

**PROPOSED 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*
 - (a) *by adding the following definitions:*

"annual disclosure statement" has the same meaning as in National Instrument 51-102 *Continuous Disclosure Obligations*;

"interim disclosure statement" has the same meaning as in National Instrument 51-102 *Continuous Disclosure Obligations*., **and**
 - (b) *in the definition of "qualifying issuer" by replacing "annual statements" with "annual financial statements".*
3. *Section 2.22 is amended in the definition of "listed issuer" by replacing "Aequitas NEO Exchange Inc." with "NEO Exchange Inc."*
4. *Subparagraph 5.2(e)(i) is amended*
 - (a) *by replacing clause (A) with the following:*
 - (A) the AIF, if it is not included in the issuer's annual disclosure statement referred to in clause (B),,
 - (b) *by replacing clause (B) with the following:*
 - (B) the most recent annual disclosure statement or annual financial statements and the MD&A relating to those financial statements., **and**
 - (c) *in clause (C), by adding "interim disclosure statements or" before "unaudited interim financial reports".*
5. *Form 45-106F3 OFFERING MEMORANDUM FOR QUALIFYING ISSUERS is amended in the Instructions for Completing Form 45-106F3 Offering Memorandum for Qualifying Issuers*
 - (a) *by replacing section 1 under the heading "C. Required Updates to the Offering Memorandum" with the following:*
 1. If the offering memorandum does not incorporate by reference the issuer's AIF and audited financial statements, or annual disclosure statement for its

most recently completed financial year, revise the offering memorandum to incorporate by reference any annual disclosure statement, interim disclosure statement or financial statements that are required to be filed prior to the distribution to incorporate by reference the documents as soon as the documents are filed on SEDAR.,

- (b) ***in section 2 under the heading "C. Required Updates to the Offering Memorandum" by replacing "interim financial reports" with "interim disclosure statements",***
- (c) ***by replacing paragraph 1(a) under the heading "D. Information about the Issuer" with the following:***
 - (a) if the issuer's annual disclosure statement referred to in D.1(d) does not include an AIF, the issuer's AIF for its most recently completed financial year for which an annual disclosure statement or annual financial statements are either required to be filed or has been filed.,
- (d) ***by replacing paragraph 1(c) under the heading "D. Information about the Issuer" with the following:***
 - (c) the interim disclosure statement for the issuer's most recently completed interim period that is required to be filed or has been filed and which ends after the most recently completed financial year referred to in D.1(d),,
- (e) ***by replacing paragraph 1(d) under the heading "D. Information about the Issuer" with the following:***
 - (d) for the issuer's most recently completed financial year for which an annual disclosure statement or comparative financial statements are required to be filed or have been filed, the annual disclosure statement or comparative financial statements, including the accompanying auditor's report.,
- (f) ***in paragraph 1(f) under the heading "D. Information about the Issuer", by deleting "D.1(c) and",***
- (g) ***by replacing subparagraph 1(i)(i) under the heading "D. Information about the Issuer" with the following:***
 - (i) the issuer's current AIF contains the disclosure required under section 19 of Form 51-102F1 *Annual Disclosure Statement*; or, ***and***
- (h) ***in section 2 under the heading "D. Information about the Issuer", by replacing "section 5.4 of Form 51-102F2" wherever it occurs with "section 18 of Form 51-102F1 Annual Disclosure Statement".***

Transition

- 6.(1) In this section, "document" means a document required to be filed under National Instrument 45-106 *Prospectus Exemptions*.
- (2) In this section, "issuer's effective date" means, in relation to an issuer, the earlier of
 - (a) the date the issuer is required to include in a document, directly or by incorporation, an annual disclosure statement for its first financial year ending on or after **[December 15, 2023]**, and
 - (b) the date, on or after **[December 15, 2023]**, the issuer includes in a document, directly or by incorporation, an annual disclosure statement or an interim disclosure statement prepared under National Instrument 51-102 *Continuous Disclosure Obligations*.
- (3) The provisions of National Instrument 45-106 *Prospectus Exemptions*, as amended by this Instrument, do not apply to an issuer until the issuer's effective date.
- (4) Until the issuer's effective date, an issuer must comply with National Instrument 45-106 *Prospectus Exemptions* as it read on **[December 14, 2023]**.

Effective Date

7. This Instrument comes into force on **[December 15, 2023]**.