oversight of the Chief Compliance Officer of the Filer or his or her designated alternate to ensure that the transaction represents the business judgment of the Filer acting in its discretionary capacity with respect to the Pooled Fund and the Managed Account, uninfluenced by considerations other than the best interests of the Pooled Fund and Managed Account;
38. the Filer has determined that it will be in the best interests of the Pooled Funds and the Managed Accounts to obtain the Exemption Sought; and
39. absent the Exemption Sought, neither the Pooled Funds, Managed Accounts, nor the Filer, on their behalf, will be permitted to engage in Inter-Fund Trades or *In-Specie* Transfers.

Decision

1. Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.
2. The decision of the Decision Makers under the Legislation is that:
- (a) the Inter-Fund Trading Relief is granted provided that:
 - (i) the Inter-Fund Trade is consistent with the investment objectives of the Pooled Fund or Managed Account, as applicable;
 - (ii) the Filer, as manager of a Pooled Fund, refers the Inter- Fund Trade involving a Pooled Fund to the IRC of that Pooled Fund in the manner contemplated by section 5.1 of NI 81-107 and the Filer and the IRC of the Pooled Fund comply with section 5.4 of NI 81-107 in respect of any standing instructions an IRC provides in connection with the Inter-Fund Trade;
 - (iii) in the case of an Inter-Fund Trade between Pooled Funds involving Mortgages:
 - (A) the IRC of each Pooled Fund has approved the Inter- Fund Trade in respect of the Pooled Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;
 - (B) each Mortgage traded between Pooled Funds will be valued by an independent mortgage valuator which uses a risk-based system to independently value the Mortgage, which, if the applicable Pooled Fund uses an independent mortgage

- valuator to value Mortgages for such Pooled Fund, shall be the same independent mortgage valuator;
- (C) the applicable Pooled Fund(s) keeps written records required by section 6.1(2)(g) of NI 81-107; and
- (D) the only costs for the trade are a nominal administrative charge levied by the custodian of the relevant Pooled Fund in recording the trades and costs associated with registering or otherwise recording the transfer which would be incurred for any transfer of Mortgages;
- (iv) in the case of an Inter-Fund Trade between Pooled Funds involving securities of an Alternative Asset Fund:
 - (A) the IRC of each Pooled Fund has approved the Inter- Fund Trade in respect of the Pooled Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;
 - (B) the Independent Valuator provides an opinion to the Filer that the net asset value of the securities issued by the Alternative Asset Fund is within the range of fair market value for securities of such Alternative Asset Fund;
 - (C) for the IRC approval process, the Filer provides the report of the Independent Valuator to the IRC and makes available the Independent Valuator to the IRC at their request;
 - (D) the applicable Pooled Fund(s) keeps written records required by section 6.1(2)(g) of NI 81-107; and
 - (E) the Filer does not receive any compensation in respect of the Inter-Fund Trade and the only costs incurred by a Pooled Fund for the Inter-Fund Trade are a nominal administrative charge levied by the custodian of the relevant Pooled Fund in recording the trades and the fees and expenses charged by the manager of the Alternative Asset Fund in connection with such transfer which would be incurred in connection with any transfer to a third party;
- (v) in the case of an Inter-Fund Trade between a Managed Account and a Pooled Fund:
 - (A) the IRC of the Pooled Fund has approved the Inter- Fund Trade in respect of such Pooled Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;
 - (B) the Discretionary Management Agreement or other documentation in respect of the Managed Account authorizes the Inter-Fund Trade;
 - (C) if the Inter-Fund Trade involves Mortgages, the conditions in (a)(iv)(B), (C), and (D) above are satisfied; and
 - (D) if the Inter-Fund Trade involves securities of Alternative Asset Funds, the conditions in (a)(v)(B), (C), (D), and (E) are satisfied;
- (b) the In-Specie Transfer Relief is granted provided that:
 - (i) if the transaction is the purchase of Fund Securities of a Pooled Fund by a Managed Account;
 - (A) the Filer obtains the prior written consent of the Client of the Managed Account before it engages in any In- Specie Transfer in connection with the purchase of Fund Securities of the Pooled Fund;
 - (B) the Pooled Fund would, at the time of payment, be permitted to purchase the portfolio securities held by the Managed Account;
 - (C) the portfolio securities are acceptable to the Filer, as portfolio manager of the Pooled Fund and consistent with the Pooled Fund's investment objectives;
 - (D) the value of the portfolio securities sold to the Pooled Fund by the Managed Account is equal to the issue price of the securities of the Pooled Fund for which they are

- used as payment, valued as if the securities were portfolio assets of that Pooled Fund;
- (E) the account statement next prepared for the Managed Account will include a note describing the portfolio securities delivered to the Pooled Fund and the value assigned to such securities; and
 - (F) the Pooled Fund keeps written records of all In- Specie Transfers during the financial year of the Pooled Fund, reflecting details of the portfolio securities delivered to the Pooled Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;
- (ii) if the transaction is the redemption of Fund Securities of a Pooled Fund by a Managed Account:
- (A) the Filer obtains the prior written consent of the Client of the Managed Account to the payment of redemption proceeds in the form of an In-Specie Transfer and such consent has not been revoked;
 - (B) the portfolio securities are acceptable to the Filer as portfolio manager of the Managed Account and consistent with the Managed Account's investment objectives;
 - (C) the value of the portfolio securities is equal to the amount at which those securities were valued in calculating the net asset value per Fund Security used to establish the redemption price;
 - (D) the holder of the Managed Account has not provided notice to terminate its Discretionary Management Agreement with the Filer;
 - (E) the account statement next prepared for the Managed Account will include a note describing the portfolio securities delivered to the Managed Account and the value assigned to such securities; and
 - (F) the Pooled Fund keeps written records of all In- Specie Transfers in a financial year of the Pooled Fund, reflecting details of the portfolio securities delivered by the Pooled Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;
- (iii) if the transaction is the purchase of Fund Securities of a Pooled Fund by a Pooled Fund:
- (A) the Pooled Fund would at the time of payment be permitted to purchase the portfolio securities;
 - (B) the portfolio securities are acceptable to the Filer as portfolio manager of the Pooled Fund, and consistent with the Pooled Fund's investment objectives;
 - (C) the value of the portfolio securities is equal to the issue price of the Fund Securities of the Pooled Fund for which they are payment, valued as if the securities were portfolio assets of that Pooled Fund; and
 - (D) each Pooled Fund keeps written records of all In- Specie Transfers in a financial year of a Pooled Fund, reflecting details of the portfolio securities delivered to the Pooled Fund, and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;
- (iv) if the transaction is the redemption of Fund Securities of a Pooled Fund by a Pooled Fund:
- (A) the portfolio securities are acceptable to the Filer as portfolio manager of the Pooled Fund, and consistent with the investment objectives of the Pooled Fund; the value of the portfolio securities is equal to the amount at which those securities were valued in calculating the net asset value per Fund Securities used to establish the redemption price of the Pooled Fund; and

- (B) each Pooled Fund keeps written records of all In-Specie Transfers in a financial year of the Pooled Fund, reflecting details of the portfolio securities delivered by the Pooled Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;
- (v) the Filer does not receive any compensation in respect of any sale or redemption of Fund Securities of a Pooled Fund and the only cost which will be incurred by a Managed Account or a Pooled Fund for an In-Specie Transfer is (i) a nominal administrative charge levied by the custodian of the relevant Pooled Fund in recording the trades, and any commission charged by the dealer executing the trade, (ii) in respect of Mortgages, any costs associated with registering or otherwise recording the transfer which would be incurred for any transfer of Mortgages, and (iii) in respect of securities of an Alternative Asset Fund, any fees and expenses charged by the manager of the Alternative Asset Fund in connection with the transfer which would be incurred in connection with any transfer to a third party;
- (vi) if any In-Specie Transfer involves the transfer of an "illiquid asset" (as defined in NI 81-102) (other than Mortgages or securities of an Alternative Asset Fund), the Filer must obtain at least one quote for the asset from an independent arm's length purchaser or seller, immediately before effecting the In-Specie Transfer (as contemplated by commentary #7 to section 6.1 of National Instrument 81-107 *Independent Review Committee for Investment Funds*);
- (vii) should any In-Specie Transfer involve the transfer of a Mortgage, the Filer will obtain a valuation from an independent mortgage valuator that uses a risk-based system to independently value the Mortgage; to the extent that the applicable Pooled Fund uses an independent mortgage valuator to value Mortgages owned by the Pooled Fund, the independent mortgage valuator will be the same independent mortgage valuator; and
- (viii) should any In-Specie Transfer involve the transfer of securities of an Alternative Asset Fund, the Filer will obtain a valuation from an Independent Valuator to opine as to whether the net asset value attributable to the securities of the Alternative Asset Fund that are the subject of such In-Specie Transfer is within the price range of fair market value for such securities; the net asset value attributable to the securities of the Alternative Asset Fund, as determined by the manager of the Alternative Asset Fund, that are the subject of such In-Specie Transfer will be used by the Filer without alteration or adjustment to effect the In-Specie Transfer to the extent that the Independent Valuator confirms that such net asset value is within the price range of fair market value for such securities.

"Mark Wang"
Director, Capital Markets Registration
British Columbia Securities Commission

B.3.5 Brompton Funds Limited and Brompton Enhanced Multi-Asset Income ETF

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from fund multi-layering restriction in paragraph 2.5(2)(b) of NI 81-102 to permit an investment fund to invest in another investment fund under common management that holds more than 10% of its net assets in securities of other investment funds – Top fund is an exchange-traded alternative mutual fund that seeks to achieve its investment objectives by investing part of its assets in preferred shares issued by split share corporations – Underlying fund will be an exchange-traded alternative mutual fund that will primarily invest in an actively managed portfolio of preferred shares offered by split share corporations – Top fund proposing to invest up to 20% of its assets in securities of the Underlying Fund as an efficient and cost-effective alternative to investing directly in a portfolio of individual preferred shares of split share corporations – Relief granted from multi-layering restriction in paragraph 2.5(2)(b) to permit top fund to invest up to 20% of net assets in securities of underlying fund, subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.5(2)(b) and 19.1.

May 31, 2023

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
BROMPTON FUNDS LIMITED
(the Filer or Manager)

AND

BROMPTON ENHANCED MULTI-ASSET INCOME ETF
(the Top Fund)

DECISION

BACKGROUND

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Top Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) granting an exemption from paragraph 2.5(2)(b) of National Instrument 81-102 – *Investment Funds* (**NI 81-102**) to permit the Top Fund to purchase securities of Brompton Split Corp. Preferred Share ETF (the **Underlying Fund**), which will hold more than 10% of its net asset value (**NAV**) in securities of other investment funds (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in all of the other provinces and territories of Canada (together with the Jurisdiction, the **Jurisdictions**).

INTERPRETATION

Terms defined in National Instrument 14-101 – *Definitions*, MI 11-102 and NI 81-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

The Filer

1. The Filer is a corporation incorporated under the laws of the Province of Ontario, with its head office located at Suite 2930, Bay Wellington Tower, Brookfield Place, 181 Bay Street, Toronto, Ontario, M5J 2T3.
2. The Filer is not in default of securities legislation in any of the Jurisdictions.
3. The Filer acts as investment fund manager and portfolio manager of the Top Fund and will act as investment fund manager and portfolio manager of the Underlying Fund.
4. The Filer is registered with the Ontario Securities Commission as an investment fund manager, exempt market dealer, portfolio manager and commodity trading manager.

The Top Fund

5. The Top Fund is an exchange-traded 'alternative mutual fund' organized and governed by the laws of the Province of Ontario.
6. The Top Fund is governed by the provisions of NI 81-102, subject to any exemption therefrom that may be granted by the securities regulatory authorities.
7. The Top Fund is a reporting issuer in each of the Jurisdictions. It currently distributes its securities on a continuous basis under a long form prospectus dated March 24, 2023 prepared pursuant to National Instrument 41-101 – *General Prospectus Requirements (NI 41-101)* in the form of Form 41-101F2 – *Information Required in an Investment Fund Prospectus (Form 41-101F2)* and Form 41-101F4 – *Information Required in an ETF Facts Document (Form 41-101F4)*. Its securities began trading on the Toronto Stock Exchange (**TSX**) under the ticker symbol BMAX on October 20, 2022.
8. The investment objectives of the Top Fund are to provide unitholders with: (a) attractive monthly distributions and (b) the opportunity for capital appreciation by investing, directly or indirectly, on a leveraged basis, in a portfolio of equity and fixed income securities. The Top Fund seeks to hedge substantially all of its direct exposure to foreign currencies back to the Canadian dollar.
9. The Top Fund currently seeks to achieve its investment objectives by investing in securities of investment funds (exchange-traded funds (**ETFs**) and/or split share corporations (**Split Share Corporations**)) managed by the Manager which invest in equity and/or fixed income securities. The Manager expects that the Top Fund will invest substantially all of its NAV in equity covered-call ETFs, fixed income ETFs and preferred shares issued by Split Share Corporations (**Split Corp. Preferred Shares**) and that the asset allocation of the Top Fund, which may change from time to time at the Manager's discretion, will be approximately 70% equity covered-call ETFs, 20% fixed income ETFs and 10% Split Corp. Preferred Shares. The Manager does not expect that the Top Fund's allocation to Split Corp. Preferred Shares will exceed 20% of NAV (at the time of purchase).
10. The Top Fund is subject to National Instrument 81-107 – *Independent Review Committee for Investment Funds (NI 81-107)*.
11. The Top Fund wishes to have the ability to purchase securities of the Underlying Fund which will hold more than 10% of its NAV in securities of other investment funds, as described below.
12. Each investment by the Top Fund in securities of the Underlying Fund will be made in accordance with the investment objectives of the Top Fund and will represent the business judgement of responsible persons uninfluenced by considerations other than the best interest of the Top Fund.
13. The Top Fund will not sell short securities of the Underlying Fund.

The Underlying Fund

14. The Underlying Fund will be an exchange-traded 'alternative mutual fund' organized and governed by the laws of the Province of Ontario.
15. The Underlying Fund will be governed by the provisions of NI 81-102, subject to any exemption therefrom that may be granted by the securities regulatory authorities.

16. The Manager filed a preliminary long form prospectus and preliminary ETF Facts dated May 12, 2023 pursuant to NI 41-101 in the Form of 41-101F2 and 41-101F4 to qualify the distribution of units of the Underlying Fund in the Jurisdictions on a continuous basis. The Manager intends to file a final long form prospectus and final ETF Facts for the Underlying Fund in respect of which it expects to be granted a final receipt, upon which the Underlying Fund will become a reporting issuer in each of the Jurisdictions.
17. Subject to the approval of the TSX, the units of the Underlying Fund will be listed on the TSX.
18. The investment objectives of the Underlying Fund will be to provide its unitholders with: (a) monthly distributions and (b) the opportunity for capital preservation, primarily through investment in a portfolio of Split Corp. Preferred Shares of Split Share Corporations.
19. The investment strategy of the Underlying Fund will be to primarily invest in an actively managed portfolio of Split Corp. Preferred Shares offered by Split Share Corporations listed on a Canadian exchange and that are managed by the Manager or by third party managers. The Underlying Fund may also invest in preferred shares of other issuers, ETFs and other investment funds managed by the Manager or a third-party manager (the ETFs and other investment funds are together referred to herein as the **Other Funds**), equities or income-generating securities, and securities that are convertible into any of the above noted securities provided such investments are consistent with the Underlying Fund's investment objectives.
20. The Underlying Fund will be subject to NI 81-107.
21. The Top Fund and the Underlying Fund are related parties. The Filer will comply with its obligations under NI 81-107 in respect of any purchase by the Top Fund of securities of the Underlying Fund. All such related party transactions will be disclosed to securityholders of the Top Fund in its management report of fund performance.
22. As it is proposed that the securities of the Underlying Fund be listed on the TSX, the market for them will be highly liquid as the market for the securities will be supported by a designated broker which acts as an intermediary between investors and the Underlying Fund, standing in the market with bid and ask prices for such securities to maintain a liquid market for the securities of the Underlying Fund. As a result, the Filer expects the Top Fund will be able to dispose of securities of the Underlying Fund through market facilities in order to raise cash, including to fund the redemption requests of its securityholders.
23. As the Underlying Fund's portfolio is expected to consist primarily of an actively managed portfolio of Split Corp. Preferred Shares of Split Share Corporations which are 'investment funds' within the meaning of the Legislation, and may also include securities of Other Funds, the Underlying Fund will hold more than 10% of its NAV in securities of other investment funds.
24. Each of the Split Share Corporations and the Other Funds held in the portfolio of the Underlying Fund are or will be reporting issuers in the Jurisdictions and will be subject to the provisions of NI 81-102.
25. The Underlying Fund will not invest in physical commodities, use specified derivatives or engage in short selling.

General

26. In satisfaction of its targeted allocation to Split Corp. Preferred Shares, the Top Fund wishes to invest up to 20% of its NAV (calculated at the time of purchase) in securities of the Underlying Fund as an efficient and cost-effective alternative to investing directly in a portfolio of individual Split Corp. Preferred Shares.
27. An investment in the Underlying Fund by the Top Fund will enable the Top Fund to diversify its portfolio holdings as the Underlying Fund is expected to hold securities of 15-20 Split Share Corporations and Other Funds.
28. Absent the Exemption Sought, an investment by the Top Fund in the Underlying Fund is prohibited by the multi-tiering restriction in paragraph 2.5(2)(b) of NI 81-102 because the Underlying Fund will hold more than 10% of its NAV in securities of other investment funds, consisting of Split Share Corporations and Other Funds.
29. An investment by the Top Fund in the Underlying Fund would not qualify for the exemptions in paragraph 2.5(4) of NI 81-102 from the multi-tiering restriction in paragraph 2.5(2)(b) of NI 81-102 because the Underlying Fund will not issue index participation units and will not be a clone fund or money market fund.
30. Except for paragraph 2.5(2)(b) of NI 81-102, each investment by the Top Fund in securities of the Underlying Fund will be made in accordance with the provisions of section 2.5 of NI 81-102.
31. There will be no duplication of management fees or incentive fees between the Top Fund and the Underlying Fund, and between the Underlying Fund and the Split Share Corporations and Other Funds.

32. Specifically, the Top Fund does not pay the Manager an annual management fee for the services that the Manager provides to the Top Fund. Instead, the Manager is paid an annual management fee by the related underlying funds in which the Top Fund invests. The prospectus of the Top Fund discloses the range of management fees payable by the underlying funds in which the Top Fund invests. Accordingly, there will be no duplication of management fees payable by the Top Fund and the Underlying Fund for the same service. Furthermore, no sales fees or redemption fees are payable by the Top Fund in relation to purchases or redemptions of the securities of the underlying funds in which it invests if such underlying funds are managed by the Manager or an affiliate or associate of the Manager and no sales fees or redemption fees are payable by the Top Fund in relation to its purchases or redemptions of securities of any unrelated investment fund that, to a reasonable person, would duplicate a fee payable by an investor in the Top Fund.
33. Similarly, when the Underlying Fund invests in Split Corp. Preferred Shares of Split Share Corporations and securities of Other Funds that are managed by the Manager or third-party managers, there shall be no management fees or incentive fees that are payable by the Underlying Fund that, to a reasonable person, would duplicate a fee payable by the Split Share Corporations and Other Funds for the same service. In addition, no sales fees or redemption fees will be payable by the Underlying Fund in relation to purchases and redemptions of Split Corp. Preferred Shares of Split Share Corporations and securities of Other Funds in which it invests if such investment funds are managed by the Manager or an affiliate and no sales fees or redemption fees will be payable by the Underlying Fund in relation to its purchases or redemptions of securities of any unrelated investment fund that, to a reasonable person, would duplicate a fee payable by an investor in the Underlying Fund.
34. An investment in the Underlying Fund by the Top Fund should pose little investment risk to the Top Fund because the Underlying Fund, as well as the Split Share Corporations and Other Funds in which the Underlying Fund will invest, will be subject to NI 81-102, subject to any exemptions therefrom that may be granted by the securities regulatory authorities.
35. The Filer is of the view that granting the Exemption Sought is in the best interests of the Top Fund and is not prejudicial to the public interest or to securityholders of the Top Fund.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, provided that:

- (a) the Filer is the investment fund manager and portfolio manager of the Top Fund and the Underlying Fund;
- (b) an investment by the Top Fund in securities of the Underlying Fund is in accordance with the investment objectives and strategies of the Top Fund;
- (c) the investment strategies of the Top Fund, as disclosed in the long form prospectus of the Top Fund that is next receipted after the Top Fund purchases securities of the Underlying Fund, state that the Top Fund may invest in the Underlying Fund which may in turn invest more than 10% of its net assets in other investment funds that are related or unrelated to the Manager;
- (d) an investment by the Top Fund in securities of the Underlying Fund will, immediately after purchase, comprise, in aggregate, no more than 20% of the NAV of the Top Fund;
- (e) neither the Underlying Fund nor any of the Split Share Corporations and Other Funds rely on any discretionary relief permitting the investment fund to exceed the leverage exposure otherwise permitted under NI 81-102 through the use of borrowing, short selling and specified derivatives;
- (f) there is no duplication of management fees or incentive fees between the Top Fund and the Underlying Fund, and between the Underlying Fund and the Split Share Corporations and Other Funds; and
- (g) the Top Fund's investment in securities of the Underlying Fund is otherwise made in compliance with all other requirements of section 2.5 of NI 81-102, except to the extent that discretionary relief has been granted from any such requirement.

"Darren McKall"
Manager, Investment Funds and Structured Products
Ontario Securities Commission

Application File #: 2023/0197
SEDAR File #: 3548879

B.3.6 CIBC Asset Management Inc. and the Top Funds

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to permit investment funds subject to NI 81-102 to invest in securities of related underlying investment funds that are not reporting issuers – relief subject to certain conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.5(2)(a), 2.5(2)(c) and 19.1.

June 1, 2023

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
CIBC ASSET MANAGEMENT INC.
(CAMI)

AND

IN THE MATTER OF
THE TOP FUNDS
(as defined below)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from CAMI and its affiliates (collectively, the **Filer**) on behalf of each of the Filer, CIBC Canadian Bond Fund, Renaissance Canadian Bond Fund, Imperial Canadian Bond Fund (the **Existing Top Funds**) and other existing and future investment funds managed or to be managed by the Filer that is, or will be, reporting issuers subject to National Instrument 81-102 *Investment Funds* (**NI 81-102**) and National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**) (the **Future Top Funds**, and together with the Existing Top Funds, the **Top Funds**).

The Filer intends for one or more Top Funds to invest, as the Filer considers in the best interest of the Top Fund and in accordance with its investment objectives and strategies, a portion of its assets in CIBC Long Term Private Debt Pool and CIBC Short Term Private Debt Pool, each an investment fund structured as a trust that is not currently subject to NI 81-102 or NI 81-107 (the **Initial Underlying Funds**), and/or in any other future investment fund that is, or will be, managed by the Filer and that is not subject to NI 81-102 or NI 81-107 (the **Future Underlying Funds** and, together with the Initial Underlying Funds, the **Underlying Funds**), and therefore has applied for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Top Funds from the following prohibitions in NI 81-102:

- (a) section 2.5(2)(a) of NI 81-102, which prohibits an investment fund from purchasing or holding a security of another investment fund unless, if the investment fund is a mutual fund, other than an alternative mutual fund, either of the following applies: (i) the other investment fund is a mutual fund, other than an alternative mutual fund, that is subject to this Instrument; (ii) the other investment fund is an alternative mutual fund or a non-redeemable investment fund that is subject to this Instrument and, at the time of the purchase of that security, the investment fund holds no more than 10% of its net asset value in securities of alternative mutual funds and non-redeemable investment funds; and

- (b) section 2.5(2)(c) of NI 81-102, which prohibits an investment fund from purchasing or holding a security of another investment fund unless the other investment fund is a reporting issuer in a jurisdiction.

(collectively, the **Exemption Sought**).

2. Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for the Application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 Passport System (**MI 11-102**) is intended to be relied upon in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Québec, Prince Edward Island, Saskatchewan and Yukon (together with the Jurisdiction, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

The Filer

- 3. CAMI is a corporation incorporated under the laws of the Province of Ontario with its head office located in Toronto, Ontario.
- 4. CAMI is registered as a portfolio manager in all Jurisdictions, as an investment fund manager in Ontario, Québec and Newfoundland and Labrador, as a commodity trading manager in Ontario, and as a derivative portfolio manager in Québec.
- 5. The Filer is not in default of securities legislation in any Jurisdiction.

The Top Funds

- 6. Each Top Fund is, or will be, an investment fund to which NI 81-102 applies, and will be organized and governed by the laws of a Jurisdiction.
- 7. CAMI is the manager of the Existing Top Funds and CAMI, or an affiliate of CAMI, will be the manager of any Future Top Funds. To the extent that the Filer is the manager of any Future Top Fund, the representations set out in this decision will apply to the same extent to such Future Top Funds.
- 8. The securities of each of the Top Fund are, or will be, qualified for distribution in one or more of the Jurisdictions and distributed to investors pursuant to a simplified prospectus and Fund Facts, prepared in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.
- 9. Each Top Fund is, or will be, a reporting issuer under the securities legislation of one or more Jurisdictions.
- 10. The Existing Top Funds are not in default of the securities legislation of any Jurisdiction.
- 11. The simplified prospectus of each Top Fund discloses, or will disclose, in its description of the Top Fund's investment strategies that the Top Fund may invest up to 10% of its assets directly or indirectly in the Underlying Funds. This limit is consistent with the classification of the Underlying Funds as illiquid assets for purposes of NI 81-102.
- 12. Each Top Fund is, or will be, subject to NI 81-107 and the Filer has established, or will establish, an independent review committee (**IRC**) in order to review conflict of interest matters pertaining to its management of the Top Funds are required by NI 81-107.

The Underlying Funds

- 13. Each Initial Underlying Fund falls, and each Future Underlying Fund will fall, within the definition of "investment fund" under the Securities Act (Ontario).
- 14. CAMI is the manager of the Initial Underlying Funds and CAMI, or an affiliate of CAMI, will be the manager of any Future Underlying Funds. To the extent that CAMI or an affiliate of CAMI is the manager of any Future Underlying Funds, the representations set out in this decision will apply to the same extent to such Future Underlying Funds.

15. Each Initial Underlying Fund is an investment fund structured as a trust to which NI 81-102 and NI 81-107 will not apply, and will be organized and governed by the laws of a Jurisdiction. Future Underlying Funds may be structured as limited partnerships, trusts or corporations to which NI 81-102 and NI 81-107 will not apply, and will be governed by the laws of a jurisdiction of Canada and organized and governed by the laws of a Jurisdiction.
16. No Underlying Fund will prepare a simplified prospectus in accordance with NI 81-101 or a long form prospectus in accordance with NI 41-101.
17. The Underlying Funds are not, or will not be, reporting issuers in any of the Jurisdictions or listed on any recognized stock exchange.
18. Securities of the Underlying Funds will be distributed solely to investors pursuant to exemptions from the prospectus requirements in accordance with National Instrument 45-106 – *Prospectus Exemptions* and the Legislation.
19. The Initial Underlying Funds are not in default of the securities legislation of any of the Canadian Jurisdictions.
20. The investment objective of the CIBC Long Term Private Debt Pool is to provide stable cash flows from long-lived assets by investing primarily in investment grade-quality Canadian bonds that are not publicly traded. The fund will focus on the infrastructure and power sectors with tactical allocations to other sectors within the private debt universe. Any non-Canadian dollar exposure will generally be hedged back to the Canadian dollar. The strategies employed use active management to add value relative to a long bond index designated by the manager.
21. The investment objective of the CIBC Short Term Private Debt Pool is to provide stable cash flows from short-lived assets by investing primarily in investment grade-quality Canadian bonds that are not publicly traded. The fund will focus on the infrastructure and power sectors with tactical allocations to other sectors within the private debt universe. Any non-Canadian dollar exposure will generally be hedged back to the Canadian dollar. The strategies employed use active management to add value relative to a short bond index designated by the manager.
22. The securities of each Underlying Fund are generally considered illiquid assets for purposes of NI 81-102. Securities of the Initial Underlying Funds are redeemable quarterly.
23. The Filer has one valuation policy for the calculation of NAV, which applies to both the Top Funds and the Underlying Funds managed by it. The Filer calculates NAV for the Underlying Funds in accordance with Part 14 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**).
24. The value of the underlying portfolio assets of each Initial Underlying Fund will be determined by a third party administrator that is independent of the Filer and the Top and Underlying Funds. The value of the underlying portfolio assets of each Initial Underlying Fund will be determined on at least a quarterly basis. Similar independent valuation will be carried out in respect of the underlying portfolio assets of each Future Underlying Fund.
25. Each Underlying Fund produces, and will produce, audited financial statements on an annual basis, in accordance with generally accepted accounting principles with a qualified auditing firm as the auditor of those financial statements.
26. No Top Fund will actively participate in the business or operations of an Underlying Fund.

Investments by Top Funds in the Underlying Funds

27. An investment by a Top Fund in an Underlying Fund will only be made if the investment is, or will be, compatible with the investment objectives of the Top Fund and allows, or will allow, the Top Fund to obtain exposure to asset classes in which the Top Fund may otherwise invest directly. Each Top Fund will comply with the investment restrictions and practices provided for in Part 2 of NI 81-102 in making such investments except where exempted pursuant to the Exemption Sought or other exemptive relief previously obtained.
28. The Filer believes that the investment by a Top Fund in an Underlying Fund will provide the Top Fund with an efficient and cost-effective manner of pursuing portfolio diversification and asset diversification instead of purchasing securities directly.
29. Investments by a Top Fund in an Underlying Fund will be effected at an objective price. The Filer's policies and procedures provide that an objective price, for this purpose, will be the NAV per security of the applicable Underlying Fund.
30. A Top Fund will not invest in an Underlying Fund unless the portfolio manager of the Top Fund believes that the liquidity of the Top Fund's portfolio is adequately managed through other strategies.

Generally

31. Since the Underlying Funds are not reporting issuers and are not subject to NI 81-102, the Top Funds are unable to rely upon the exemption codified under subsection 2.5(7) of NI 81-102 for investments by investment funds subject to NI 81-102 in other investment funds.
32. Absent the Exemption Sought, a Top Fund would be prohibited by section 2.5(2)(a) and 2.5(2)(c) from purchasing or holding securities of an Underlying Fund because the Underlying Funds (i) are not subject to NI 81-102; and (ii) are not reporting issuers in the Jurisdictions.
33. The Filer considers that investments in the Underlying Funds by the Top Funds raise "conflict of interest matters" within the meaning of NI 81-107 and therefore if the Exemption Sought is granted, the Filer will request approvals of the IRC for the proposed investments of the Top Funds in the Underlying Funds, including by way of standing instructions. No such investments will be made until the IRC provides its approvals under section 5.2 of NI 81-107.
34. The decision to permit the Top Funds to invest in the Underlying Funds represents CAMI's business judgment and is not influenced by factors other than the best interests of the Top Funds.
35. On an annual basis the financial statements of each Underlying Fund, are, or will be, audited by the Underlying Fund's external auditors, which audit includes independent confirmation of the fair value of each portfolio investment. Such appointed auditor also audits the value of the portfolio investments to ensure that they are accurately valued in accordance with the Underlying Fund's valuation policy. Such financial statements will be accessible in the ordinary course by the Filer.
36. Aside from the sections covered by the Exemption Sought, the Top Funds will comply with section 2.5 of NI 81-102 with respect to any investment in an Underlying Fund.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision. The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, provided that:

- (a) no Top Fund will actively participate in the business or operations of any Underlying Fund;
- (b) each Top Fund will be treated similar to an arm's-length investor when making investments in each Underlying Fund, with such investment being accepted by the Underlying Fund on a fair and equitable basis as compared to all other third-party investors;
- (c) the investment by a Top Fund in an Underlying Fund is compatible with the fundamental investment objectives of the Top Fund;
- (d) the investments in the Underlying Funds are included as part of the calculation for the purposes of the illiquid asset restriction in section 2.4 of NI 81-102 for a Top Fund;
- (e) in respect of an investment by a Top Fund in an Underlying Fund, no management fees or incentive fees will be payable by the Top Fund that, to a reasonable person, would duplicate a fee payable by an Underlying Fund for the same service;
- (f) in respect of an investment by a Top Fund in an Underlying Fund, no sales or redemption fees will be paid as part of the investment in the Underlying Fund;
- (g) where applicable, a Top Fund's investment in an Underlying Fund, will be disclosed to investors in such Top Fund's quarterly portfolio holding reports, financial statements and fund facts;
- (h) the prospectus of a Top Fund discloses, or will disclose in the next renewal or amendment thereto following the date of a decision evidencing the Exemption Sought, the fact that the Top Fund may invest in a related Underlying Fund, which are investment funds managed by the Filer;
- (i) the IRC of a Top Fund will review and provide its approval, including by way of standing instructions, prior to the purchase of an Underlying Fund by the Top Fund in accordance with section 5.2(2) of NI 81-107. The Filer will comply with section 5.1 of NI 81-107 and the Filer and the IRC of the Top Fund will comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the transactions;
- (j) the Filer does not cause the securities of an Underlying Fund held by a Top Fund to be voted at any meeting of the holders of such securities, except that the Filer may arrange for the securities the Top Fund holds of an

Underlying Fund to be voted by the beneficial owners of the securities of the Top Fund who are not the Filer or an officer, director or substantial securityholder of the Filer;

- (k) a Top Fund will invest in, and redeem, each Underlying Fund at the NAV of the applicable securities of the Underlying Fund, which will be based on the valuation of the applicable portfolio assets to which the Underlying Fund has exposure, determined by a third party that is independent of the Filer and the Top and Underlying Funds; and
- (l) a Top Fund will invest in a Future Underlying Fund only where it is managed by the Filer, structured in similar ways to the Initial Underlying Funds and the NAV of the Future Underlying Fund is based on a valuation that is determined by a third party that is independent of the Filer and the Top and Underlying Funds.

“Darren McKall”

Manager

Investment Funds and Structured Products Branch

Ontario Securities Commission

Application File #: 2022/0554

SEDAR File #: 3549420 & 3549422

B.4 Cease Trading Orders

B.4.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Shiny Health & Wellness Corp.	June 6, 2023	
IntelliPharmaCeutics International Inc.	March 6, 2023	June 7, 2023
Igen Networks Corp.	June 7, 2023	
Lords & Company Worldwide Holdings Inc.	June 1, 2023	
Next Hydrogen Solutions Inc.	May 8, 2023	May 18, 2023
Albert Labs International Corp.	May 8, 2023	June 8, 2023
GHP Noetic Science-Psychedelic Pharma Inc.	June 5, 2023	

B.4.2 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Altiplano Metals Inc.	May 5, 2023	June 12, 2023

B.4.3 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Gatos Silver, Inc.	April 1, 2022	
Gatos Silver, Inc.	April 12, 2022	
Sproutly Canada, Inc.	June 30, 2022	
Gatos Silver, Inc.	July 7, 2022	
iMining Technologies Inc.	September 30, 2022	
Titan Medical Inc.	April 3, 2023	

B.4: Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Halo Collective Inc.	April 3, 2023	
Alkaline Fuel Cell Power Corp.	April 4, 2023	
mCloud Technologies Corp.	April 5, 2023	
Champion Gaming Group Inc.	May 2, 2023	
Element Nutritional Sciences Inc.	May 2, 2023	
Eddy Smart Home Solutions Ltd.	May 2, 2023	
CareSpan Health, Inc.	May 5, 2023	
Canada Silver Cobalt Works Inc.	May 5, 2023	
Altiplano Metals Inc.	May 5, 2023	June 12, 2023
XTM Inc.	May 2, 2023	
VOLTAGE METALS CORP.	May 2, 2023	
Voxtur Analytics Corp.	May 5, 2023	
Hempsana Holdings Ltd.	May 4, 2023	
FRX Innovations Inc.	May 2, 2023	
Magnetic North Acquisition Corp.	May 8, 2023	
Canopy Growth Corporation	June 2, 2023	

B.7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as in Thomson Reuters Canada's internet service SecuritiesSource (see www.westlawnextcanada.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

B.9

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

NBI International Equity Fund
Principal Regulator – Quebec

Type and Date:

Final Simplified Prospectus dated Jun 8, 2023
NP 11-202 Final Receipt dated Jun 9, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3532581

Issuer Name:

INDEXPLUS Income Fund
Middlefield Canadian Dividend Growers Class
Middlefield Global Agriculture Class
Middlefield Global Dividend Growers Class
Middlefield Global Energy Transition Class
Middlefield Global Infrastructure Fund
Middlefield Healthcare Dividend Fund (formerly Global Healthcare Dividend Fund)
Middlefield High Interest Income Class
Middlefield Income Plus Class
Middlefield Innovation Dividend Class
Middlefield Real Estate Dividend Class (formerly Middlefield Global Real Estate Class)
Middlefield U.S. Equity Dividend Class (formerly Middlefield U.S. Dividend Growers Class)
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Jun 7, 2023
NP 11-202 Final Receipt dated Jun 8, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3528174

Issuer Name:

Harvest Brand Leaders Plus Income ETF
Harvest Canadian Equity Income Leaders ETF
Harvest Energy Leaders Plus Income ETF
Harvest Global REIT Leaders Income ETF
Harvest Healthcare Leaders Income ETF
Harvest Tech Achievers Growth & Income ETF
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated Jun 6, 2023
NP 11-202 Final Receipt dated Jun 6, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3530413

Issuer Name:

Hamilton Enhanced Canadian Bank ETF
Hamilton Enhanced Multi-Sector Covered Call ETF
Hamilton Enhanced Utilities ETF
Hamilton Utilities Yield Maximizer ETF
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated Jun 7, 2023
NP 11-202 Final Receipt dated Jun 8, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3531925

Issuer Name:

Mackenzie Global Strategic Income Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Jun 6, 2023
NP 11-202 Final Receipt dated Jun 9, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3518800

Issuer Name:

Forge First Conservative Alternative Fund
Forge First Long Short Alternative Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Jun 7, 2023
NP 11-202 Final Receipt dated Jun 9, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3533131

Issuer Name:

Caldwell Canadian Value Momentum Fund
Caldwell CorePlus Infrastructure Fund
Caldwell U.S. Dividend Advantage Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Jun 8, 2023
NP 11-202 Final Receipt dated Jun 12, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3527004

Issuer Name:

Caldwell North American Fund
Tactical Sovereign Bond Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Jun 8, 2023
NP 11-202 Final Receipt dated Jun 9, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3526151

Issuer Name:

Mackenzie USD Global Dividend Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Jun 6, 2023
NP 11-202 Final Receipt dated Jun 7, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3518473

Issuer Name:

FDP Cash Management Portfolio
Principal Regulator - Quebec

Type and Date:

Amendment #1 to Final Simplified Prospectus dated June 1, 2023

NP 11-202 Final Receipt dated Jun 6, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3511035

Issuer Name:

RBC Vision Women's Leadership MSCI Canada Index ETF
RBC U.S. Discount Bond ETF
RBC Short Term U.S. Corporate Bond ETF
RBC Quant Canadian Equity Leaders ETF
RBC Quant U.S. Equity Leaders ETF
RBC Quant U.S. Equity Leaders (CAD Hedged) ETF
RBC Quant EAFE Equity Leaders ETF
RBC Quant EAFE Equity Leaders (CAD Hedged) ETF
RBC Quant Emerging Markets Equity Leaders ETF
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated June 7, 2023

NP 11-202 Final Receipt dated Jun 9, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3505331

Issuer Name:

Hamilton Canadian Financials Yield Maximizer ETF
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated June 6, 2023

NP 11-202 Final Receipt dated Jun 12, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3470349

Issuer Name:

AGF High Interest Savings Account Fund

AGF Global Conservative Portfolio Fund

AGF Global Growth Portfolio Fund

Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated June 7, 2023

NP 11-202 Final Receipt dated Jun 12, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3352370

NON-INVESTMENT FUNDS

Issuer Name:

Aecon Group Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated June 9, 2023
NP 11-202 Preliminary Receipt dated June 12, 2023

Offering Price and Description:

Common Shares, Debt Securities, Subscription Receipts,
Warrants, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3548951

Issuer Name:

Diversified Royalty Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated June 12, 2023
NP 11-202 Preliminary Receipt dated June 12, 2023

Offering Price and Description:

\$250,000,000.00 - Common Shares, Warrants, Subscription
Receipts, Debt Securities, Convertible Securities, Rights,
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3549417

Issuer Name:

Liberty Gold Corp. (formerly Pilot Gold Inc.)
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated June 9, 2023
NP 11-202 Preliminary Receipt dated June 9, 2023

Offering Price and Description:

C\$200,000,000.00 - Common Shares, Warrants,
Subscription Receipts, Units, Debt Securities, Share
Purchase Contracts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3548942

Issuer Name:

Rektron Group Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated June 1, 2023
NP 11-202 Preliminary Receipt dated June 6, 2023

Offering Price and Description:

USD\$15,000,000.00 - 7,500,000 Units.
Price per Unit: USD\$2.00

Underwriter(s) or Distributor(s):

RESEARCH CAPITAL CORPORATION

Promoter(s):

-

Project #3546933

Issuer Name:

Uranium Royalty Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated June 8, 2023
NP 11-202 Preliminary Receipt dated June 8, 2023

Offering Price and Description:

\$130,000,000.00 - Common Shares, Preferred Shares,
Warrants, Subscription Receipts, Debt Securities, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3548616

Issuer Name:

Aecon Group Inc.
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated June 9, 2023
NP 11-202 Receipt dated June 12, 2023

Offering Price and Description:

Common Shares, Debt Securities, Subscription Receipts,
Warrants, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3548951

Issuer Name:

BTB Real Estate Investment Trust
Principal Regulator - Quebec

Type and Date:

Final Shelf Prospectus dated June 9, 2023
NP 11-202 Receipt dated June 9, 2023

Offering Price and Description:

\$200,000,000.00 - Units, Debt Securities, Subscription Receipts, Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3541634

Issuer Name:

Flagship Communities Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated June 7, 2023
NP 11-202 Receipt dated June 8, 2023

Offering Price and Description:

US\$350,000,000.00 - Trust Units, Debt Securities, Subscription Receipts, Warrants,,Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3537407

Issuer Name:

Ciscom Corp.

Type and Date:

Final Long Form Prospectus dated June 5, 2023
Receipted on June 8, 2023

Offering Price and Description:

No securities are being offered pursuant to this prospectus.

Underwriter(s) or Distributor(s):

-

Promoter(s):

Drew Reid
Michel Pepin
Paul Gaynor
Whittaker Inc.

Project #3475857

Issuer Name:

Empress Royalty Corp.
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated June 9, 2023
NP 11-202 Receipt dated June 12, 2023

Offering Price and Description:

\$100,000,000.00 - COMMON SHARES, WARRANTS, DEBT SECURITIES, UNITS

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3502748

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B.10 Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Sprott Capital Partners LP To: SCP Resource Finance LP	Investment Dealer	April 28, 2023
Consent to Suspension (Pending Surrender)	Entreprises Greg Pompeo Inc.	Mutual Fund Dealer	May 18, 2023
New Registration	Boston Partners Securities, L.L.C.	Exempt Market Dealer	June 7, 2023
New Registration	Rondeivu (Canada) Inc.	Portfolio Manager and Exempt Market Dealer	June 8, 2023
Consent to Suspension (Pending Surrender)	Covington Capital Corporation	Portfolio Manager, Investment Fund Manager and Exempt Market Dealer	June 8, 2023
Consent to Suspension (Pending Surrender)	OneSixtyTwo Capital Ltd.	Portfolio Manager, Investment Fund Manager and Exempt Market Dealer	June 9, 2023

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B.11

CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.3 Clearing Agencies

B.11.3.1 Canadian Derivatives Clearing Corporation (CDCC) – Proposed Amendments to the Rules of the CDCC Regarding Cybersecurity – OSC Staff Notice of Request for Comment

OSC STAFF NOTICE OF REQUEST FOR COMMENT

PROPOSED AMENDMENTS TO THE RULES OF THE CDCC REGARDING CYBERSECURITY

CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC)

The Ontario Securities Commission is publishing for public comment the proposed amendments to the CDCC Rules regarding cybersecurity.

The purposes of the amendments are to establish cybersecurity requirements and to allow the clearing agency to monitor its clearing members' compliance with those requirements.

The comment period ends on July 12, 2023.

A copy of the CDCC Notice is published on our website at <http://www.osc.ca>.

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