

**For Immediate Release
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Canadian securities regulators outline corporate governance disclosure expectations for cannabis issuers

Toronto – Securities regulatory authorities in Ontario, British Columbia, Quebec, New Brunswick, Saskatchewan, Manitoba and Nova Scotia (the participating jurisdictions) today published guidance to help cannabis issuers strengthen their governance disclosures, including disclosure of financial interests in significant corporate transactions.

The cannabis industry has experienced significant growth, along with merger and acquisition transactions (M&A Transactions), over the past few years. As the market has expanded, many cannabis issuers and their directors and executive officers have participated in the financing of other cannabis issuers, resulting in higher than usual crossover of financial interests. These interests may include overlapping debt and equity, or other business relationships. Staff in the participating jurisdictions have found instances where the quality of cannabis issuers' disclosure in this area can be improved.

“Investors need to understand the conflicts of interest that could arise when issuers have crossover of financial interests, because those conflicts could have implications for the possible M&A transaction,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “Strengthening governance disclosure is important to providing investors with information to make an informed decision.”

While the guidance is intended for cannabis issuers, all reporting issuers, especially issuers in other emerging growth industries, should ensure that governance disclosures address potential conflicts of interests. CSA staff will continue to monitor these areas.

The CSA's guidance can be found in [Multilateral Staff Notice 51-359 Corporate Governance Related Disclosure Expectations for Reporting Issuers in the Cannabis Industry](#), which has been published on participating CSA members' websites.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

For Investor inquiries, please refer to your respective securities regulator. You can contact them here.

For media inquiries, please refer to the list of provincial and territorial representatives below or contact us at media@acvm-csa.ca.

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