



**BULLETIN TYPE: Notice to Issuers**

**BULLETIN DATE: November 22, 2022**

**Re: Listed Issuer Financing Exemption and “Exchange Hold Period” Amendments**

TSX Venture Exchange (the “**Exchange**”) refers to its October 6, 2022 Bulletin regarding the Canadian Securities Administrators (“**CSA**”) announcement that it is adopting a new Listed Issuer Financing Exemption (the “**LIFE Exemption**”) from the prospectus requirement that will be available to Issuers that have been a reporting issuer in a Canadian jurisdiction for at least 12 months and satisfy several other criteria. Eligible Issuers using the LIFE Exemption will need to file a short offering document and may annually raise up to the greater of \$5,000,000 or 10% of the Issuer’s market capitalization to a maximum of \$10,000,000. Additional information is available at: <https://www.bcsc.bc.ca/securities-law/law-and-policy/instruments-and-policies/4-distribution-requirements/current/45-106/45106-csa-notice-september-8-2022> National Instrument 45-106 – *Prospectus Exemptions* has been amended to include the LIFE Exemption effective as of November 21, 2022.

Accordingly, effective as of November 22, 2022, the Exchange has amended the definition of “Exchange Hold Period” in Policy 1.1 – *Interpretation* (“**Policy 1.1**”) of its Corporate Finance Manual (the “**Manual**”) to enable Issuers to take advantage of the intended benefits of the LIFE Exemption given that securities issued under the LIFE Exemption will not be subject to the four month hold period set out in section 2.5 of National Instrument 45-102 – *Resale of Securities*.

More specifically, the Exchange Hold Period no longer applies to Listed Shares solely on the basis of being issued at a price that is at a discount of more than 10% to the applicable Market Price. The Exchange Hold Period will now only apply to:

- (a) Listed Shares and securities convertible, exercisable or exchangeable into Listed Shares (including incentive stock options) issued by an Issuer to:
  - (i) directors, officers and Promoters of the Issuer;
  - (ii) Consultants (as defined in Policy 4.4 – *Security Based Compensation*) of the Issuer; or
  - (iii) Persons holding securities carrying more than 10% of the voting rights attached to the Issuer’s securities both immediately before and after the transaction in which securities are issued, and who have elected or appointed or have the right to elect or appoint one or more directors or senior officers of the Issuer, except in the case of securities whose Distribution was qualified by a Prospectus or which were issued under a take-over bid, rights offering or pursuant to an amalgamation or other statutory procedure;
- (b) incentive stock options granted by an Issuer to any Person with an exercise price that is less than the applicable Market Price; and
- (c) as required by subsection (e)(v) of the definition of Market Price, securities issued at a price or deemed price that is less than \$0.05 except in the case of securities whose Distribution was qualified by a Prospectus or securities issued pursuant to Policy 4.5 – *Rights Offerings*.

As has historically been the case, the application of the Exchange Hold Period is not dependent on the type of prospectus exemption being used.

The amended Policy 1.1, which is effective immediately, is available on the Exchange's website at this link:<https://www.tsx.com/listings/tsx-and-tsxv-issuer-resources/tsx-venture-exchange-issuer-resources?lang=en>

Capitalized terms not specifically defined in this Bulletin have the meanings ascribed to them in the Manual.

If you have any questions about this Bulletin, please contact:

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