

EXCHANGE FEED:

Insights from your Exchange

INNOVATIVE COMPANIES TAKE FLIGHT ON TSX VENTURE EXCHANGE

When they were looking for a way to take off, Drone Delivery Canada ([TSXV: FLT](#)) found the perfect vehicle: TSX Venture Exchange (TSXV).

It's best known as the launching pad for many top mining and resource companies. Yet TSXV has evolved into a sought-after destination for a wide array of firms in multiple sectors, including technology and innovation.

Late last year, Drone Delivery Canada moved from the Canadian Securities Exchange (CSE) to TSXV. The impact was immediate, in investor interest and share price.

"When we moved over, our stock went up 40 per cent almost instantly," says Tony Di Benedetto, Drone Delivery's CEO.

TSXV offers growing companies unique access to deep pools of institutional capital and foreign investors, opportunities typically unavailable to firms who choose the venture capital or small market route. And North American institutional investors are familiar with the sophisticated TSXV ecosystem as a strategic destination to deploy capital.

Drone Delivery's migration from a smaller exchange to the Venture Exchange is not the typical path. "The bulk of our listings are private companies who choose to list directly onto the Venture Exchange," says Brady Fletcher, Managing Director of TSXV.

So far this year, over 80 companies have listed on the Venture Exchange. The average market capitalization of a TSXV issuer is just over \$30 million.

TSXV is one of the world's leading growth stage capital formation platforms. It enables small cap companies to list on a fully regulated stock market early in their lifecycle, fostering their growth.

Notably, TSXV graduates these visionary early-stage companies to the next level at a much higher rate than global alternatives. From 2000 through 2016, nearly 650 companies have graduated from the Venture Exchange to the senior board Toronto Stock Exchange.

Di Benedetto and his partner originally bankrolled their concept with their own money, then sought investments from friends and family as the company took shape. To move from concept to reality, the company's founders originally sought out venture capital.

"In my past businesses, I have done private equity. It is very difficult to raise private money in Canada. This is my first public foray. Whatever I do after this venture here, it will always be public. I will never do it any other way," says Di Benedetto.

Originally, management intended to serve military customers, but pivoted given the prospect of lengthy regulatory approvals. They also thought about serving urban customers, and dropped that idea over government concerns about drones flying in major centres. The business transformed to its current form, targeting the 1,000 or so remote Canadian communities that are not reachable by road or rail, and is now setting its sights on the U.S. market.

Drone Delivery Canada's shifting business model posed a challenge for venture capital investors. However once management settled on taking the company public, they found support from Bay Street. Investors of any size could easily add or subtract from their holdings by selling shares in the market.

"Going public de-risks your capital approach to an investor," says Di Benedetto.

A market such as TSX Venture Exchange, where investors are accustomed to long-term and evolving corporate stories, can also prove to be a better financial fit, notes Fletcher. Companies can prove and expand their business and seek financing from investors as needed.

"Traditional private venture capital requires companies to put massive amounts of equity to work in a company at one time," Fletcher explains. "The TSX Venture Exchange model provides flexibility, enabling companies to mobilize their business plans, whether it's negotiating their first contract with a customer or otherwise servicing a market."

Once they prove that works, they can raise more money from investors. "What that means is companies are able to finance more often in smaller, more manageable pieces, at hopefully higher valuations. That makes it less dilutive for the management teams to do," says Fletcher.

Di Benedetto shares that view. In one proposed venture capital deal, the private equity backers would have ended up owning 95 per cent of the company, effectively transforming Di Benedetto and his partner from owners to employees.

Even a longtime private venture capital player like Anthony Lacavera echoes the VC frustrations that Fletcher and Di Benedetto mentioned. Lacavera is CEO of Globalive Technology ([TSXV: LIVE](#)), which develops artificial intelligence and blockchain software. They just listed on TSXV, marking the first company that Lacavera has taken public.

"There are all kinds of pitfalls that people don't recognize when getting involved with private venture capital," says Lacavera. "Without question, I should have taken advantage of the public markets earlier in my career."

Lacavera's prior companies featured a handful of large investors in a private business structure. "I got comfortable working with them, but when I look at what is happening with us in the public capital route, it has opened my eyes to a whole new universe of investors that I have never accessed before."

Many entrepreneurs, in a host of sectors, feel the same way. Mining and resource extraction industries are likely to continue to be heavily weighted on TSX Venture Exchange. Still, even in the resources space

there's a shift to more technology and innovation companies. Fletcher notes the use of materials like lithium, cobalt and copper in newer batteries and electric vehicles.

And where do those resources come from? "Probably one of the companies on our market," says Fletcher. "As technology continues to evolve, the interesting question is how do you classify these companies: are they mining companies or clean tech? This is a really exciting time for our markets as we start to see the convergence of the different sectors we serve."

EMBRACING EMERGING TECHNOLOGIES ACROSS INDUSTRY

Over the past few months, John Lee, Managing Director, Enterprise Innovation and Product Development, TMX Group, has engaged in an ongoing dialogue with a consortium of industry partners, leaders and early adopters who are developing bold new ways of leveraging disruptive technologies to power game-changing, value-based solutions.

A video launched by TMX Group, entitled, ***Embracing Technology - Unlocking growth potential and driving value through blockchain technology***, captures highlights from some of those discussions, addressing the application of blockchain technology on a national and global scale for financial institutions and capital markets, among other sectors.

To view the video, please [click here](#).

TSX INFOSUITE – INSTALLER UPDATES

TSX InfoSuite users have access to an assortment of data modules including time and sales information, shareholder data, net house summaries, and more when they go into the IS Streamer portion of the platform. There are two ways to access the IS Streamer (i) through the Desktop Installer, and (ii) through the Web Start Installer.

Desktop Installer

The Desktop Installer does not require Java software so it eliminates version conflicts. This installer receives new features twice per year. You can decide whether to upgrade the IS Streamer or remain on the current version. A Desktop Installer update is now ready along with an additional security upgrade required to remain current with today's standards.

Web Start Installer

With the Web Start Installer, you automatically receive relevant feature enhancements on a 4 to 6 week cycle but this installer requires the latest version of Java. If you already have the Web Start Installer on your PC and an old version of Java is detected, you will see a Java Version Alert in the top menu of the TSX InfoSuite application. We ask all users to upgrade to the latest version of Java. Currently, you can upgrade to Java Version 8 Update 172 or Java 10.0.1 for improved performance, stability, and enhanced security.

TSX and TSXV-issuers are eligible for a free [TSX InfoSuite](#) account. If you have not registered for an account or can't recall your username/password, please contact your designated [Regional Head](#) for support.

7th ANNUAL TMX CHARITY GOLF CLASSIC

TSX Venture Exchange and Toronto Stock Exchange are excited to be holding their 7th Annual Charity Golf Tournament on Tuesday, July 24, 2018 at the renowned University Golf Club in Vancouver, BC.

The proceeds from the tournament will go towards supporting the **Cerebral Palsy Association of BC** and **Room to Read**.

This event is a wonderful networking and social opportunity for securities industry participants. Listed issuers, investment bankers, brokers, and lawyers will enjoy a fun Texas scramble style golf competition which also includes lunch and dinner, as well as a silent auction and prize giveaways.

It's a fun day of golf for a great cause!

For more information on sponsoring or registering for this event, please visit tmxgolf.com.

SUPPORTING PROFESSIONAL DEVELOPMENT

TMX supports our clients through [educational events](#) and through sponsorship of professional organizations like [Canadian Investor Relations Institute](#) (CIRI), [FEI Canada](#), and the [Governance Professionals of Canada](#) (GPC).

In support of this year's CIRI conference in Toronto, TMX Group sponsored a dedicated networking session to help IROs make new connections within their industry to learn from one another.



TMX representatives also spoke on a number of expert panels regarding the cannabis market, regulatory updates, and market structure. To round out the event TMX hosted a memorable dinner for a number of investment relations professionals attending the conference.

Reconnecting with finance professionals was the goal for TMX at the FEI conference in Halifax. For this event, we hosted a wonderful client appreciation dinner together with Cision for our local Halifax issuers.



Upcoming

Later this summer, TMX will sponsor the opening keynote session at the [GPC annual conference](#) in Victoria, BC, while in the fall we will be supporting the CIRI Essentials of IR two-day event in Vancouver, the [IR Magazine Think Tank](#) as well as the [Women in IR](#) Canada events.

We look forward to seeing our issuer/clients and our TSX Trust clients at these events as well as our TMX seminars we have scheduled later this year.

THE VIEW FROM THE C-SUITE: LATEST VIDEOS

[The View from the C-Suite](#) is a video interview series that highlights the unique perspectives of listed companies. Consider using this platform to tell your inspirational business story and to recount your experience of going public.

Here are the latest video interviews:

[Matthew von Teichman, President & CEO](#)
GreenSpace Brands Inc. (TSXV: JTR)

[Stephen Stewart, CEO](#)
PowerOre Inc. (TSXV: PORE)

[Matthew Wood, Chairman, President & CEO](#)
Steppe Gold Ltd. (TSX: STGO)

[Robert Galarza, CEO](#)
BlockStrain Technology Corp. (TSXV: DNAX)

[Sébastien St. Louis, Co-founder & CEO](#)
The Hydropothecary Corporation (TSX: HEXO)

[Mike Gorenstein, CEO & Chairman](#)
Cronos Group Inc. (TSX: CRON)

Interviews are available at no cost to listed issuers and are intended to help raise awareness of your business and your business goals. For more information, please contact your [Regional Head](#).

WELCOME TO NEW ISSUERS!

TSX and TSXV are home to a diverse array of issuers, and are delighted to welcome the following new listings from June:

LIFE SCIENCES

48North Cannabis Corp	(TSXV: NRTH)
GTEC Holdings Ltd.	(TSXV: GTEC)
James E. Wagner Cultivation Corporation	(TSXV: JWCA)
LiveWell Canada Inc.	(TSXV: LVWL)
The Hydropothecary Corporation*	(TSX: HEXO)

MINING

Almonty Industries Inc.*	(TSX: ALL)
Altus Strategies PLC	(TSXV: ALTS)
Engineer Gold Mines Ltd.	(TSX: EAU)
GoldMining Inc.*	(TSX: GOLD)
Osino Resources Corp.	(TSXV: OSI)
PowerOre Inc.	(TSXV: PORE)
Rover Metals Corp.	(TSXV: ROVR)
Troubadour Resources Inc.	(TSXV: TR)

Western Atlas Resources Inc.

(TSXV: WA)

CONSUMER PRODUCTS & SERVICES

IPL Plastics Inc.

(TSX: IPLP)

Solution Financial Inc.

(TSX: SFI)

TECHNOLOGY

Boardwalktech Software Corp.

(TSXV: BWLK)

FluroTech Ltd.

(TSXV: TEST)

Globalive Technology Inc.

(TSXV: LIVE)

* Graduated from TSXV to TSX.

TMX LEARNING ACADEMY WORKSHOPS

Vancouver

Managing a Public Company – September 20/21, 2018

Rules and Tools – October 25, 2018

Mining Company Disclosure Fundamentals – November 1, 2018

Venture Filing Fundamentals – November 29, 2018

Calgary

Rules and Tools – October 25, 2018

Venture Filing Fundamentals – November 29, 2018

Toronto

Rules and Tools – October 25, 2018

Managing a Public Company – November 5/6, 2018

Venture Filing Fundamentals – November 29, 2018

Montréal*

Managing a Public Company – September 20/21, 2018

Rules and Tools – October 25, 2018

Venture Filing Fundamentals – November 29, 2018

*Conducted in French

ARNE GULSTENE

P / 604 602-6970

M / 604 585-0991

E / arne.gulstene@tmx.com

STEVEN MILLS

P / 416 814-8850

M / 647 967-2150

E / steven.mills@tmx.com

SOPHIE VAN HOUTTE

P / 514 788-2416

M / 514 743-2512

E / sophie.vanhoutte@tmx.com

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