



British Columbia
Securities Commission

BC Capital Market Report 2021



ABOUT THIS REPORT

The BC Capital Market Report is an annual publication by the British Columbia Securities Commission (BCSC) providing an analysis of the B.C. capital market. It draws on information from BCSC records and other publicly available information. Combining these sources allows for the analysis of:

- Capital raising activities, and
- Companies listed on Canadian stock exchanges

B.C. companies¹ and investment funds² can raise capital worldwide, so long as they follow local securities laws and securities laws of the jurisdiction where the capital is being raised. Similarly, B.C. investors may purchase securities from any company or investment fund, provided the company or investment fund follows B.C. securities law. This report encompasses capital raising activities of B.C. companies and investment funds globally, *and* of non-B.C. companies and investment funds from B.C. investors.

Companies and investment funds raising capital in B.C. do so by selling securities:

- Under a prospectus document that discloses details of the investment. The company or investment fund may also choose to list its securities on a Canadian stock exchange such as the Toronto Stock Exchange (TSX), the TSX Venture Exchange (TSXV), the Canadian Securities Exchange (CSE), or the NEO Exchange (NEO) (collectively, the Canadian Exchanges) (“public” or “listed companies”).
- Under a prospectus exemption if the company, investment fund or the investor meet certain criteria (the “exempt” or “private placement” market).

This report does not reflect all capital raising in B.C. The BCSC only collects information about capital raised under a prospectus and for certain prospectus exempt securities offerings. Because the timing of filings that report capital raising also impacts the amounts reported, comparative figures may differ from the amounts reported in prior years.

¹ The term “companies” refers to all entities (e.g., companies, partnerships, trusts, etc.) other than investment funds.

² Investment funds (like mutual funds, exchange traded funds, and private funds) pool money collected from their investors to invest in a wide range of assets including companies and other investment funds.

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The BC Capital Market Report is published by the British Columbia Securities Commission (BCSC), the independent provincial government agency that enforces BC's *Securities Act*. Its mission is to protect and promote the public interest by fostering a securities market that is fair and warrants public confidence, and a dynamic and competitive securities industry that provides investment opportunities and access to capital.

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HIGHLIGHTS



B.C.'s capital market grew 17% (2020-29%), representing a 51% increase in capital raised since 2019 and a fifth consecutive year of growth



B.C. companies and investment funds raised over \$42B, a 36% increase (2020-23%) — 27% of B.C. capital market (2020-23%)



The number of companies reporting raising capital in B.C. increased 17% to 3,644 (2020-20%) — 50% of these companies were based in B.C. (2020-51%)



B.C. companies and investment funds raised 36% of the capital by prospectus (2020-43%) and 64% by private placement (2020-57%)



B.C. is home to:

- 53% of listed venture companies³ (2020-54%)
- 45% of companies listed on the Canadian Exchanges (2020-45%) — more than those located in Ontario, Alberta, and Quebec combined

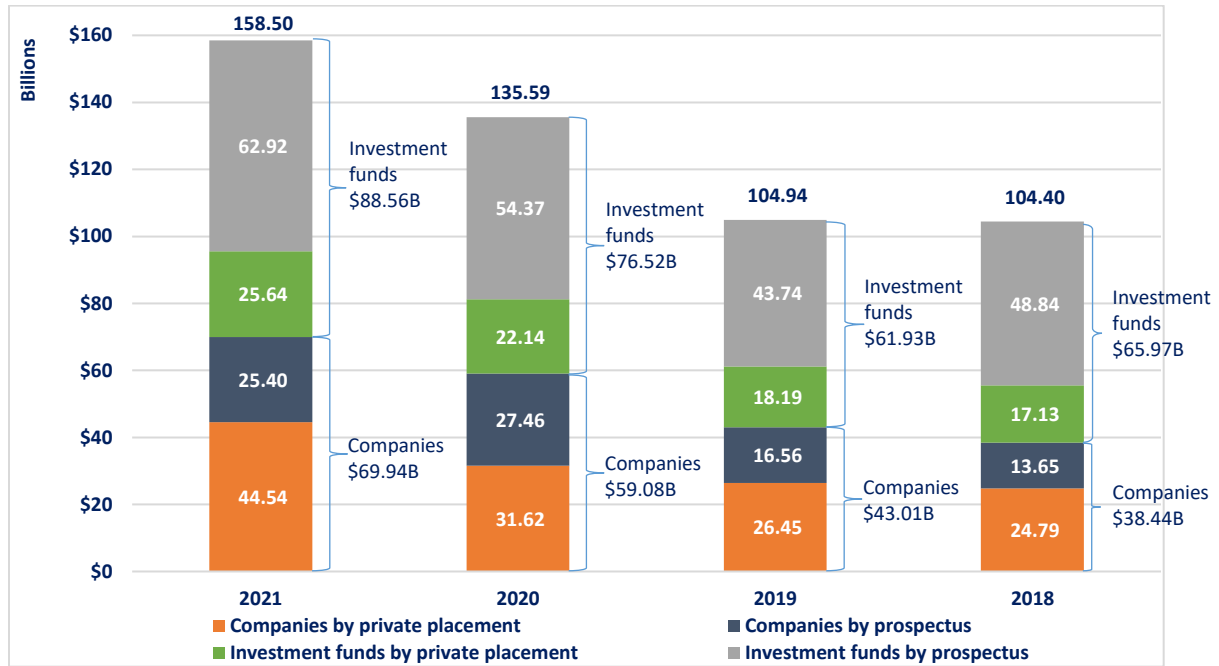


Market capitalization for all Canadian-listed companies increased to \$4.0T (2020-\$3.3T) — a 24% increase from 2020 (2020-7%) with the market capitalization of listed B.C. companies increasing by 14% to \$325B (2020-47% \$286B)

³ Venture companies are companies listed on the TSXV and CSE.

OVERALL CAPITAL RAISED

2021 represented the fifth consecutive year of growth in capital raised (2021-17% 2020-29%).



The capital raised by companies in 2021 continued a positive trend, with an 18% increase (2020-37%), along with a 16% increase in capital raised by investment funds (2020-24%)⁴.

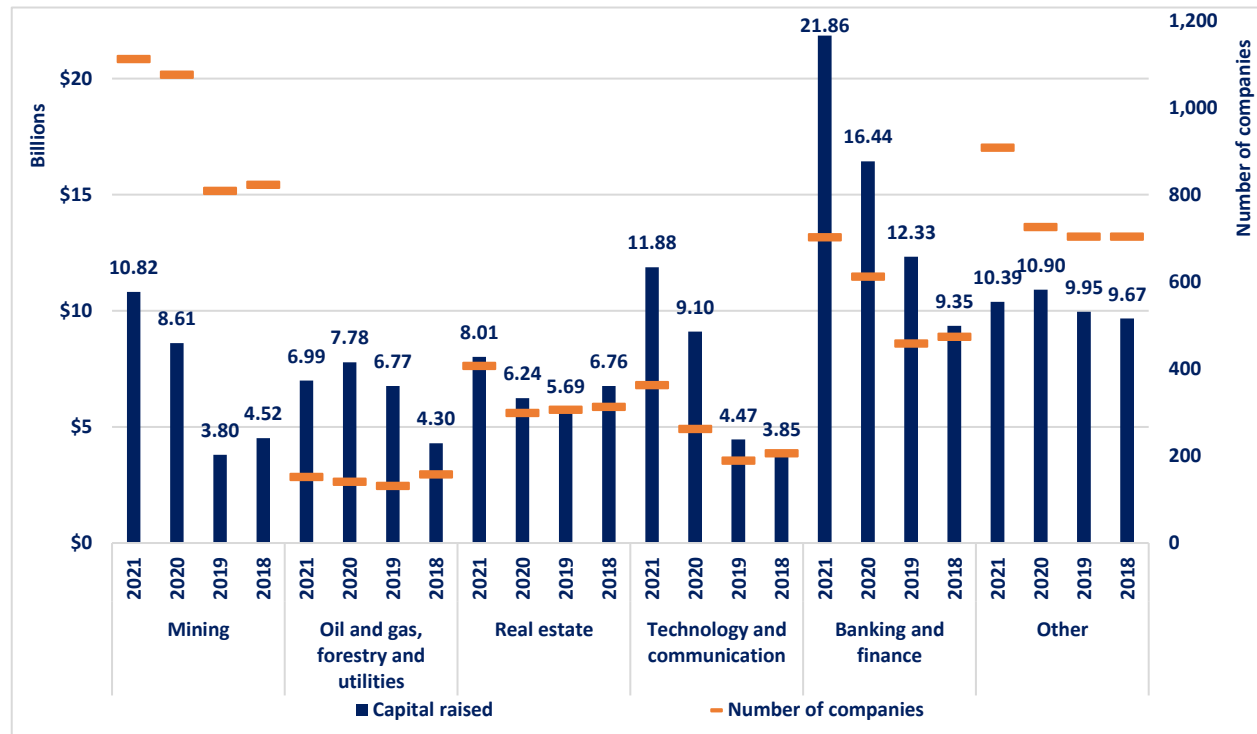
The number of companies participating in the B.C. capital market increased 17% to 3,644 (2020-3,116).

Companies and investment funds raised 56% of the capital by prospectus (2020-60%) and 44% by private placement (2020-40%).

⁴ The capital raised by investment funds refers to total proceeds raised and does not reflect redemptions.

Capital raised by companies by sector

(2021-\$69.94B 3,644 companies 2020-\$59.08B 3,116 companies)



Mining

Mining is a key capital raising sector in B.C., and B.C. and Canada play leadership roles in public mining capital raising globally. The number of mining companies raising capital increased to 1,112 (2020-1,076), a 3% increase (2020-33%). Mining companies raised \$10.82B (2020-\$8.61B), a 26% increase (2020-127%).

In 2021, mining sector capital raising hit a 10-year high, driven primarily by higher metal prices and investor demand. Pandemic restrictions saw junior exploration companies focus their work in countries like Canada where pandemic risks were being actively managed. Exploration budgets for Canadian mining projects hit levels not seen since 2011. Global financing activity was more than US\$1 Billion in every month of 2021, including over US\$3.5 Billion in March 2021. Globally the number of junior explorer/grassroots exploration financings increased. Metal prices for copper, silver, cobalt, lithium, and platinum remained strong at year-end due in part to energy transition including electric vehicle adoption.

Banking and finance

Banking and finance represented the most active capital raising sector, raising \$21.86B (2021-\$16.44B) – a 33% increase (2020-33%). The 10 most active companies were mainly national and international banks and represented 48% of the sector (2020-47%).

Technology and communication

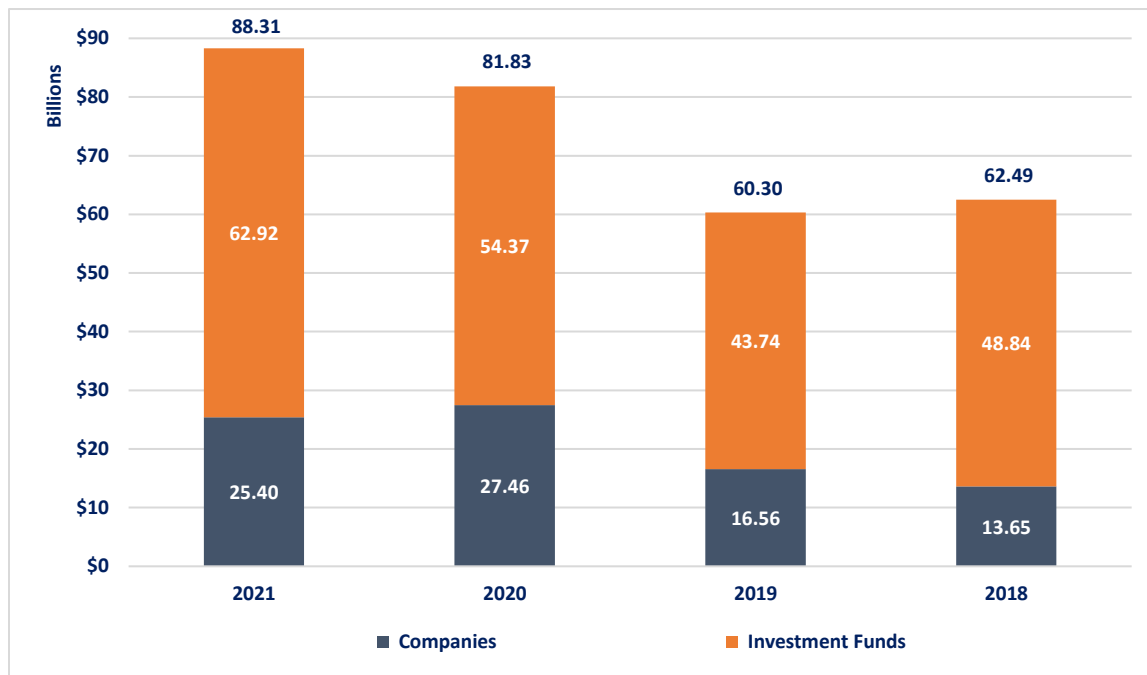
The capital raised in the technology and communication sector increased 30% (2020-104%) to \$11.88B (2020-\$9.10B) with Telus Corporation and Telus International (Cda) Inc. leading the way by raising 38% of the sector (2020-33%).

Other

While the number of companies in the “Other” category increased 22% (2020-3%), the capital raised decreased 3% (2020-10% increase). This category includes:

- Biotechnology, with 157 companies (2020-148), raising \$1.47B (2020-\$2.62B) capital
- Cannabis companies raising \$1.19B (2020-\$580M) – a 106% increase (2020-73% decrease)

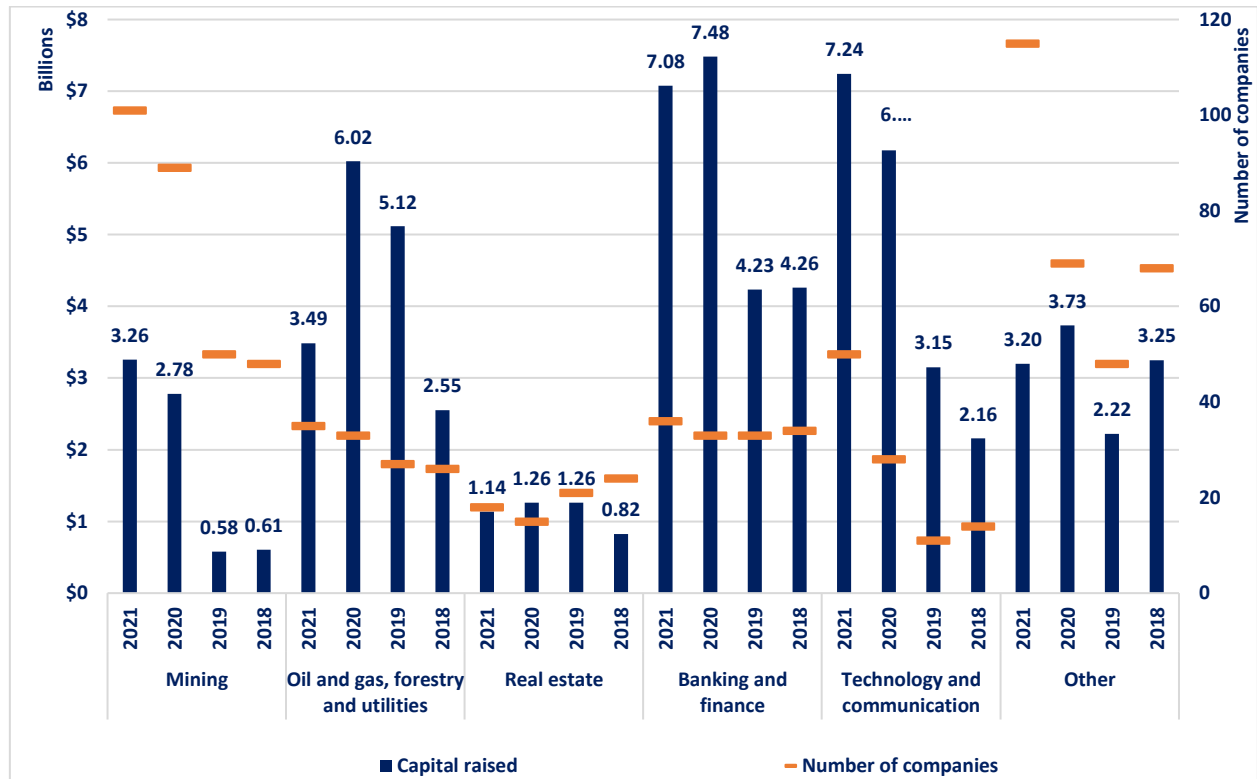
CAPITAL RAISED BY PROSPECTUS



The capital raised by companies and investment funds under a prospectus increased 8% to \$88.31B in 2021 after a 36% increase in 2021. Although one-third more companies raised capital by prospectus in 2021 (2020-41%), the capital raised decreased by 8% (2020-66% increase). Capital raised by investment funds increased by 16% (2020-24%).

Capital raised by companies by prospectus

(2021-\$25.40B 355 companies 2020-\$27.46B 267 companies)



Capital raised by mining companies increased 17% after a 381% increase in 2020. There was a 13% increase in the number of mining companies raising capital by prospectus (2020-78%).

In the oil and gas, forestry and utilities sector, the capital raised dropped 46% after an 18% increase in 2020.

In the technology and communication sector, Telus Corporation and Telus International (Cda) Inc. raised \$4.47B (62%) (2020-\$3.0B 48%). The next four most active companies raised \$1.61B (22%) (2020-\$2.51B 41%).

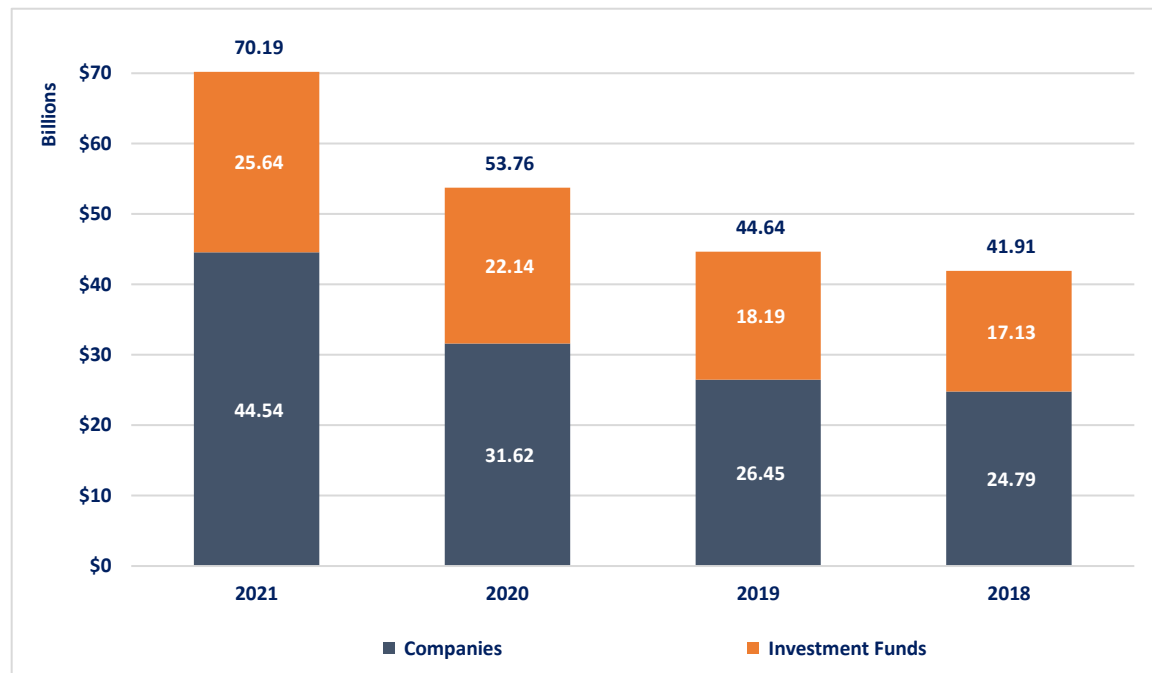
In the banking and finance sector, the capital raised decreased 5% after a 77% increase in 2020. The five most active companies, four of which are national banks, raised \$5.68B (80%) (2020-\$4.98B 67%).

While there was a 71% increase in the number of companies in the “Other” category (2020-44%), the capital raised dropped 14% (2020-68% increase).

CAPITAL RAISED BY PRIVATE PLACEMENT

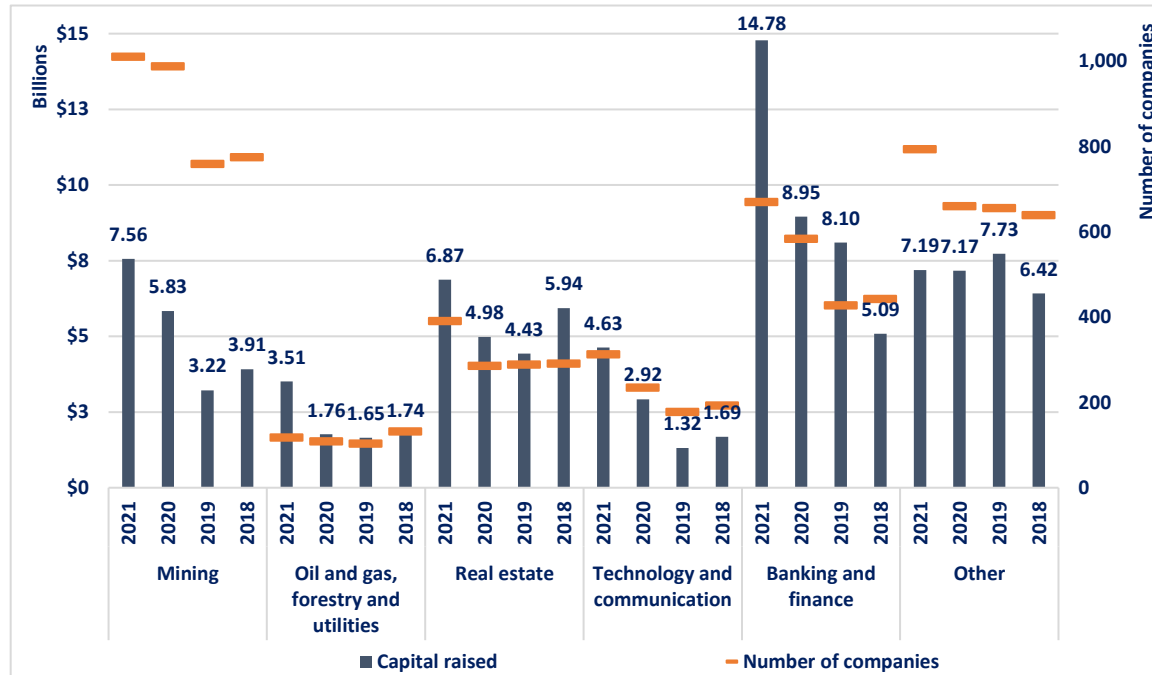
Overall, the capital raised by private placement increased 31% to \$70.19B in 2021 after a 20% increase in 2020. The capital raised by companies increased 41% (2020-2021) and by investment funds increased 16% (2020-2021). The number of companies raising capital increased 13% (2020-2021).

Capital raised by private placement



Capital raised by companies by private placement

(2021-\$44.54B 3,288 companies 2020-\$31.62B 2,862 companies)



Private placement capital raising increased across all tracked sectors.

The mining sector continued growth in the amount of capital raised and the number of companies involved. Capital raised increased 30% to \$7.56B (2020–81%). The number of companies involved increased 2% to 1,011 (2020–23%). The 10 most active companies raised 45% of the sector (2020-39%).

The technology and communication sector capital raised increased to \$4.63B in 2021 – a 58% increase (2020-122%). The 10 most active companies raised 73% of the sector (2020-78%) – two of which were based in BC and responsible for 20% of the sector.

The banking and finance sector raised \$14.78B in 2021 - a 65% increase (2020-11%). The 10 most active companies raised 40% of the sector (2020-38%) and are mainly national and international financial institutions.

EXEMPTIONS RELIED ON BY COMPANIES IN THE PRIVATE PLACEMENT MARKET

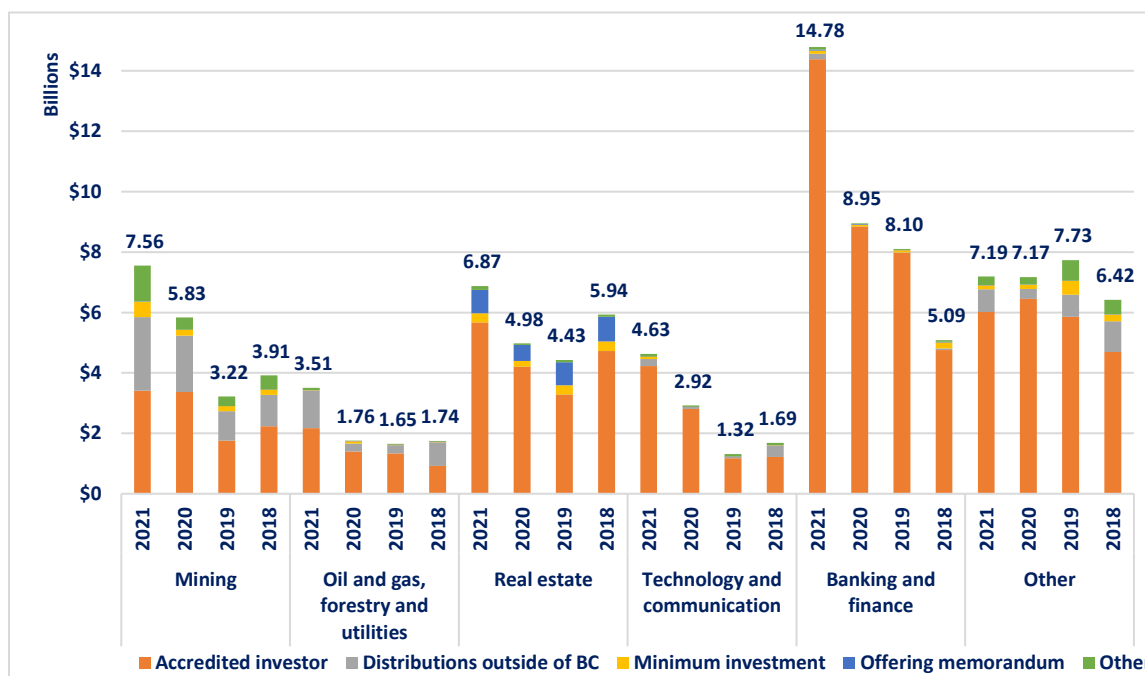
One of the ways companies and investment funds raise capital in B.C. is by selling securities under a prospectus exemption where the company, investment fund and/or the investor meet certain criteria.

The most common exemptions relied on by companies during 2021 were:

- Accredited investor⁵: \$35.83B (80%) of the capital raised (2020-\$27.04B 86%)
- Distributions outside of B.C.⁶: \$4.21B (9%) of the capital raised (2020-\$2.09B 7%)
- Minimum investment⁷: \$1.13B (3%) of the capital raised (2020-\$672M 2%)
- Offering memorandum⁸: \$829M (2%) of the capital raised (2020-\$551M 2%)

Capital raised by sector and exemption

(2021-\$44.54B 2020-\$31.62B)



⁵ Investors who meet certain financial criteria, for example high net worth individuals, banks, and pension funds.

⁶ Investors outside BC where the company complied with the securities laws of the investor's jurisdiction.

⁷ Non-individual investors investing at least \$150,000.

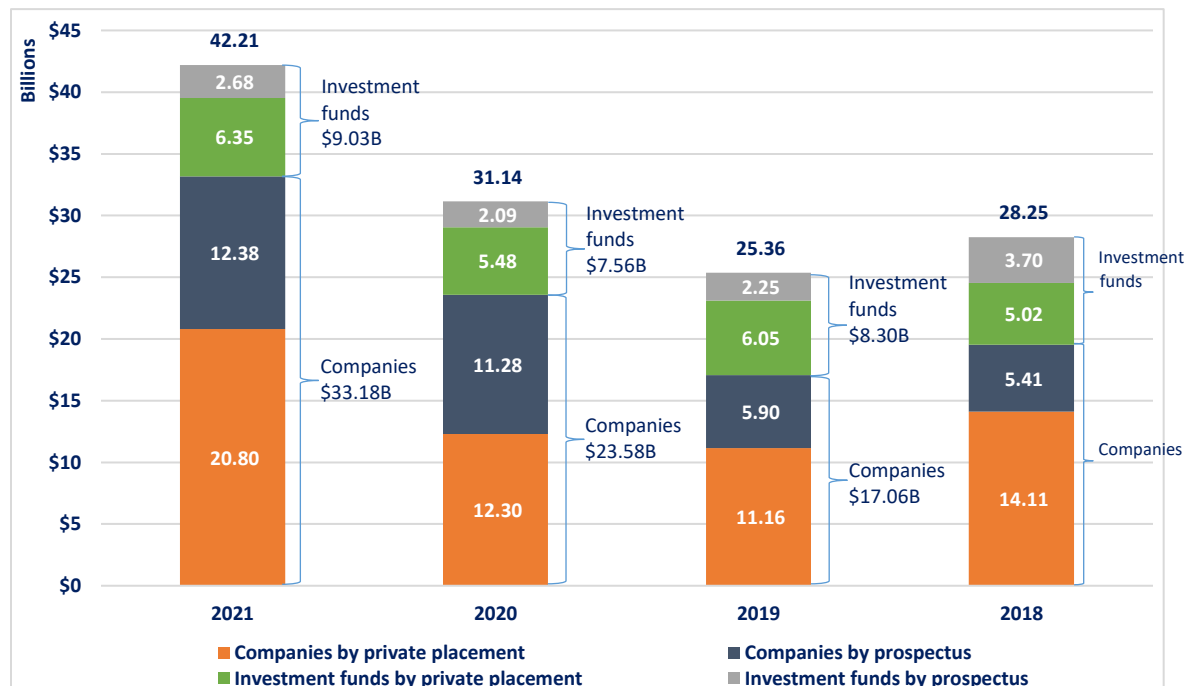
⁸ The company provides investors with an offering memorandum that describes the business, the management, the offering, and the risks.

CAPITAL RAISED BY B.C. COMPANIES AND INVESTMENT FUNDS

The previous sections include capital raised by B.C. companies and investment funds *and* by non-B.C. companies and investment funds from B.C. investors. This section focuses on only B.C. companies and investment funds.

B.C. companies and investment funds raised \$42.21B – a 36% increase from 2020 (2020-23%). The capital raised represents 27% of the \$158.50B capital raised in the B.C. capital market (2020-23%).

Capital raised by B.C. companies and investment funds

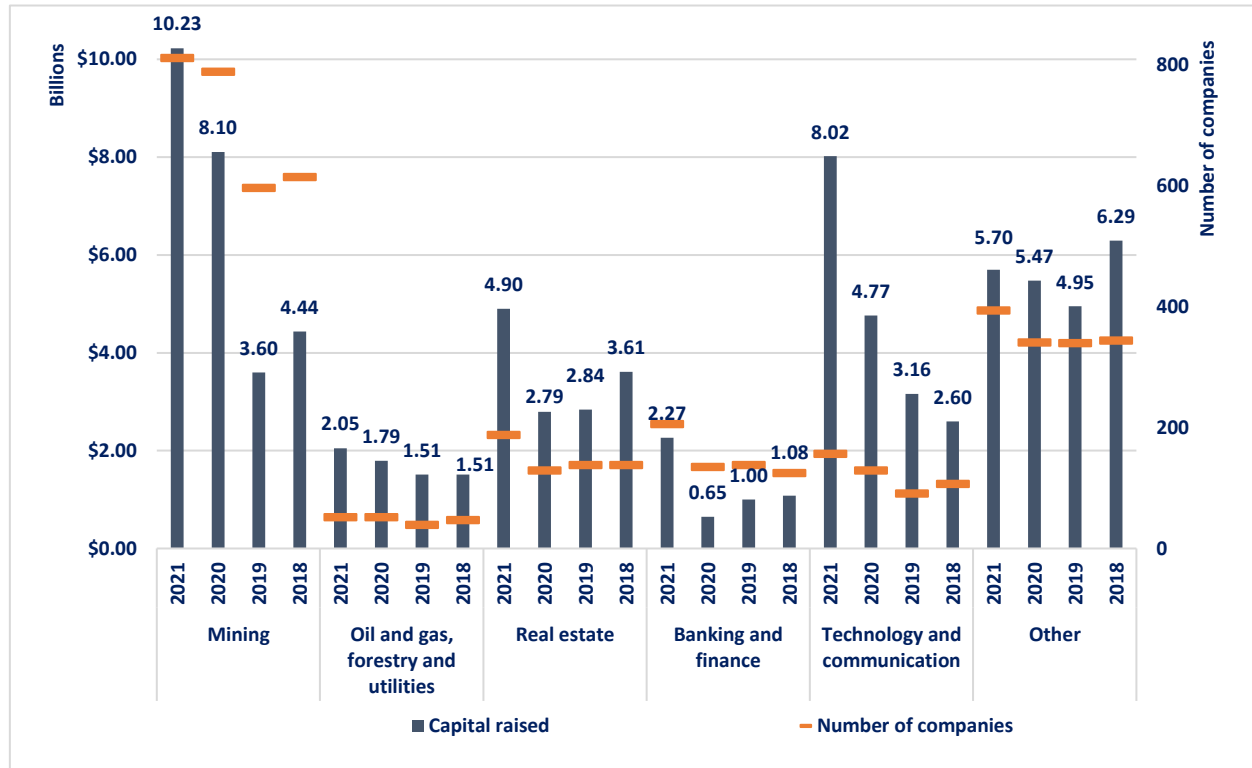


The capital raised by B.C. companies increased 41% (2020-38%) and by B.C. investment funds increased 19% (2020-9% decrease). The number of B.C. companies raising capital increased 15% (2020-17%).

B.C. companies and investment funds raised 36% of the capital by prospectus (2020-43%) and 64% by private placement (2020-57%).

Capital raised by B.C. companies by sector

(2021-\$33.16B 1,809 companies 2020-\$23.58B 1,575 companies)



Mining remains the most active sector for B.C. companies with both the most capital raised and the largest number of companies involved. The capital raised increased 26% to \$10.23B after a 125% increase in 2020. The 814 B.C. mining companies (2020-790) accounted for 45% of the total number of B.C. companies (2020-50%) and 31% of the capital raised by B.C. companies overall (2020-34%).

The technology and communication sector capital raising increased 68% (2020-51%) with offerings from Telus Corporation and Telus International (Cda) Inc. accounting for 56% of the sector (2020-63%).

The real estate sector raised \$4.90B in 2021 – a 75% increase after a 2% decrease in 2020. The 10 most active companies raised \$2.86B (58%) of the sector (2020-\$1.81B 65%).

The banking and finance sector raised \$2.27B in 2021 – a 249% increase after a 35% decrease in 2020. The 10 most active companies raised \$1.46B (64%) of the sector (2020-\$394M 61%).

The “Other” category includes:

- Biotechnology which raised \$1.28B in 2021 — a 45% decrease from the \$2.33B raised in 2020 (2020-124% increase)
- Cannabis which raised \$1.07B — an 89% increase from the \$565M raised in 2020 (2020-72% decrease)

The most active B.C. companies by capital raised

	2021 (\$ billions)	2020 (\$ billions)	2019 (\$ billions)	2018 (\$ billions)
Telus Corporation and Telus International (Cda) Inc.	4.47	3.00	2.80	1.83
Mercer International Inc.	1.11	-	-	0.47
First Majestic Silver Corp.	1.00	-	-	-
Lithium Americas Corp.	0.85	-	-	-
BCI QuadReal Realty	0.80	-	-	-
Teck Resources Limited	-	1.46	-	-
AbCellera Biologics Inc.	-	0.98	-	-
Methanex Corporation	-	0.95	0.91	-
Ballard Power Systems Inc.	-	0.93	-	-
Eldorado Gold Corporation	-	-	0.42	-
Trez Capital Yield Trust	-	-	0.38	-
SSR Mining Inc.	-	-	0.33	-
VPMA Property Holdings LP	-	-	-	0.90
1177687 B.C. Ltd.	-	-	-	0.52
Lundin Gold Inc.	-	-	-	0.50

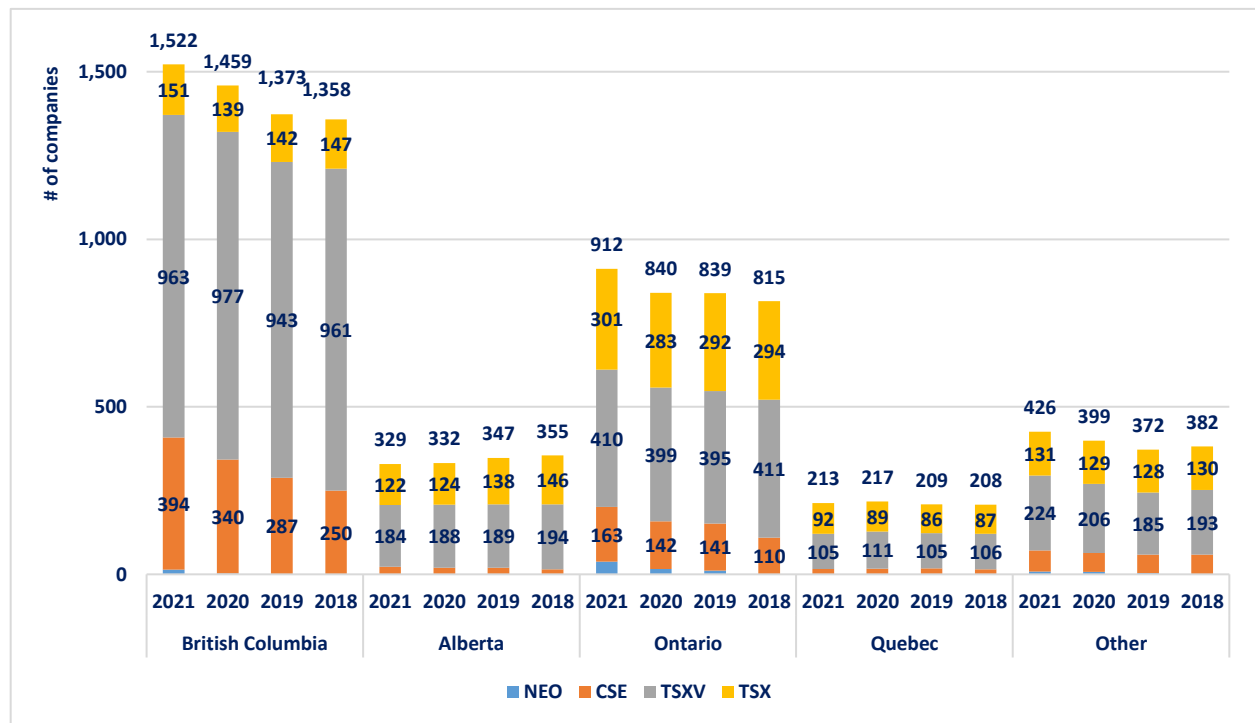
LISTED COMPANIES

The following analyses summarize the companies listed on the Canadian Exchanges (TSX, TSXV, CSE, and NEO). The analyses do not include investment funds⁹ and companies that are only listed on foreign exchanges¹⁰, except as indicated.

B.C. is home to 45% of the companies on the Canadian Exchanges (2020-45%) – more than those located in Ontario, Alberta, and Quebec combined. In addition, over half (53% 2020-54%) of all listed *venture* companies (the venture market) are located in B.C.

Companies on the Canadian Exchanges by Head Office

(2021-3,402 2020-3,247)



⁹ There were 1,044 (2020-934) investment funds with a market capitalization of \$369.0B (2020-279.2B) listed on the Canadian Exchanges. None of them are based in B.C.

¹⁰ Examples include the New York Stock Exchange (NYSE), Nasdaq, and OTC markets

Representation of B.C. companies on the Canadian Exchanges

	2021	2020	2019	2018
TSXV	51%	52%	52%	52%
CSE	60%	59%	55%	56%
Venture (TSXV and CSE combined)	53%	54%	53%	52%
TSX	19%	18%	18%	18%
NEO	23%	12%	6%	-
Overall	45%	45%	44%	44%

B.C. companies dominate the venture market with 53% of companies listed on the venture exchanges being from B.C. (2020-54%). The next largest jurisdiction is Ontario with 23% (2020-22%).

B.C. is home to the second largest population of companies listed on the TSX with 19% (2020-18%). The largest jurisdiction is Ontario with 38% (2020-37%).

Companies that list on the TSXV may, over time, meet the listing requirements of the TSX and choose to graduate to the senior exchange. Fifty-three percent (53%) of the B.C. companies listed on the TSX graduated from the TSXV (2020-52%). Nationally, 32% of companies listed on the TSX were TSXV graduates (2020-31%).

MARKET CAPITALIZATION

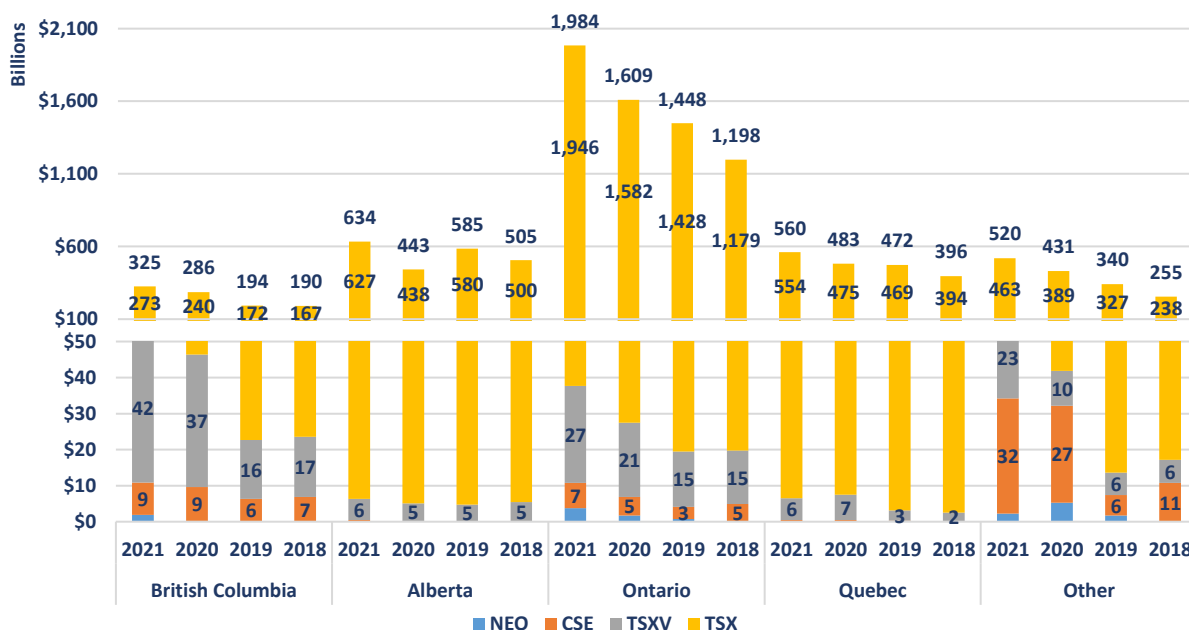
The total market capitalization on the Canadian Exchanges increased 24% to \$4.0T (2020-7% increase to \$3.3T).

The market capitalization of B.C. companies changed in 2021 as follows:

- Overall — increased by 14% to \$325B (2020-47% increase to \$286B)
- On the TSX — increased by 14% to \$273B (2020-40% increase to \$240B)
- On the TSXV — increased by 13% to \$42B (2020-124% increase to \$37B)
- On the CSE — remained the same at \$9B (2020-52% increase to \$9B)

Market capitalization of companies on the Canadian Exchanges by head office

(2021-\$4.0T 2020-\$3.3T)



The “Other” category includes 156 companies with a market capitalization of \$42.9B that are headquartered outside Canada but have the BCSC as their principal regulator¹¹ (2020-148 companies \$36.7B).

The BCSC is the principal regulator of an additional 289 companies (2020-247) that are not listed on the Canadian Exchanges including 13 B.C. companies (2020-10) that are listed on a senior exchange in the United States¹² and have a combined market capitalization of \$79.0B (2020-\$68.2B).

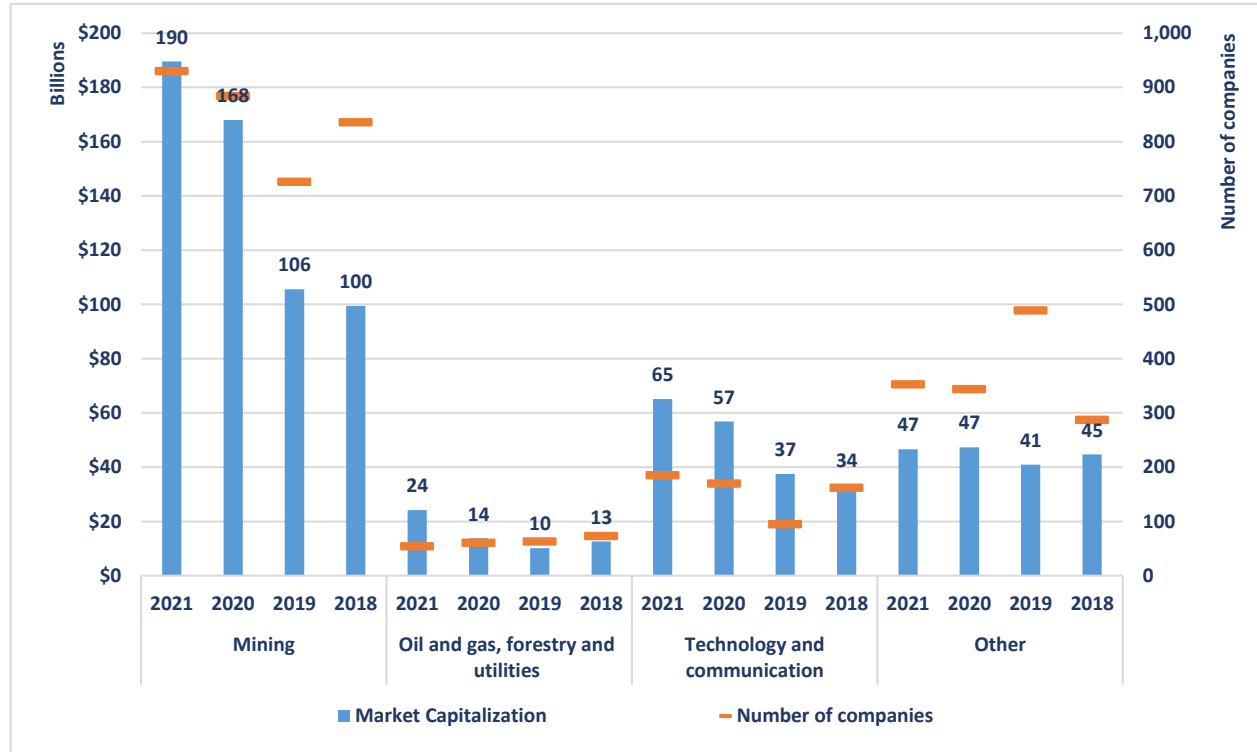
¹¹ Under the *Securities Act*, listed companies can access the capital markets across Canada by dealing with one regulator (its principal regulator). In most cases, the listed company’s principal regulator is the securities regulatory authority or regulator of the province or territory in which it has its head office. For listed companies with international head offices, the principal regulator is the one that it has the most significant connection.

¹² NYSE, Nasdaq, and the NYSE American (formerly American Stock Exchange (AMEX))

LISTED B.C. COMPANIES

B.C. companies on the Canadian Exchanges by sector

(2021-\$325B 1,522 companies 2020-\$286B 1,459 companies)

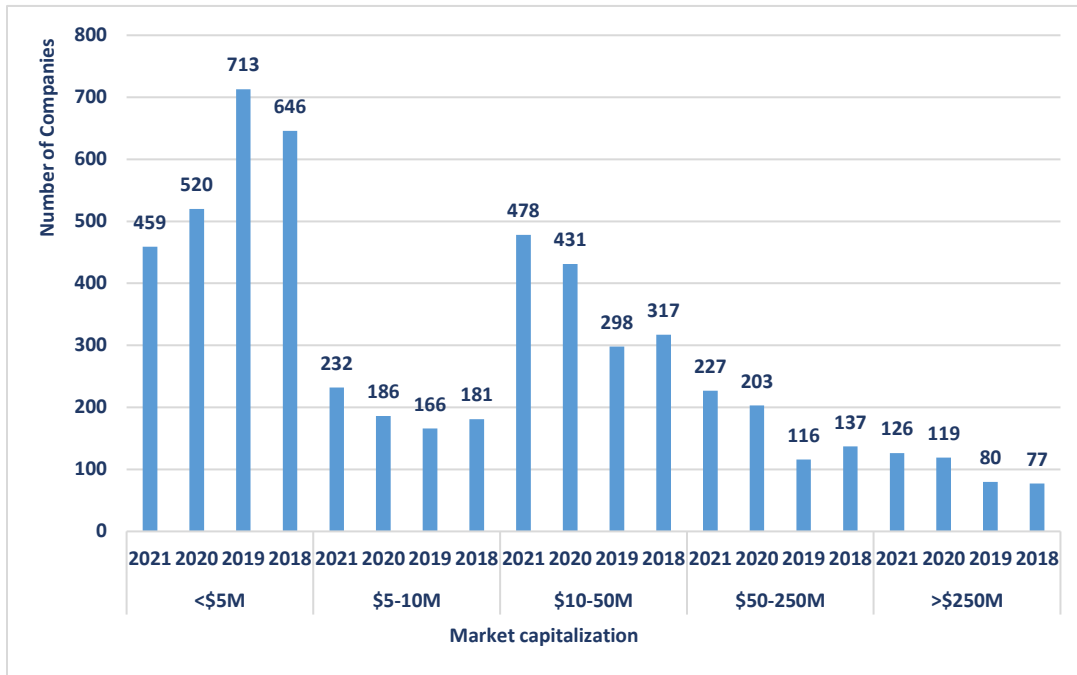


Mining continues to be the leading sector in B.C. with:

- 930 companies (2020-884) — 61% of all B.C. listed companies (2020-61%)
- 58% of the total market capitalization (2020-59%)
- a 13% increase in market capitalization (2020-59%)

The market capitalization of B.C. companies in the technology and communication sector increased 15% (2020-52%) — led by a 25% increase in Telus Corporation.

Market capitalization of B.C. companies on the Canadian Exchanges by size



The market capitalization of B.C. companies is increasing. The number and proportion of B.C. companies having a market capitalization of \$5 million or less continued to decline. At December 31, 2021, thirty percent (30%) (2020-36%) of B.C. companies had a market capitalization of \$5 million or less. By comparison, only 24% (2020-28%) of Alberta-based companies and 13% (2020-16%) of Ontario-based companies were in that range. There was an increase in each of the other ranges.

The largest B.C. public companies¹³ (by market capitalization)

	Exchange	2021 (\$ billions)	2020 (\$ billions)	2019 (\$ billions)	2018 (\$ billions)
Lululemon Athletica Inc.	Nasdaq	64.37	58.14	40.70	19.45
Telus Corporation	TSX	40.82	32.54	30.26	27.07
Wheaton Precious Metal Corp.	TSX	24.46	23.67	17.28	11.83
First Quantum Minerals Ltd.	TSX	20.92	15.75	9.08	
Teck Resources Limited	TSX	19.45		12.48	16.90
Abcellera Biologics Inc.	Nasdaq		15.60		
Goldcorp Inc.	TSX				11.63

¹³ Including B.C. companies listed on foreign exchanges