



BULLETIN TYPE: Notice to Issuers
BULLETIN DATE: June 28, 2018

Re: Promotional Expenses

TSX Venture Exchange (the “**Exchange**”) is providing guidance in respect of Policy 3.4 – *Investor Relations, Promotional and Market-Making Activities* (“**Policy 3.4**”) of the Exchange’s Corporate Finance Manual. The Exchange uses Bulletins to provide applicants and listed issuers with a better understanding of existing Exchange Requirements.

Policy 3.4 applies broadly, not only to Investor Relations Activities, but also to promotional and market-making activities. Policy 3.4 defines the “**promotional role**” as communicating with investment dealers, advisers and Shareholders - both current and prospective - to increase awareness of and interest in an Issuer. The Exchange reminds Issuers that Policy 3.4 applies to all promotional, market-making or Investor Relations Activities, including when they are carried out through social media or otherwise online (including but not limited to chat rooms, spam email, artificial intelligence and targeted advertising campaigns).

In particular, Policy 3.4 specifies that arrangements with respect to promotional, market-making and/or Investor Relations Activities by their very nature can reasonably be expected to significantly affect the market price or value of an Issuer’s securities. Therefore, they are deemed to be material in Policy 3.3 – *Timely Disclosure*, which requires their immediate disclosure by way of a news release including the information specified in section 3.1 of Policy 3.4. Further, the direct and indirect compensation permitted for all such activities, which should be on a fee for service basis that is reasonable and in proper proportion to the financial resources and level of business activity of the Issuer, is set out in Part 5 of Policy 3.4 (which limits security-based compensation for such services). The filing requirements are set out in Part 6 of Policy 3.4 (which requires a Personal Information Form from each individual, principal and/or key employee providing the service).

Further, under Policy 4.1 – *Private Placements*, particularly section 1.9, in relation to private placements, Issuers must issue news releases which include details of the intended principal uses of proceeds. Issuers are specifically reminded that if the intended principal uses of proceeds of a private placement include promotional, market-making or other Investor Relations Activities expenditures in any form, that should be disclosed in their news releases.

Each Issuer is responsible for the activities of, and is expected to supervise and monitor, all of its promotional, market-making and investor relations service providers (including their employees, contractors, sub-contractors and consultants) to ensure that their activities comply with Exchange Requirements and applicable corporate and securities laws.

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