Canadian Securities Administrators
Autorités canadiennes en valeurs mobilières

CSA Staff Notice 45-330 (Revised)

Frequently Asked Questions about the Listed Issuer Financing Exemption

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Introduction

The purpose of this notice is to answer some of the frequently asked questions (**FAQs**) on the listed issuer financing exemption under Part 5A of National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) adopted by all securities regulatory authorities in Canada in November 2022 (the **exemption**). Subject to certain conditions, the exemption allows reporting issuers that have securities listed on an exchange recognized by a securities regulatory authority in a jurisdiction of Canada to raise the greater of $5 000 000 and 10% of the issuer's market capitalization to a maximum of total dollar amount of $10 000 000 in a 12-month period by distributing securities to investors.

On May 14, 2025, each of the Canadian Securities Administrators (**CSA**) jurisdictions published Coordinated Blanket Order 45-935 *Exemptions from Certain Conditions of the Listed Issuer Financing Exemption* (the **blanket order**), which provided exemptions to increase the amount that can be raised under the exemption. If an issuer uses the blanket order, it may raise the greater of $25 000 000 and 20% of the aggregate market value of the issuer's listed securities to a maximum of $50 000 000 in a 12-month period. If an issuer uses the blanket order, it would also be subject to different provisions related to the 50% dilution limit.

The blanket order does not create a separate prospectus exemption; rather, it provides relief from certain conditions of the exemption by setting out alternative terms and conditions that must instead be met.

The list of FAQs below is not exhaustive, but it includes key issues and questions market participants have posed to us and our preliminary observations on offerings using the exemption to date. Staff of the participating jurisdictions may update these FAQs from time to time as necessary.

Frequently asked questions

Qualification to use the exemption:

1. **Can an issuer use the exemption if they are in default of securities legislation requirements?**

No. While an issuer is in default of securities legislation requirements, the issuer does not satisfy the condition in paragraph 5A.2(e) of NI 45-106. This restriction on using the exemption applies to issuers that are on a list of defaulting issuers in a Canadian jurisdiction, to issuers that have been advised by staff to re-file non-compliant disclosure documents as part of a prospectus or continuous disclosure review, and to other issuers that are otherwise in default of their requirements under securities legislation.

Once an issuer has addressed all defaults to the satisfaction of staff, the issuer can use the exemption provided it satisfies the other conditions of the exemption.

2. **Can an issuer that is a reporting issuer but does not have listed equity securities currently trading on a Canadian exchange use the exemption?**

No. An issuer must satisfy the condition in paragraph 5A.2(b) of NI 45-106 and have listed equity securities at the time of distribution. Paragraph 5A.1(1) defines "listed equity security" to mean equity securities of an issuer listed for trading on an exchange.

Therefore, an exchange listing must be completed prior to using the exemption and cannot be concurrent with or following the closing of an offering using the exemption. The conditions require the issuer to take actions that would be considered as acts in furtherance of a trade, for which the issuer would also need an exemption, including soliciting purchasers by issuing a news release and filing the offering document. If the issuer does not have listed equity securities at the time of those actions, it would not be able to use the exemption for those activities.

From an investor protection perspective, having listed equity securities ensures the investor can easily monitor the market price, fluctuations, and trading volumes. This is likely to be important information for investors when making an informed investment decision.

The Available Funds requirement:

3. **What does it mean that the issuer must reasonably expect that it will have available funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution and how can an issuer ensure it complies with this condition?**

The exemption is not available in situations where an issuer lacks sufficient funds to continue operations and achieve its objectives. If an issuer does not reasonably expect to have available funds for a period of 12 months following the distribution, the issuer cannot use the exemption.

There are several factors an issuer should consider in determining whether it has sufficient funds. First, it should consider the costs of its business objectives for the next 12 months. Note that Item 7 *Business objectives and milestones* of Form 45-106F19 *Listed Issuer Financing Document* (**Form 45-106F19**) requires the issuer to state the business objectives that it expects to accomplish using the available funds, including the costs related to each significant event that must occur for the business objectives to be met. In addition, the issuer should consider its cash flow from operations. Absent changes in key assumptions, future operating cash flow is likely to be similar to cash flow from operations in the issuer's most recent financial period. There will likely be other factors unique to each issuer's situation that the issuer should consider in making a determination of sufficiency of funds.

In most cases, the issuer will need to set a minimum offering amount to meet the 12-month funds sufficiency requirement. The minimum offering amount under the exemption must not be less than the issuer's estimate of the funds required to continue its operations and achieve its business objectives for the next 12 months, considering offering costs, the issuer's working capital or deficiency, projected operating cash flow, and any committed sources of additional funding.

When completing Item 8 *Available Funds* of Form 45-106F19, the issuer should consider the following:

- offering costs include selling commissions, fees, and any other offering costs
- working capital or deficiency is the issuer's current assets less its current liabilities
- additional funding must be committed to be considered, for example a concurrent bought deal private placement or an available credit facility

In Item 9 *Use of Available Funds* of Form 45-106F19, the issuer is required to provide a breakdown of how it will use the available funds. This will include the purposes necessary to meet its business objectives and liquidity requirements for the next 12 months.

If the available funds identified in Item 8 are not sufficient to cover all of the issuer's business objectives and liquidity requirements for a period of 12 months, the issuer will need to either increase the minimum offering amount or otherwise ensure sufficient funding is in place before using the exemption.

We remind issuers that if a completed Form 45-106F19 contains a misrepresentation, purchasers of securities under the exemption have either a right to rescind their purchase of the securities or a right to damages against the issuer and, in certain jurisdictions, a right to damages from the officers that signed the offering document and the issuer's directors.

4. **Can an issuer close an offering under the exemption in multiple tranches?**

Yes. An issuer could close an offering under the exemption in multiple tranches, subject to the maximum amount that can be raised in a 12-month period. While an issuer can close an offering in multiple tranches, if the issuer needs to raise a minimum offering amount to meet the 12-month funds sufficiency requirement, it must raise that minimum amount in the first tranche closing. In addition, the issuer must close the last tranche no later than the 45th day after issuing and filing the news release announcing the offering.

Types of securities that may be issued under the exemption:

5. **Can an issuer use the exemption to distribute flow-through shares?**

Flow-through shares are not a separate class of security; rather, calling a security "flow-through" denotes the tax benefits of the security. Therefore, provided the flow-through shares are "listed equity securities" and that all other conditions of the exemption are met, our view is that an issuer could use the exemption to distribute flow-through shares.

6. **Can an issuer use the exemption to distribute charitable flow-through shares?**

A charitable flow-through structure involves the distribution of flow-through securities to the donor who receives the flow-through tax benefits and donates the securities to a charity who immediately resells the securities to the end purchaser. As we understand these trades occur instantaneously, the series of trades would be viewed as a series of transactions incidental to a distribution and all treated as a single ongoing distribution, as referenced in section 3.12(8) of Companion Policy 45-106CP *Prospectus Exemptions* (**45-106CP**). Therefore, if all conditions of the exemption are met, the exemption appears to be available. Since this is a distribution by the issuer to the end purchaser, the end purchaser must be named in the report of exempt distribution and have all statutory rights under the exemption.

7. **Can an issuer use the exemption to distribute broker's warrants?**

An issuer is only able to issue a listed equity security or a unit consisting of a listed equity security and a warrant to acquire a listed equity security. As broker's warrants would not typically be a listed equity security, the exemption would not be available for their distribution.

We caution market participants about potential backdoor underwriting concerns if a dealer acquired securities under the exemption. Please refer to both the last paragraph of subsection 3.12(8) and section 1.7 of 45-106CP.

8. **Can an issuer use the exemption to issue securities for debt?**

Our view is that the exemption is not available for the issuance of securities for debt. One of the conditions of the exemption is that the issuer cannot solicit an offer to purchase before issuing and filing a news release announcing the offering and filing a completed Form 45-106F19. In our view, the issuer will not be able to satisfy that condition if it already has bona fide debt outstanding with the intended "purchaser".

Types of offerings using the exemption:

9. **Can the exemption be used for a bought deal offering?**

In our view, bought deal offerings using the exemption raise the following potential concerns:

- who is considered to be the purchaser, and would the purchaser receive all the rights under the exemption, including direction on how to access the offering document and the statutory rights of action in the event the offering document or the issuer's periodic and timely disclosure documents contain a misrepresentation;
- what occurs if the underwriter has to purchase any securities not taken up by purchasers;
- that underwriters may solicit potential purchasers prior to the issuer issuing and filing the news release and filing its completed offering document, nullifying the availability of the exemption.

If a bought deal is conducted in such a way that the actual purchaser has all the rights contemplated under the exemption and will be named in the report of exempt distribution, our view is that the exemption could be available. In such cases, the series of trades made to the actual purchaser would be viewed as a series of transactions incidental to a distribution and all treated as a single ongoing distribution, as referenced in section 3.12(8) of 45-106CP. However, if the underwriter were to end up having to purchase any left-over securities, our expectation is that distribution would be under section 2.33 of NI 45-106 (see section 1.7 of 45-106CP).

In addition, the issuer and underwriter would have to make sure that any marketing of the offering complies with the conditions of the exemption so that no solicitations occur prior to the issuance and filing of the news release and filing of the completed offering document.

10. **Can an issuer use the exemption concurrently with other prospectus exemptions?**

Yes. There is nothing preventing the issuer from combining offerings under the exemption with offerings under the accredited investor exemption or other prospectus exemptions. However, those other exemptions carry a hold period, while this exemption does not.

11. Can an issuer use the exemption in Quebec concurrently with a prospectus in other provinces?

No. As this appears to be a way of structuring a transaction solely to avoid the requirement to translate the prospectus and continuous disclosure documents, staff of the Autorité des marchés financiers advise that it is unacceptable. This approach would also result in Quebec subscribers having fewer rights than the subscribers purchasing under the prospectus.

Unless the issuer is already a reporting issuer in Quebec, and therefore required to comply with the linguistic obligations of that province under Part 3 of NI 51-102 *Continuous Disclosure Obligations*, to use the exemption in Quebec, under paragraph 5A.2(n) of NI 45-106, only Form 45-106F19 required under paragraph 5A.2(k) needs to be filed in French, not the continuous disclosure documents that the issuer has filed on SEDAR+.

12. Can the exemption be used for sharing arrangements where the issuer will not receive the proceeds immediately?

No. As the exemption is meant for issuer financings, it cannot be used in situations such as sharing arrangements where any of the proceeds will be held in escrow or otherwise not payable to the issuer upon closing of the distribution. The exemption is also expressly limited to a listed equity security or a unit consisting of a listed equity security and a warrant convertible into a listed equity security. The distribution of an OTC derivative whose value is based on an underlying interest, being the settlement price of the security, is not permitted under the terms of the exemption.

13. How do the exemption and the blanket order interact?

An issuer can continue to use the exemption alone or it can use the exemption together with the blanket order. However, if an issuer wants to use any provision of the blanket order (for instance, the increased capital raising limit or the provisions related to the 50% dilution limit), then all of the conditions of the blanket order will apply. Therefore, the issuer will be subject to the conditions that provide that the distribution cannot:

- result in a new control person, or
- result in a person or company acquiring ownership of, or exercising control or direction over, securities that would result in the person or company being entitled to elect a majority of directors.

When completing Form 45-106F1 *Report of Exempt Distribution* for the distribution, issuers must select "NI 45-106 5A.2 [Listed issuer financing exemption]" under the "Rule, section and subsection number" column of Schedule 1 and in item 7f of the SEDAR+ online form regardless of whether the issuer relies on the exemption alone or the exemption together with the blanket order.

Other practice questions:

14. **Does an issuer need to include the common shares that are issuable on exercise of warrants when calculating the 50% dilution limit?**

Yes. It is a condition of the exemption that the distribution will not result in an increase of more than 50% of the issuer's outstanding listed equity securities. Since the distribution of common shares on exercise of warrants may result from the distribution, those underlying common shares must be included when calculating the limit.

If the issuer relies solely on the exemption, the issuer is required to include, when calculating the limit, all common shares issuable on exercise of its outstanding warrants. However, if the issuer relies on the exemption together with the blanket order, the issuer is only required to include, when calculating the limit, common shares that are issuable on exercise of warrants if the warrants are convertible within 60 days of the closing date of the distribution.

15. **Is the value of the common shares issuable on exercise of warrants included in the calculation of the "total dollar amount of the distribution" maximum allowed to be raised within 12 months?**

No. Unlike the 50% dilution limit referenced above, the condition limiting the total dollar amount of the distribution refers only to the total dollar amount of the *initial* distribution. As the listed common shares issuable on exercise of the warrants are not part of the initial distribution, they are not required to be included in the calculation of the total dollar amount of the distribution.

16. **Does the issuer have to prepare a subscription agreement?**

No. The exemption does not require a subscription agreement or a risk acknowledgement to be signed by the purchaser. Generally, offerings under prospectus exemptions do not require a subscription agreement but many issuers want one to provide protection for themselves. Subscription agreements also contain other protections for issuers, so the issuer may consider using one for their own benefit.

17. **What date must the issuer refer to in the certificate of the offering document?**

Item 15 of Form 45-106F19 requires the following statement in bold with the bracketed information completed:

"This offering document, together with any document filed under Canadian securities legislation on or after *[insert the date which is the earlier of the date that is 12 months before the date of this offering document and the date that the issuer's most recent audited annual financial statements were filed]*, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation."

The requirement is that this certification must refer back to the date that is the earlier of 12 months before the date of the offering document and the date the most recent audited financial statements were filed. For most issuers, this will be a date 12 months before the date of the offering document. Staff have found that many issuers incorrectly use the date of the offering document itself instead of this earlier date. In these situations, we require the issuer to amended and restate its offering document to include the correct date.

Questions

If you have any questions about these FAQs or the exemption or blanket order generally, please contact any of the following CSA staff:

British Columbia Securities Commission

Larissa Streu
Manager, Corporate Disclosure
British Columbia Securities Commission
lstreu@bcsc.bc.ca

Nahal Iranpour
Legal Counsel, Corporate Finance
British Columbia Securities Commission
niranpour@bcsc.bc.ca

Grace Zheng
Senior Securities Analyst, Corporate Disclosure
British Columbia Securities Commission
gzheng@bcsc.bc.ca

Alberta Securities Commission

Tracy Clark
Senior Legal Counsel
Corporate Finance
Alberta Securities Commission
Tracy.Clark@asc.ca

Gillian Findlay
Senior Legal Counsel
Corporate Finance
Alberta Securities Commission
Gillian.Findlay@asc.ca

Financial and Consumer Affairs Authority of Saskatchewan

Heather Kuchuran
Director, Corporate Finance
Financial and Consumer Affairs Authority of Saskatchewan
heather.kuchuran@gov.sk.ca

Manitoba Securities Commission

Patrick Weeks
Deputy Director, Corporate Finance
Manitoba Securities Commission
patrick.weeks@gov.mb.ca

Melissa Ewasko
Legal Counsel
Manitoba Securities Commission
melissa.ewasko@gov.mb.ca

Ontario Securities Commission

David Surat
Associate Vice-President
Corporate Finance Division
Ontario Securities Commission
dsurat@osc.ca

Darren Sutherland
Senior Accountant
Corporate Finance Division
Ontario Securities Commission
dsutherland@osc.ca

Clara Ryu
Senior Legal Counsel (Acting)
Corporate Finance Division
Ontario Securities Commission
cryu@osc.ca

Sam MacDougall
Legal Counsel
Corporate Finance Division
Ontario Securities Commission
smacdougall@osc.ca

Autorité des marchés financiers

Laurence Ménard
Senior Coordinator
Mergers and Acquisitions
Autorité des marchés financiers
laurence.menard@lautorite.qc.ca

Marie-Josée Lacroix
Senior Coordinator
Corporate Finance Oversight
Autorité des marchés financiers
marie-josee.lacroix@lautorite.qc.ca

Najla Sebaai
Senior Policy Advisor
Corporate Finance Policy
Autorité des marchés financiers
najla.sebaai@lautorite.qc.ca

Geneviève Laporte
Senior Coordinator
Corporate Finance Oversight
Autorité des marchés financiers
genevieve.laporte@lautorite.qc.ca

Nova Scotia Securities Commission

Peter Lamey
Legal Analyst, Corporate Finance
Nova Scotia Securities Commission
peter.lamey@novascotia.ca

Abel Lazarus
Director, Corporate Finance
Nova Scotia Securities Commission
abel.lazarus@novascotia.ca

Financial and Consumer Services Commission of New Brunswick

Moira Goodfellow
Senior Legal Counsel, Securities
Financial and Consumer Services
Commission of New Brunswick
moira.goodfellow@fcnb.ca

Clayton Mitchell
Registration and Compliance Manager
Financial and Consumer Services
Commission of New Brunswick
clayton.mitchell@fcnb.ca

ANNEX A

PROPOSED AMENDMENTS TO

NATIONAL INSTRUMENT 45-106 *PROSPECTUS EXEMPTIONS*

1. National Instrument 45-106 Prospectus Exemptions is amended by this Instrument.

2. Subsection 5A.1(1) is amended

(a) by replacing "the name of the local jurisdiction.***" with "***the name of the local jurisdiction;***" in the definition of "***secondary market liability provisions***", and***

(b) by adding the following definition:

"**successor issuer**" has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*.**.**

3. Section 5A.2 is amended

(a) by renumbering it as subsection 5A.2(1),

(b) by replacing paragraph (a) with the following:

(a) the issuer is a reporting issuer in a jurisdiction of Canada and either of the following applies:

(i) the issuer has been a reporting issuer in a jurisdiction of Canada for the 12 months immediately before the date that the issuer files the news release referred to in paragraph (k);

(ii) the issuer

(A) is a successor issuer, and

(B) acquired substantially all of its business from a person or company that was a reporting issuer in a jurisdiction of Canada for the 12 months immediately before the acquisition;**,**

(c) in paragraph (g)

(i)by replacing "by the issuer under this section***" with "***by the issuer under this Part***",***

(ii)by replacing subparagraph (i) with the following:

(i) $25 000 000;***,***

(iii)by replacing subparagraph (ii) with the following:

(ii) if the issuer

(A) has not made a distribution under this Part during the 12 months immediately before the date that the issuer issues and files the news release referred to in paragraph (k), 20% of the aggregate market value of the issuer's listed equity securities as of the date of the news release announcing the offering, to a maximum of $50 000 000;

(B) has made other distributions under this Part during the 12 months immediately before the date that the issuer issues and files the news release referred to in paragraph (k), 20% of the aggregate market value of the issuer's listed equity securities as of the date of the news release announcing the first of the other distributions under this Part during that 12-month period, to a maximum of $50 000 000;***,***

(d) by replacing paragraph (h) with the following:

(h) if the issuer has not made any other distribution under this Part during the 12 months immediately before the date that the issuer issues and files the news release referred to in paragraph (k), the distribution, including securities issuable on conversion of warrants that are convertible within 60 days after completion of the distribution, will not result in an increase of more than 50% of the issuer's outstanding listed equity securities as of the date of issuance of the news release;***,***

(e) by adding the following paragraph:

(h.1) if the issuer has made other distributions under this Part during the 12 months immediately before the date that the issuer issues and files the news release referred to in paragraph (k), the distribution, including securities issuable on conversion of warrants that are convertible within 60 days after completion of the distribution, combined with all other distributions under this Part during that 12-month period, will not result in an increase of more than 50% of the issuer's outstanding listed equity securities as of the date of issuance of the news release announcing the first of the other distributions during that 12-month period;***,***

(f) ***in paragraph (i) by replacing "***business objectives and liquidity requirements for a period of 12 months following the distribution***" with "***short-term liquidity requirements***",***

(g) ***by adding the following paragraphs:***

(j.1) as a result of the distribution, a person or company does not become a control person of the issuer;

(j.2) as a result of the distribution, a person or company does not have beneficial ownership of or exercise control or direction over the number of the issuer's listed equity securities carrying votes that, if voted or exercised, would entitle the person or company to elect a majority of the directors of the issuer;***,***

(h) ***in paragraph (m) by replacing "***earlier of the date that is 12 months before the date of the document and the date that the issuer's most recent audited annual financial statements were filed***" with "***date that is 18 months before the date of the form***" and "***under this section***" with "***under this Part***", and***

(i) ***by adding the following subsection:***

(2) Despite subparagraph 5A.2(1)(k)(ii), if an offering price has not been determined before soliciting the offer to purchase referred to in paragraph 5A.2(k), the issuer may file an otherwise completed Form 45-106F19 *Listed Issuer Financing Document* that omits the offering price and other matters relating to the offering price, provided that the issuer

(a) includes in the news release referred to in paragraph 5A.2(1)(k)

(i) the expected range of the offering price, and

(ii) a statement that the form filed by the issuer is not complete and will be amended to include the offering price and other information before the distribution, and

(b) files an amendment to the form filed by the issuer that includes the omitted information on the earlier of

(i) the date that the purchaser enters into an agreement to purchase the security referred to in subsection (1), and

(ii) the 2nd business day after the date that the offering price is determined.**.**

4. Section 5A.3 is amended

(a) by replacing "a distribution under section 5A.2***" with "***a distribution under this Part***", and***

(b) by replacing "5A.2(k)***" wherever it occurs with "***5A.2(1)(k)***".***

5. Section 5A.4 is amended

(a) in subsection (1) by replacing "5A.2(k)***" wherever it occurs with "***5A.2(1)(k)***", and***

(b) in subsection (2)

(i) by replacing "section 5A.2***" with "***this Part***",***

(ii) by replacing "the 45th day***" with "***the 60th day***", and***

(iii) by replacing "5A.2(k)***" with "***5A.2(1)(k)***".***

6. Section 5A.5 is amended in subsections (1) to (4) by replacing "section 5A.2***" with "***this Part***".***

7. Section 5A.6 is amended in subsections (1) and (2) by replacing "section 5A.2***" with "***this Part***".***

8. Form 45-106F19 Listed Issuer Financing Document is amended in Instruction 1 by replacing "section 5A.2***" with "***Part 5A***".***

9. Form 45-106F19 Listed Issuer Financing Document is amended in Item 3 of Part 1

(a) by replacing "you should seek the advice of a registered dealer" with "you should seek the advice of a registrant",

(b) by replacing "section 5A.2***" with "***Part 5A***",***

(c) in item 3 by replacing "financing exemption in the 12 months immediately before***" with "***financing exemption during the 12 months immediately before***",***

"$5 000 000" ***with*** "$25 000 000"***,*** "10%" ***with*** "20%" ***and*** "$10 000 000" ***with*** "$50 000 000"***, and***

(d) ***in item 4 by replacing*** "**business objectives and liquidity requirements for a period of 12 months following the distribution**." ***with*** "**short-term liquidity requirements.**"***.***

10. ***Form 45-106F19 Listed Issuer Financing Document is amended in Item 5 of Part 2 by adding the following after*** "Provide a brief summary of key recent developments involving or affecting the issuer."***:***

"If a development is described in another document filed by the issuer, the issuer may meet the requirement in this item by including a cross-reference to the applicable document."***.***

11. ***Form 45-106F19 Listed Issuer Financing Document is amended in Item 6 of Part 2 by replacing*** "since the date that is the earlier of the date that is 12 months before the date of this offering document and the date that the issuer's most recent audited annual financial statements were filed" ***with*** "during the 18 months before the date of this offering document"***.***

12. ***Form 45-106F19 Listed Issuer Financing Document is amended by repealing Item 7 of Part 2.***

13. ***Form 45-106F19 Listed Issuer Financing Document is amended in Item 8 of Part 3***

(a) ***by replacing*** "decline" ***wherever it occurs with*** "change"***, and***

(b) ***by adding the following after the table:***

Instruction
*For the purposes of this item, include, for a source of funding or sources of funding, only funding that a person or company has a contractual obligation to provide the issuer.***.**

14. ***Form 45-106F19 Listed Issuer Financing Document is amended in Item 9 of Part 3***

(a) ***by adding the following above Instruction 9.1:***

0.1 If the issuer's most recently filed audited annual financial statements or interim financial report included disclosure of material uncertainties about going concern, or if there has been any decline regarding the issuer's financial condition, since the date of the issuer's most recently filed financial *statements, that could result in the issuer including disclosure of material uncertainties about going concern in its next financial statements:*

a. disclose that fact and explain how the offering is anticipated to address any of the material uncertainties that affect the decision on whether a going concern note is included in the issuer's next annual financial statements or interim financial report,

b. provide an analysis of the issuer's ability to generate sufficient funds to maintain operations on a going concern basis, including a description of the underlying factors and assumptions supporting this analysis as well as any risks and uncertainties associated with the issuer's ability to generate sufficient funds,

c. state the sources of financing that the issuer has arranged but not yet used and describe the circumstances that could affect those sources and that are reasonably likely to occur, and

d. disclose risk factors about the issuer's financial condition including, as applicable,

i. the impact of any working capital deficiency, negative cash flow from operating activities and debt levels on the issuer's ability to remain a going concern, and

*ii. any risks of defaulting on payments as they become due, and what effect the defaults would have on the issuer's operating activities.***,**

(b) in Instruction 9.3 by adding "*nature of* ***" before "****the relationship to the issuer* ***", and***

(c) by repealing Instruction 9.5.

15. Form 45-106F19 Listed Issuer Financing Document is amended by adding the following Item:

9.1 Business objectives and milestones

State the following in bold:

"**What are the business objectives that we expect to accomplish using the available funds?**"

Provide the business objectives that the issuer expects to accomplish using the available funds disclosed under item 8. Describe each significant event and milestone that must occur for the business objectives provided to be accomplished and state the specific period in which each event and milestone is expected to occur and the cost related to each event and milestone.

If the available funds will not be sufficient for the issuer to accomplish each of the business objectives, provide an analysis of the issuer's ability to generate sufficient funds in the short term and the long term to accomplish each of those business objectives.**.**

16. ***Form 45-106F19 Listed Issuer Financing Document is amended***

(a) ***in Item 11 of Part 4 by replacing "***If any dealer, finder or other person has or will receive***" with "***If any dealer, finder or other person has been or will be engaged, or has or will receive,***", and***

(b) ***in Item 12 of Part 4***

(i) ***by adding "***or finder***" after "***has engaged a dealer***",***

(ii) ***by replacing "*****[identify dealer(s)]*****" with "*****[identify dealer(s) or finder(s), as applicable]*****", and***

(iii)by adding the following after "If disclosure is required under National Instrument 33-105 *Underwriting Conflicts*, include that disclosure.***":***

If any finder that has been or will be engaged, or that has or will receive compensation, in connection with the offering is a related party of the issuer, disclose the nature of the relationship to the issuer.**.**

17. ***Form 45-106F19 Listed Issuer Financing Document is amended in Part 7 by replacing "*****[insert the date which is the earlier of the date that is 12 months before the date of this offering document and the date that the issuer's most recent audited annual financial statements were filed]*****" with "*****the date that is 18 months before the date of this offering document*****".***

18. (1) This Instrument comes into force on [•].

(2) In Saskatchewan, despite subsection (1), if this Instrument is filed with the Registrar of Regulations after [•], this Instrument comes into force on the day on which it is filed with the Registrar of Regulations.

ANNEX B

PROPOSED CHANGES TO

COMPANION POLICY 45-106CP *PROSPECTUS EXEMPTIONS*

1. Companion Policy 45-106CP Prospectus Exemptions is changed by this Document.

2. Section 3.12 is changed

(a) in subsection (1)

(i) by replacing “section 5A.2***” with “***Part 5A***”, “***paragraph 5A.2(c)***” with “***paragraph 5A.2(1)(c)***” and “***paragraph 5A.2(f)***” with “***paragraph 5A.2(1)(f)***”, and***

(ii) by adding “There is no requirement for a successor issuer, when calculating the increase in the issuer’s outstanding listed equity securities referred to in paragraph 5A.2(1)(h.1), to take into account the distributions completed under Part 5A by the predecessor issuer.***” at the end of the second paragraph;***

(b) by replacing subsection (3) with the following:

An issuer must reasonably expect to have, following completion of the offering, sufficient available funds to meet its short-term liquidity requirements. For an issuer that has not yet generated revenue arising in the course of ordinary activities, this generally means that the issuer needs to have available funds to achieve its next significant milestone. For an issuer that has generated revenue arising in the course of ordinary activities, this generally means that the issuer needs to have available funds to continue operations for the short-term following the distribution, which we generally consider to be 12 months.

There is no requirement to have a minimum offering amount under the listed issuer financing exemption. However, if, following completion of the offering, the issuer will not have sufficient available funds to meet the issuer’s short-term liquidity requirements, the issuer must set a minimum offering amount such that, following completion of the distribution, the issuer will have sufficient available funds to meet its short-term liquidity requirements.***,***

(c) in subsection (5) by replacing “which is the earlier of (i) the date that is 12 months prior to the date of the issuer’s completed Form 45-106F19, and (ii) the date that the issuer's most recent audited annual financial statements were filed***" with "***that is 18 months before the date of the offering document***",***

(d) in subsection (6) by replacing "which is the earlier of the date that is 12 months before the date of the completed Form 45-106F19 and the date that the issuer's most recent audited annual financial statements were filed***" with "***that is 18 months before the date of the offering document***", and***

(e) in subsection (12) by replacing "section 5A.2***" with "***Part 5A***".***

3. Section 3.13 is changed

(a) under the heading "Instructions, Item 1 *Overview of the offering document****" by deleting "***Generally, we do not expect it to be longer than about 5 pages.***",***

(b) under the heading "Part 1, Item 2 *Details of the offering****" by replacing "***45 days***" with "***60 days***",***

(c) under the heading "Part 2, Item 6 *Material facts****" by replacing "***12 months***" with "***18 months***",***

(d) under the heading "Part 3, Item 8 *Available funds****" by replacing "***significant decline***" wherever it occurs with "***significant change***", by adding "***or vice versa***" after "***to deficiency***", by replacing "***business objectives and liquidity requirements for a period of 12 months***" with "***short-term liquidity requirements***", by replacing "***business objectives (as disclosed in Item 7 of Part 2 of Form 45-106F19) and liquidity requirements for a period of 12 months***" with "***short-term liquidity requirements***" and by adding "***For further guidance, refer to section 3.12(3) of this Companion Policy.***" at the end of the third paragraph, and***

(e) under the heading "Part 7, Item 15 *Certificate****" by replacing "***which is the earlier of the date that is 12 months prior to the date of the Form and the date that the issuer's most recent audited annual financial statements were filed***" with "***that is 18 months prior to the date of the Form***".***

4. These changes become effective on [•].