

BC CAPITAL MARKET

Report 2022



**BC Securities
Commission**
Invest Right

ABOUT THIS REPORT

The B.C. Capital Market Report is an annual publication by the BC Securities Commission (BCSC) that analyses our province's capital market. It combines information from BCSC records and other publicly available information to explain:

- Capital raising activities in B.C., and
- Listings on the Canadian stock exchanges relevant to B.C.

Companies¹ and investment funds² from B.C. can raise capital worldwide, so long as they follow the securities laws of both B.C. and any other jurisdiction where they find investors. Similarly, B.C. investors may purchase securities from companies or investment funds from any jurisdiction, provided the company or investment fund follows B.C. securities laws. This report encompasses capital raising activities of:

- B.C. companies and investment funds globally, *and*
- Non-B.C. companies and investment funds from B.C. investors.

Companies and investment funds can raise capital in B.C. by selling securities in two ways:

- They can use a document called a “prospectus” that describes their business and the investment. After filing a prospectus, company or investment fund must also provide continuous disclosure to keep investors informed of its affairs. Some companies or investment funds (“public” or “listed” companies) may also choose to list their securities on a Canadian stock exchange such as the Toronto Stock Exchange (TSX), the TSX Venture Exchange (TSXV), the Canadian Securities Exchange (CSE), the Cboe Canada (CBOE, formerly the NEO Exchange) (together, the Canadian Exchanges) or on a foreign exchange.
- They can rely on an exemption from the prospectus requirement, if the company or investment fund, and their investors, meet certain criteria (the “exempt” or “private placement” market)³.

This report does not describe all capital market activity in B.C. The BCSC records the capital raised under prospectuses, but we do not collect information about all securities sold under prospectus exemptions. The comparative figures in this report may differ from the amounts reported in prior years due to the timing difference between when capital is raised and when that information is provided to the BCSC.

¹ Companies includes all entities (e.g. companies, partnerships, trusts, and other business structures) other than investment funds.

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

³ For more information on the private placement market, see “[Raising Capital in Private Markets.](#)”

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The BC Securities Commission is the independent provincial government agency that enforces B.C.’s *Securities Act*, which regulates how businesses raise money and how securities, such as stocks, bonds, and mutual funds, are bought and sold.

The BCSC strives to make the investment markets benefit the public – enabling people to achieve their financial goals, enterprises to grow, and British Columbia to thrive.

Through smart rules, diligent oversight, strong enforcement, and reliable guidance, we act as guardians of the province’s investment marketplace, striving to make B.C. a place where people can invest with confidence and companies can flourish.

We welcome your questions or comments:
Email: inquiries@bcsc.bc.ca
Canada-wide toll-free: 1-800-373-6393
Metro Vancouver: 604-899-6854

SNAPSHOT



After five years of consecutive growth averaging 12% per year, activity in B.C.'s capital market fell 17%. Even with the decline, 2022 was B.C.'s third most active year ever for capital raising.



B.C. companies and investment funds raised over \$26.36B, a 39% decrease from 2021, and were responsible for 20% of capital market activity in B.C. (2021: 27%).



Fewer companies raised capital in B.C., decreasing 28% to 2,866 (2021: 3,982) – of these companies, 51% were based in B.C. (2021: 46%).



B.C. companies and investment funds raised 29% of their capital by prospectus (2021: 35%) and 71% by private placement (2021: 65%).



B.C. is home to:

- 46% of all listed companies on Canadian Exchanges (2021: 44%)
- 54% of Canadian-listed venture companies⁴ (2021: 53%)
- 20% of Canadian-listed non-venture companies (2021: 19%).



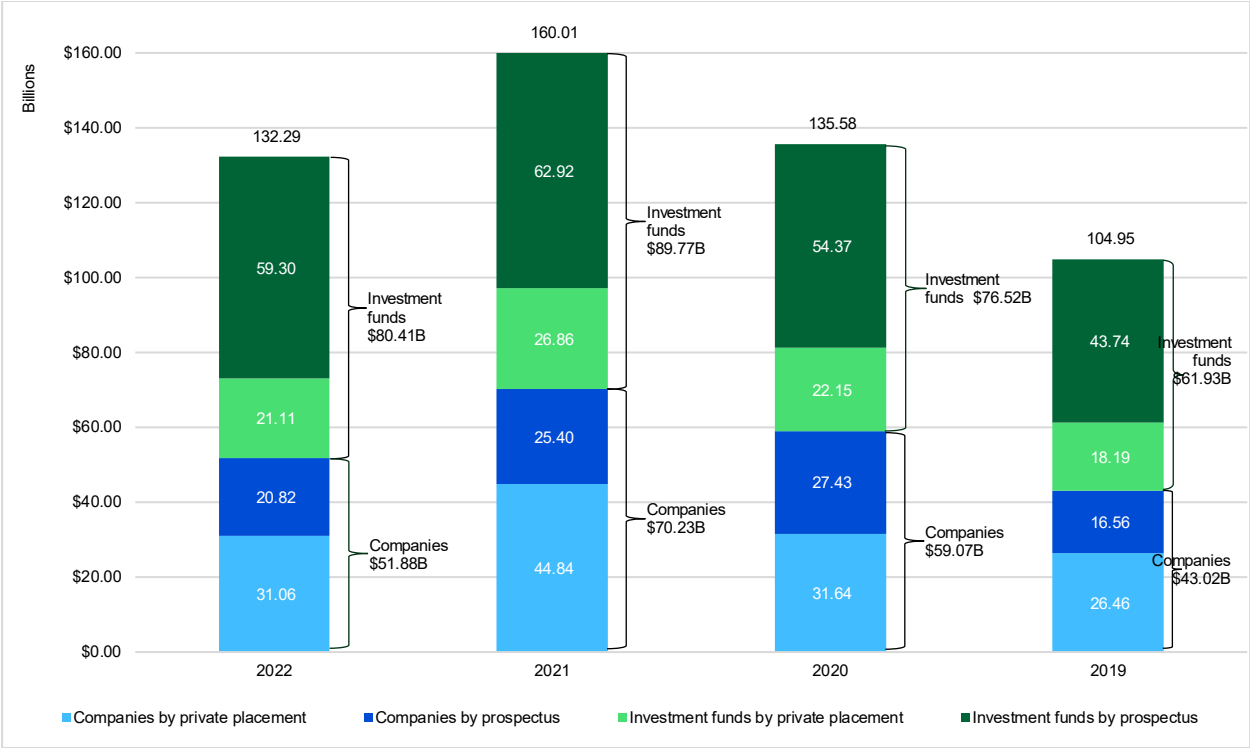
Market capitalization for all Canadian-listed companies decreased to \$3.5T (2021: \$4.0T), a 12% decrease from the previous year (2021: 24% increase). The market capitalization of listed B.C. companies decreased by 14% to \$279B (2021: 14% increase to \$325B).

⁴ Venture companies, also known as “venture issuers”, do not have their securities listed or quoted on the TSE, CBOE, or other designated or foreign marketplaces. In substance, that means most companies listed on the TSXV or CSE are venture companies.

CAPITAL RAISED

2022 was a volatile year for the global markets due to the pandemic, supply-chain issues, inflation, and interest rate hikes. These factors led to a global equity market downturn which, in turn, affected B.C.'s capital market.

2022 was the first time in six years that there was a decline in B.C.'s capital market – a decrease of 17% after five years of growth averaging 12% per year. Although activity dropped, 2022 was B.C.'s third most active year ever for capital raising.



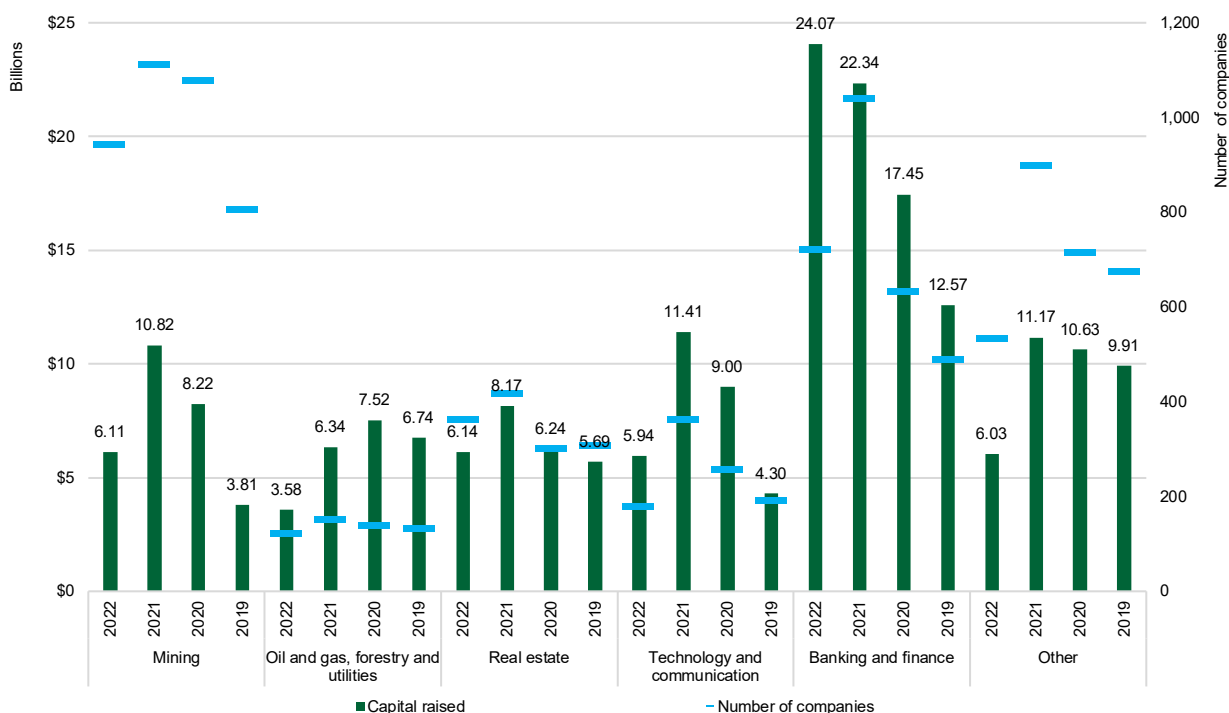
The capital raised in B.C. by all companies in 2022 decreased 26%, after increasing 19% in 2021. The capital raised in B.C. by investment funds decreased 10%, after increasing 17% in 2021.

The number of companies participating in the B.C. capital market also decreased by 28%, to 2,866 (2021: 3,982).

Companies and investment funds raised 61% of their capital by prospectus (2021: 55%) and 39% by private placement (2021: 45%).

Capital raised by companies by sector⁵

(2022: \$51.88B by 2,866 companies; 2021: \$70.23B by 3,982 companies)



Mining

Mining is a key capital raising sector in B.C., with the province and Canada playing leadership roles in public mining capital raising globally. The number of mining companies raising capital decreased 15% to 944 (2021: 1,112) and the capital raised decreased by 44% (after a 32% increase in 2021).

2022 began with optimism based on high 2021 activity. March 2022 saw the highest monthly global mining financing activity at US\$2.1 billion, but monthly global capital raises decreased to US\$1 billion or less for the remainder of the year. The enthusiasm of early 2022 quickly dissipated with increased inflation, political turmoil, and recession fears.

In general, metal prices stayed above expected levels in 2022 and, late in the year, governments announced critical mineral strategies and funding initiatives. Together, these steadied the mining sector so that it finished the year slightly above its nine-year average financing levels.

⁵ Sectors consider the North American Industry Classification System (NAICS) codes reported by companies, but the reported sector may be adjusted by BCSC staff after additional research.

Oil and gas, forestry and utilities

Oil and gas, forestry and utilities decreased 43% (2021: 16% decrease). The five largest companies by capital raised were in the energy infrastructure and energy distribution sub-sectors.

Real estate

The capital raised in the real estate sector decreased 25% (2021: 31% increase) with the number of companies involved decreasing 13% (2021: 38% increase).

Technology and communication

The capital raised in the technology and communication sector decreased by 48% in 2022 after a 27% increase in 2021. Telus Corporation, Telus International (Cda) Inc., Rogers Communication Inc., and Bell Canada were responsible for 79% of activity in the sector (2021: 48%).

Banking and finance

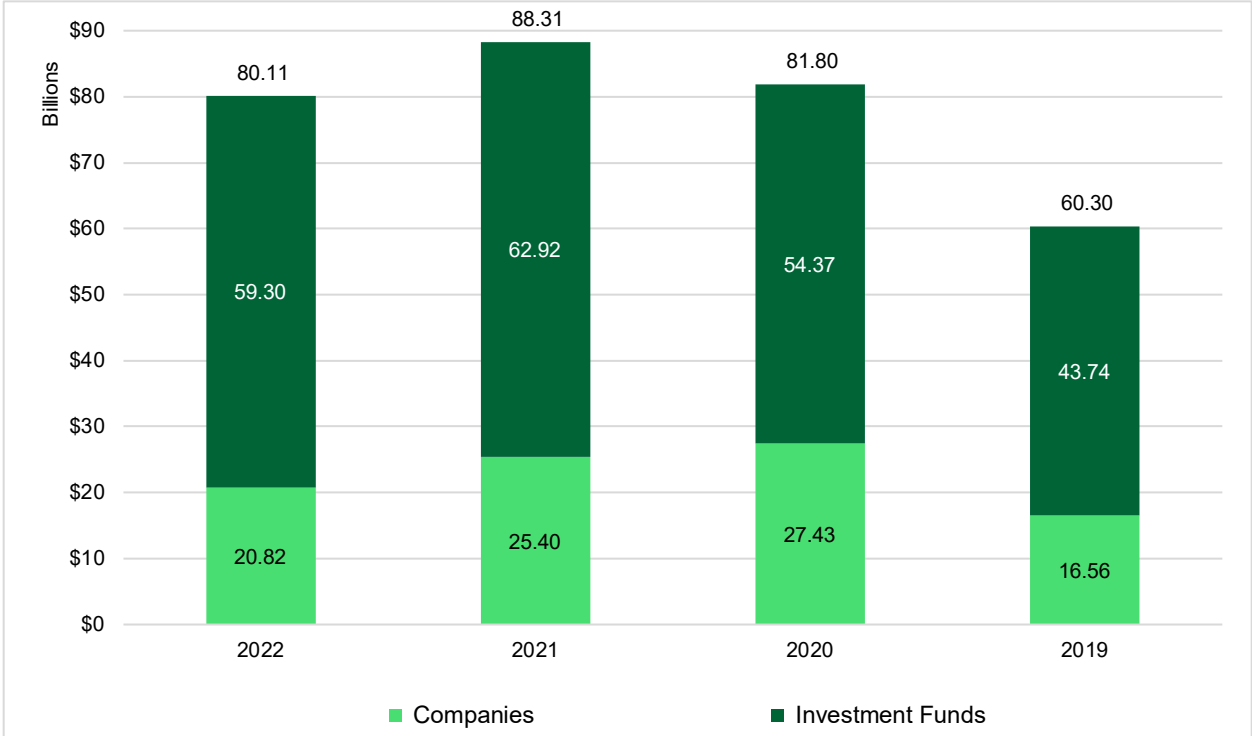
Once again, the banking and finance sector raised the most capital: \$24.51B – an 8% increase in 2022 after a 28% increase in 2021. The 10 largest companies by capital raised were mainly national and international banks - representing 53% of the sector (2021: 44%).

Other

This category includes:

- Biotechnology: raising \$0.92B (2021: \$1.52B) – a 40% decrease (2021: 46% decrease) - 113 companies involved (2021: 179).
- Cannabis: raising \$0.39B (2021: \$1.01B) - a 62% decrease (2021: 366% decrease) – 37 companies involved (2021: 83).

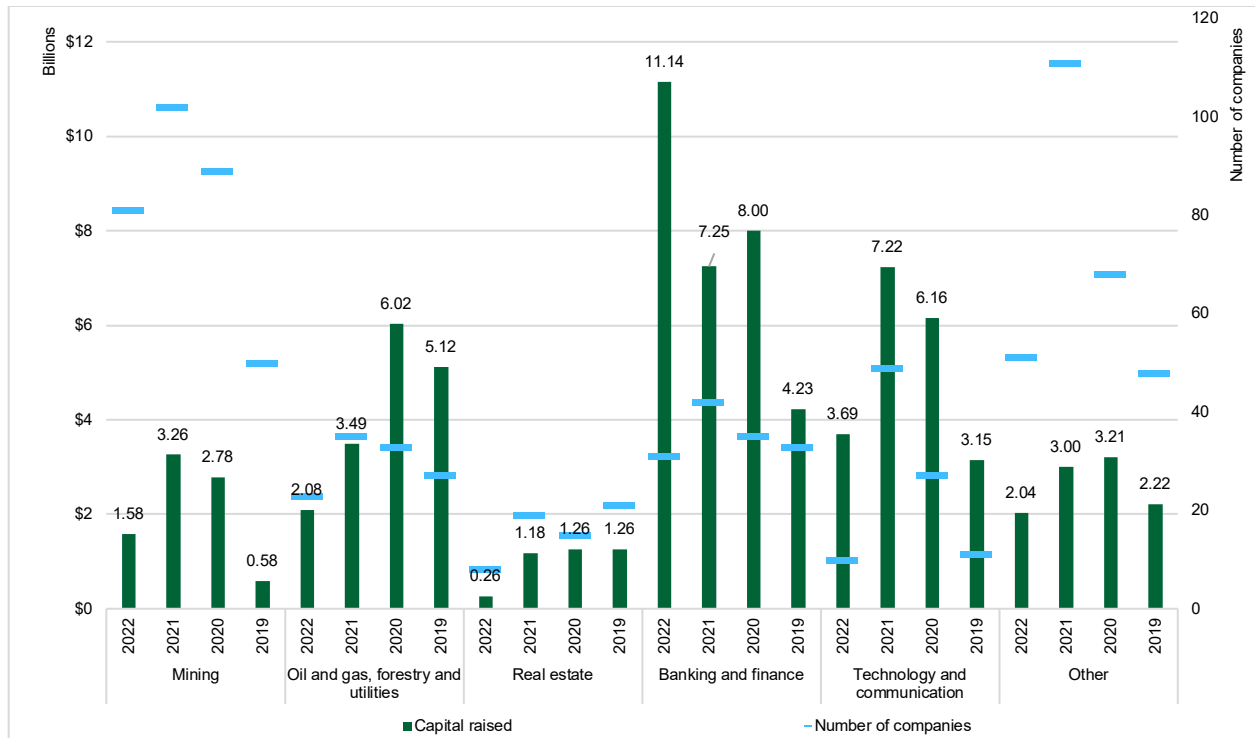
CAPITAL RAISED BY PROSPECTUS



The capital raised by companies and investment funds under a prospectus decreased 9%, after an 8% increase in 2021. With 43% fewer companies active in B.C.'s prospectus market, the capital raised by companies decreased 18% (2021: 7% decrease). Capital raised by investment funds decreased 6% (2021: 16% increase).

Capital raised by companies by prospectus

(2022: \$20.82B by 204 companies; 2021: \$25.40B by 358 companies)



Mining companies raised 51% less using prospectuses in 2022, after a 17% increase in 2021. There was a 21% decrease in the number of mining companies' offerings by prospectus (2021: 15% increase).

In technology and communications, Telus Corporation continues to be the largest company raising capital by prospectus with \$3.2B, nearly 85% of the sector (2021: \$2.5B, 36% of the sector).

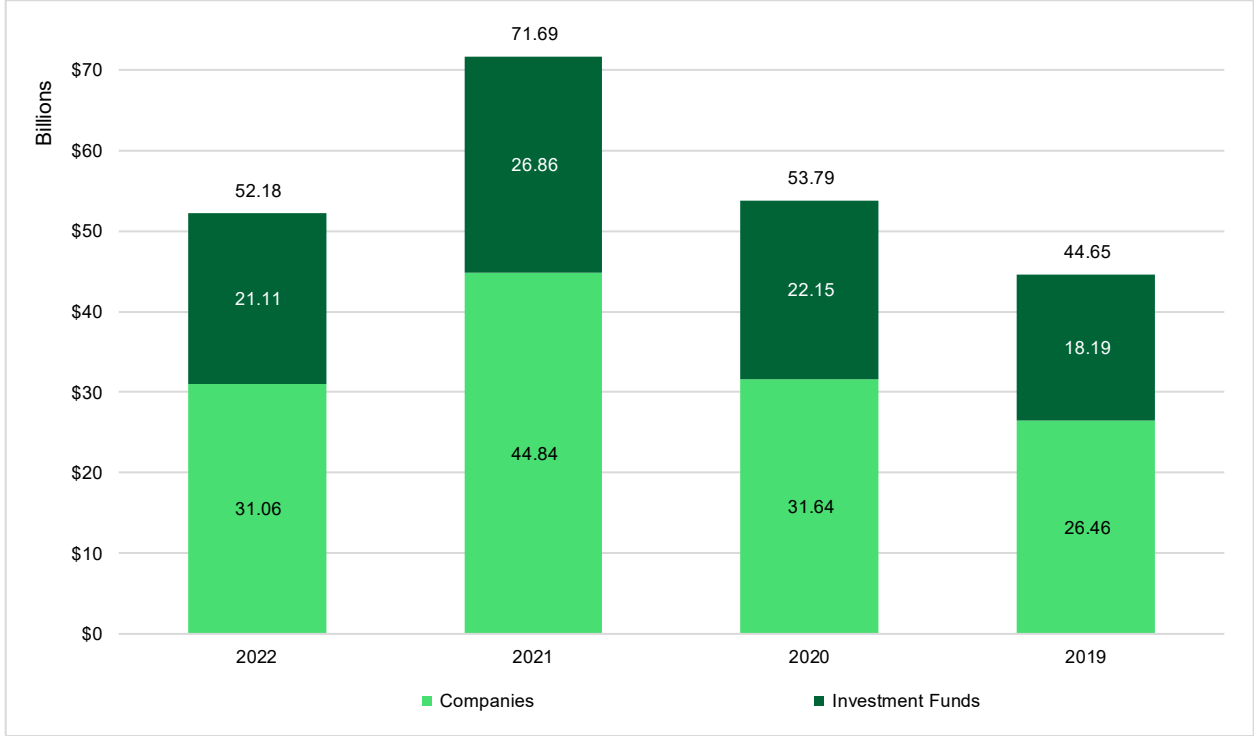
The banking and finance sector was the only sector with an increase in the capital raised by prospectus (54% increase, after a 9% decrease in 2021). The five most active companies were national banks raising \$8.6B, which were 77% of the sector (2021: \$5.68B, 78% of the sector).

The five most active companies in oil and gas, forestry and utilities raised 65% of the sector (2021: 47%) and were in energy infrastructure and energy distribution.

CAPITAL RAISED BY PRIVATE PLACEMENT

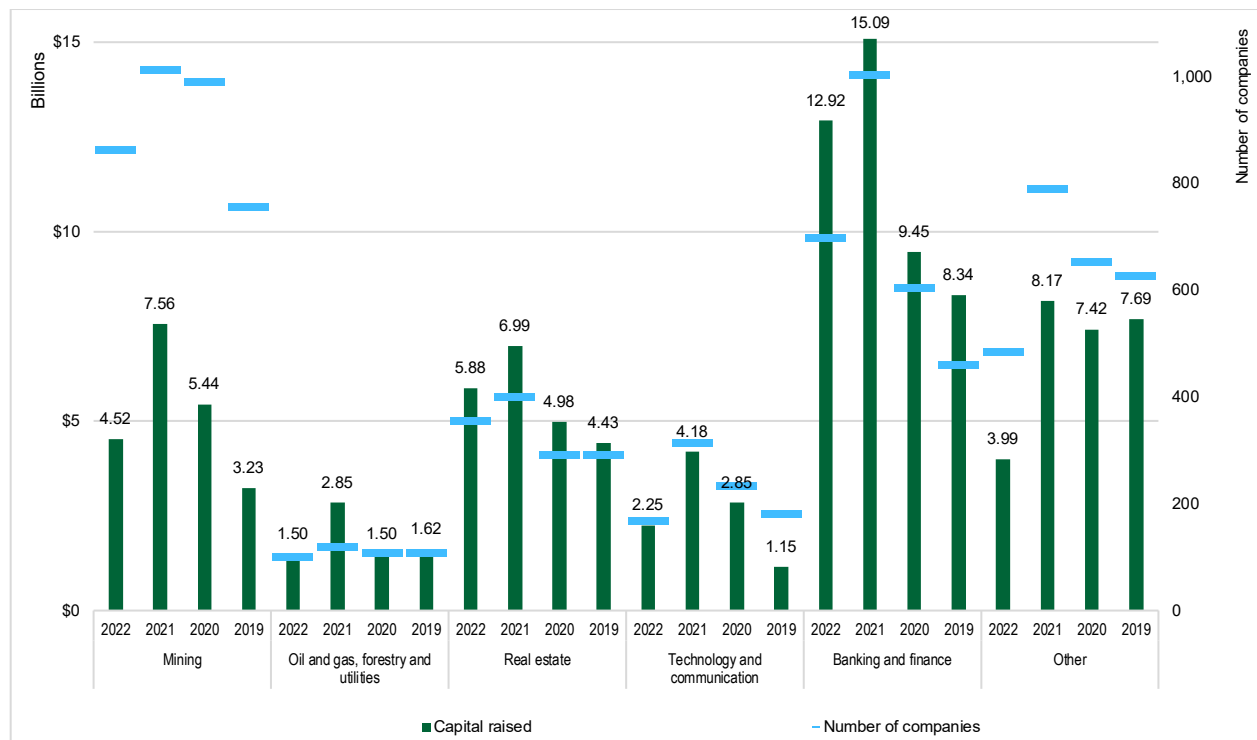
After five years of growing an average 21% per year, the capital raised by private placement decreased 27% in 2022. Capital raised by companies by private placement decreased 31% (2021: 42% increase) and the capital raised by investment funds decreased 21% (2021: 21% increase). The number of companies raising capital by private placement decreased 36% (2021: 21% increase).

Capital raised by private placement



Capital raised by companies by private placement

(2022: \$31.06B by 2,669 companies; 2021: \$44.84B by 3,634 companies)



Capital raised by private placement decreased across all tracked sectors.

In the mining sector, it fell 40% after a 39% increase in 2021. The number of mining companies involved in private placements fell 17% (2021: 2% increase). The 10 largest companies by capital raised represented 33% of private placements in this sector (2021: 45%).

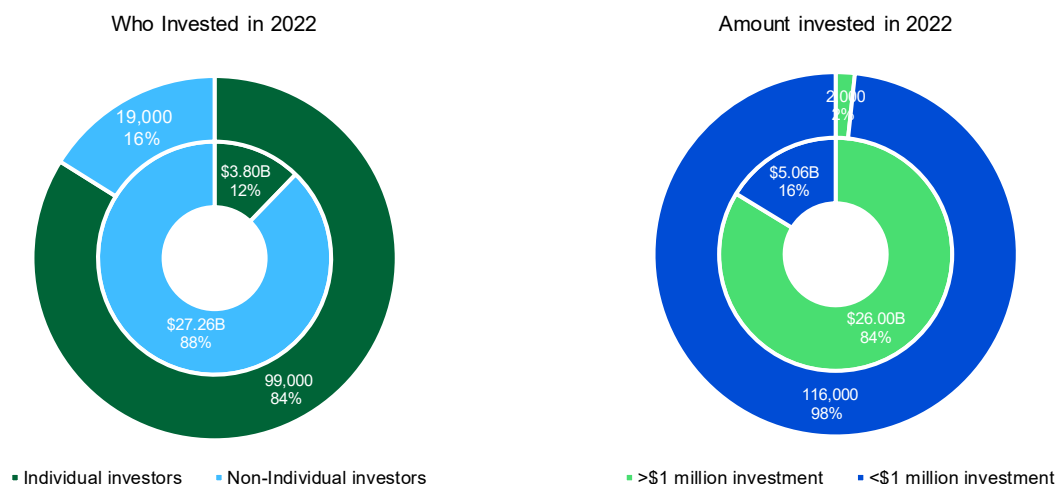
Private placements in the banking and finance sector decreased 14% after a 60% increase in 2021. The 10 largest companies raising capital by private placement were mainly national and international financial institutions and represented 45% of the sector (2021: 39%).

Private placements in the real estate sector decreased 16% after a 40% increase in 2021. The 10 largest companies raising capital by private placement represented 43% of the sector (2021: 43%).

Investors in companies

In 2022, 84% of investors in companies were individuals, but non-individuals⁶ invested 88% of the capital raised by private placement (seven times more than individual investors).

Investors, who invested \$1 million or more each time, represented just 2% of the total number of investors but were responsible for 84% of the capital raised by private placement.



Exemptions relied on by companies in the private placement market

Companies (and investment funds) can raise capital in B.C. by selling securities under a prospectus exemption that requires the company (or investment fund) and/or the investor meet certain criteria.

The most common exemptions relied on in by companies to raise capital using exemptions are:

- Accredited investor⁷: \$26.43B - 85% (2021: \$36.08B, 80%)
- Distributions outside of B.C.⁸: \$1.48B - 5% (2021: \$4.22B, 9%)
- Offering memorandum⁹: \$0.80B - 3% (2021: \$0.83B, 3%)
- Minimum investment¹⁰: \$0.78B - 3% (2021: \$1.13B, 2%)

⁶ Includes companies and investment funds.

⁷ Investors who meet certain financial criteria, for example high net worth individuals and pension funds.

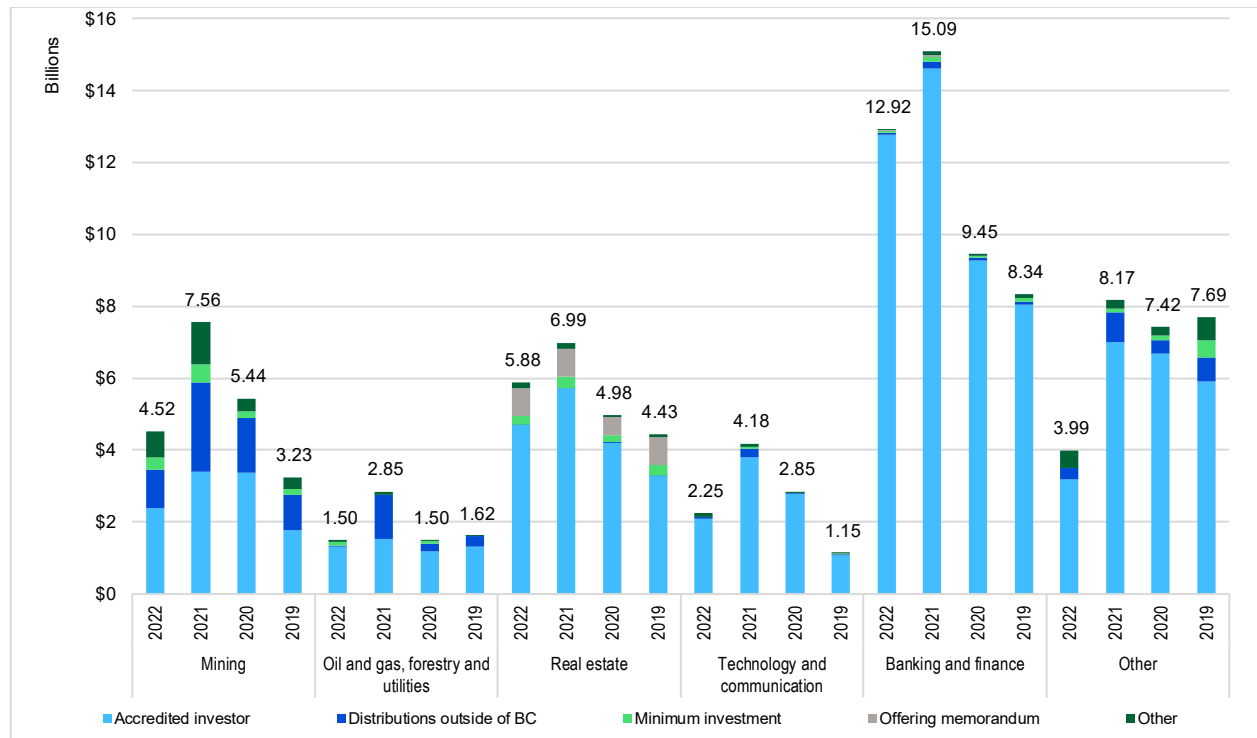
⁸ Investors who reside outside of B.C., in a jurisdiction where the company has complied with local securities laws.

⁹ An offering memorandum is a document provided to investors by the company that describes the business, the management, the offering, and the risks of the securities sold, but in less detail than a prospectus.

¹⁰ Non-individuals who invest at least \$150,000.

Capital raised by sector and exemption

(2022: \$30.99B; 2021: \$44.84B)

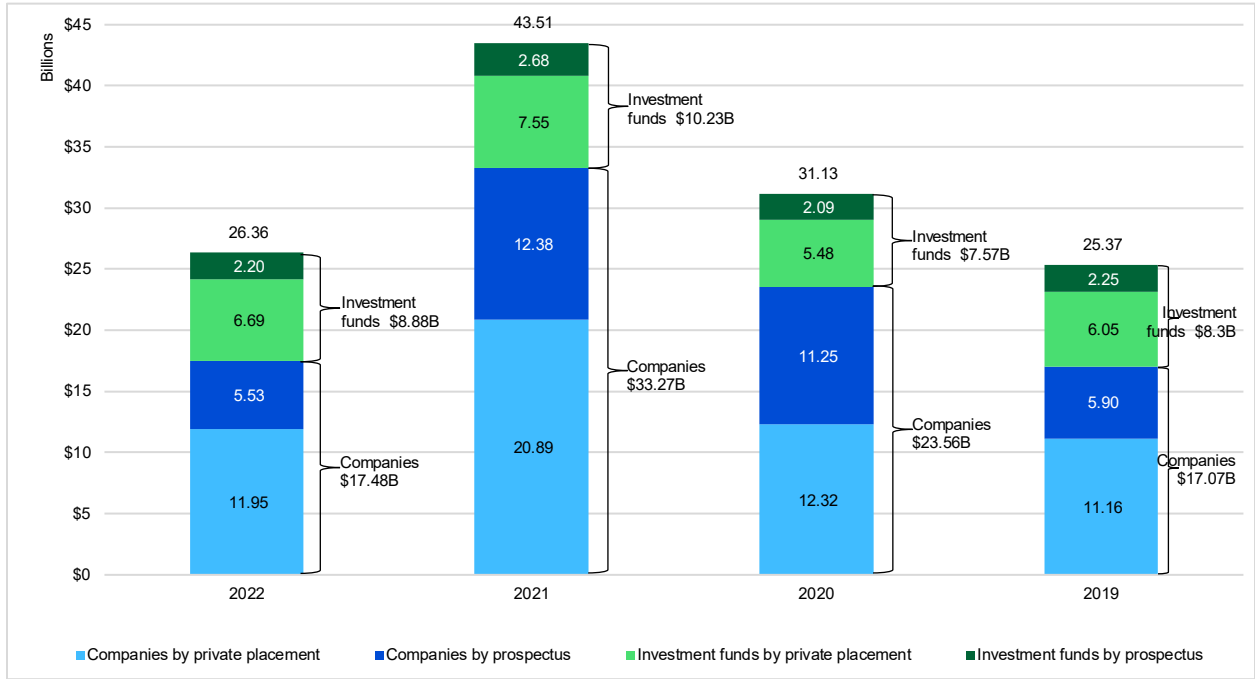


CAPITAL RAISED BY B.C. COMPANIES AND INVESTMENT FUNDS

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

B.C. companies and investment funds raised \$26.36B – a 39% decrease from 2021 (2021: 40% increase). That represents 20% of the total \$132.29B raised in the B.C. capital market (2021: 27%).

Capital raised by B.C. companies and investment funds

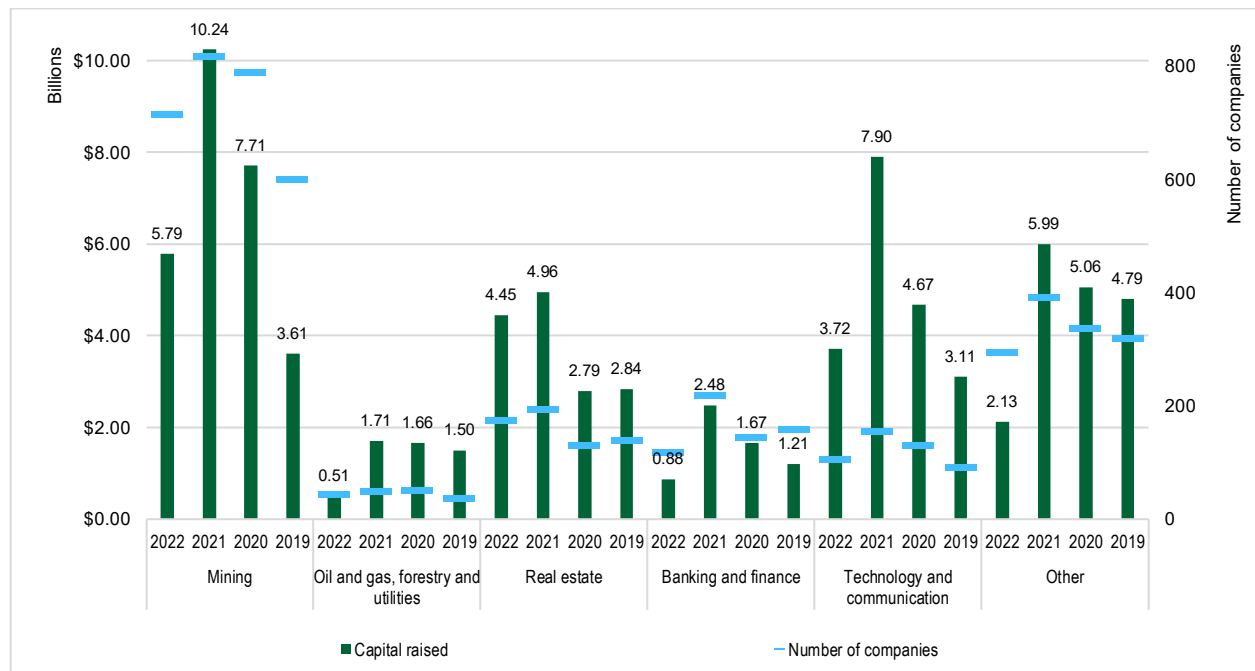


B.C. companies raised 47% less capital (2021: 41% increase) and B.C. investment funds raised 13% less (2021: 35% increase). The number of B.C. companies raising capital decreased 20% to 1,458 (2021: 15% increase to 1,830). The number of B.C. companies represent 51% of the total number of companies involved in the B.C. capital market (2021: 46%).

B.C. companies and investment funds raised 29% of their capital by prospectus (2021: 35%) and 71% by private placement (2021: 65%).

Capital raised by B.C. companies by sector

(2022: \$17.48B by 1,458 companies; 2021: \$33.27B by 1,830 companies)



Even with a significant decrease in the capital raised in 2022 (down 43% after a 33% increase in 2021), mining remains the most active sector for B.C. companies. The 716 B.C. mining companies (2021: 817) accounted for 49% of the total number of B.C. companies (2021: 45%) and for 33% of the capital raised by B.C. companies overall (2021: 31%).

In the technology and communication sector, B.C. companies raised 53% less (2021: 69% increase), with offerings from Telus Corporation accounting for 85% of the sector (2021: 32%).

Capital raising by B.C. companies in the real estate sector also decreased 10% (2021: 77% increase). The 10 largest B.C. companies by capital raised were responsible for 54% (2021: 58%) of the sector.

B.C. banking and finance companies raised 65% less (2021: 49% increase). The 10 largest companies by capital raised were responsible for 68% (2021: 60%) of the sector.

The “Other” category includes:

- Biotechnology: raising \$745M (2021: \$1.28B) - a 42% decrease (2021: 49% decrease).
- Cannabis: raising \$385M (2021: \$931M) – a 59% decrease (2021: 342% increase).

The most active B.C. companies (by capital raised) each year

	2022 (\$ billions)	2021 (\$ billions)	2020 (\$ billions)	2019 (\$ billions)
Telus Corporation and Telus International (Cda) Inc.	3.20	4.47	3.00	2.80
ACM Commercial Mortgage Fund	0.73	-	-	-
Ero Copper Corp.	0.55	-	-	-
Svante Technologies Inc.	0.43	-	-	-
BCI QuadReal Realty	0.40	0.80	-	-
Mercer International Inc.	-	1.11	-	-
First Majestic Silver Corp.	-	1.00	-	-
Lithium Americas Corp.	-	0.85	-	-
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

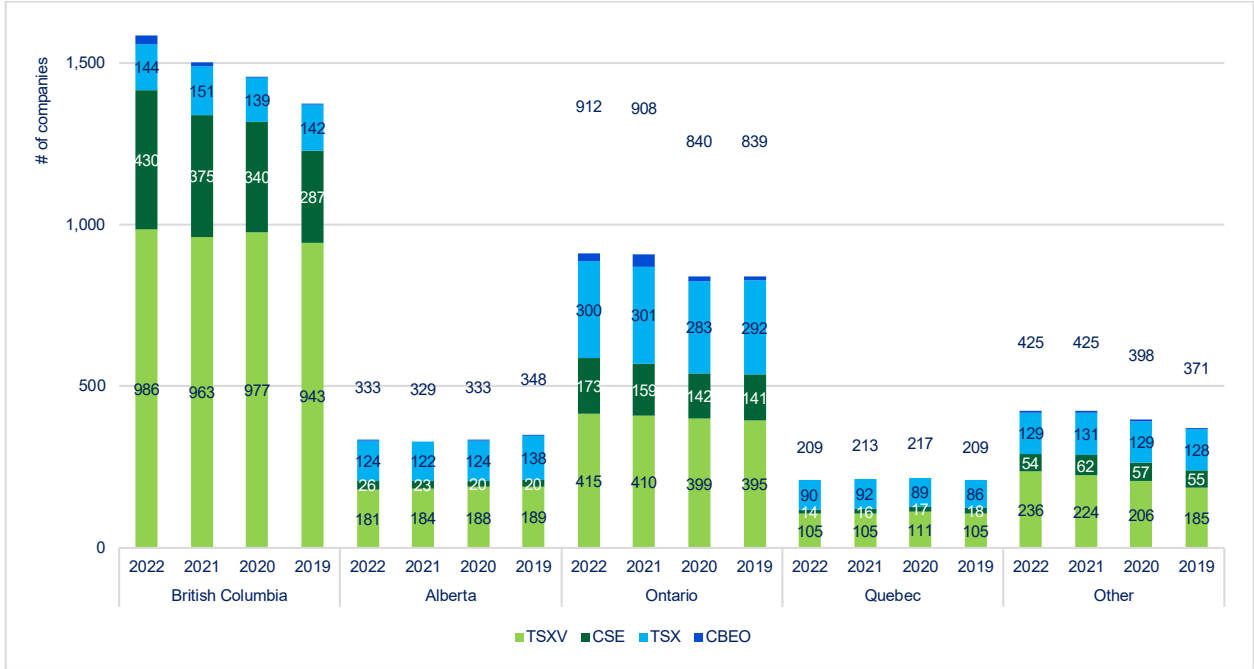
LISTED COMPANIES

The following analyses summarize the companies listed on the Canadian Exchanges (TSX, TSXV, CSE, and CBOE). The analyses do not include investment funds¹¹ and companies that are only listed on foreign exchanges¹², except as indicated.

CANADIAN EXCHANGES

B.C. is home to 46% of all companies listed on Canadian Exchanges (2021: 44%). Over half (54% - 2021: 53%) of all Canadian-listed *venture* companies are based in B.C., and 20% of Canadian-listed non-venture companies are based in B.C. (2021:19%).

Companies on the Canadian Exchanges by head office (2022: 3,463; 2021: 3,378)



¹¹There were 1,125 (2021: 1,044) investment funds with a total market capitalization of \$372.1B (2021: \$369.0B) listed on the Canadian Exchanges. None of them are based in B.C.

¹²Examples include the New York Stock Exchange (NYSE), Nasdaq, the OTC markets, and the London Stock Exchange.

Representation of B.C. companies on each exchange

	2022	2021	2020	2019
TSXV	51%	51%	52%	52%
CSE	62%	59%	59%	55%
Venture (TSXV and CSE companies)	54%	53%	54%	53%
TSX	18%	19%	18%	18%
CBOE	43%	23%	12%	6%
Non-venture (TSX and CBOE companies)	20%	19%	18%	18%
Overall	46%	44%	45%	44%

Some companies that list on the TSXV over time meet the listing requirements of the TSX and choose to graduate to the senior exchange. Fifty-four percent (54%) of the B.C. companies listed on the TSX graduated from the TSXV (2021: 53%). Nationally, 33% of companies listed on the TSX were TSXV graduates (2021: 32%).

Market Capitalization

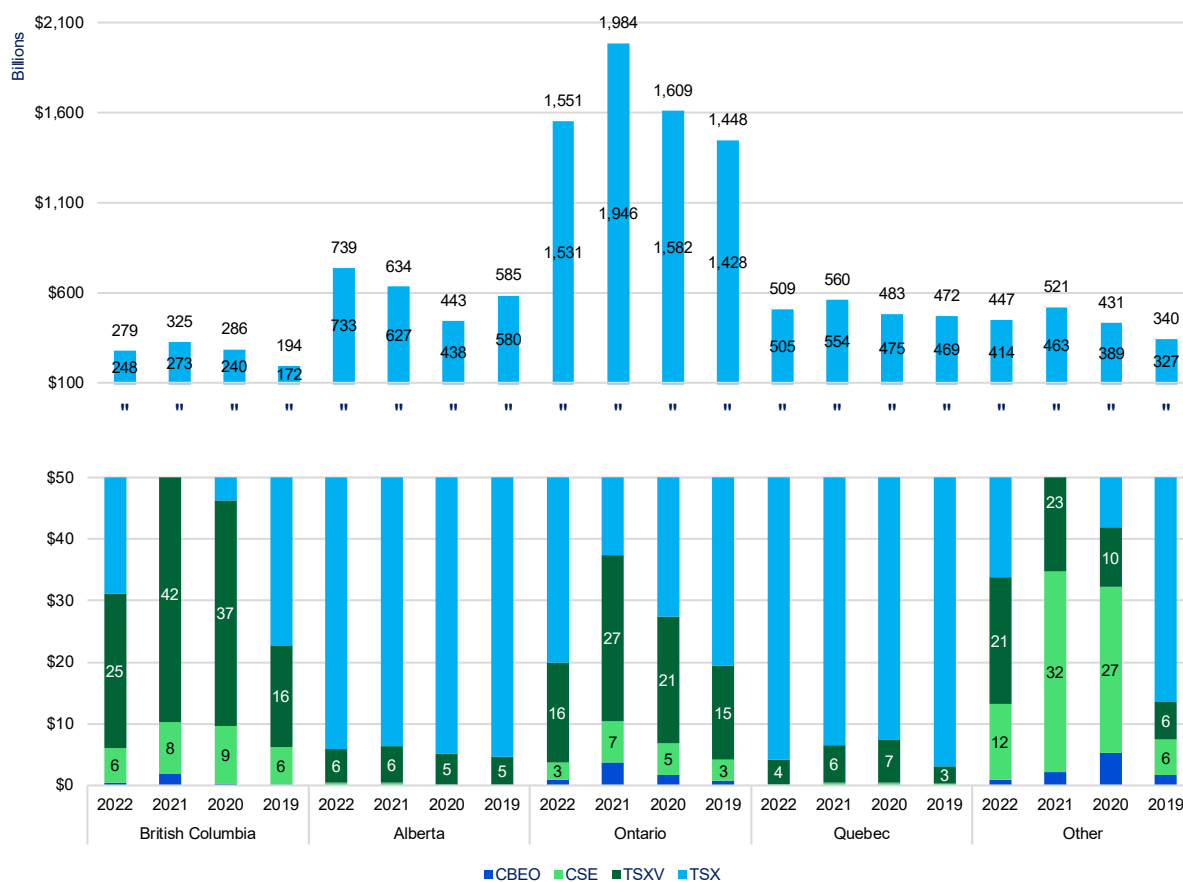
The total market capitalization in Canada decreased 12% to \$3.5T in 2022 after a 24% increase to \$4.0T in 2021.

B.C. companies had the following changes to their market capitalization:

- Overall: decreased 14% to \$279B (2021: 14% increase to \$325B)
- Listed on the TSX: decreased 9% to \$248B (2021: 14% increase to \$273B)
- Listed on the TSXV: decreased 40% to \$25B (2021: 13% increase to \$42B)
- Listed on the CSE: decreased 34% to \$6B (2021: 10% decrease to \$8B)

Market capitalization of companies on the Canadian Exchanges by head office

(2022: \$3.5T; 2021: \$4.0T)



The “Other” category includes 162 companies with a market capitalization of \$29.7B that are headquartered outside Canada but have the BCSC as their principal regulator¹³ (2021: 156 companies, \$42.9B).

The BCSC is the principal regulator of an additional 311 listed companies (2021: 295) that are not listed on the Canadian Exchanges. Twenty-five (25) of the companies are listed on a senior exchange in the United States¹⁴ or on the London Stock Exchange. They have a combined market capitalization of \$71.7B (2021: 19 companies \$86.5B).

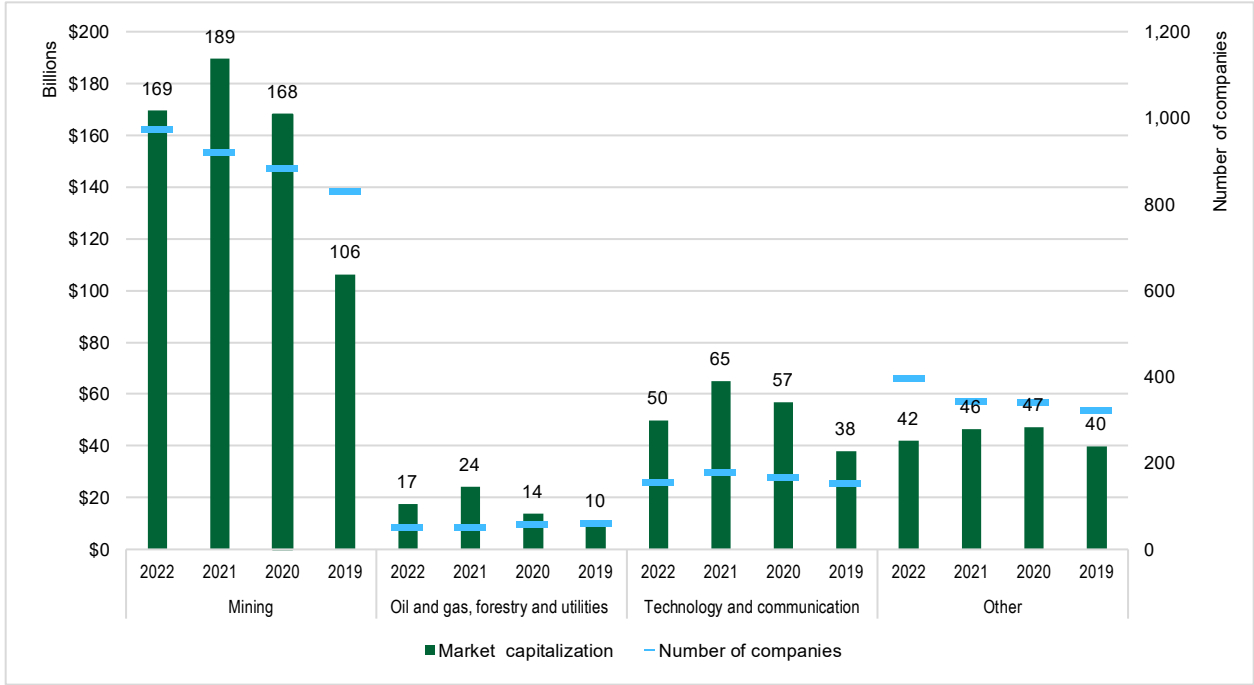
¹³ Under the *Securities Act*, listed companies can access the capital markets across Canada by dealing with one regulator (its principal regulator). In most cases, the listed company’s principal regulator is the securities regulator where it is located. For listed companies with international head offices, the principal regulator is the one that it has the most significant connection.

¹⁴ NYSE, Nasdaq, and the NYSE American (formerly American Stock Exchange (AMEX))

B.C. COMPANIES

B.C. companies on the Canadian Exchanges by sector

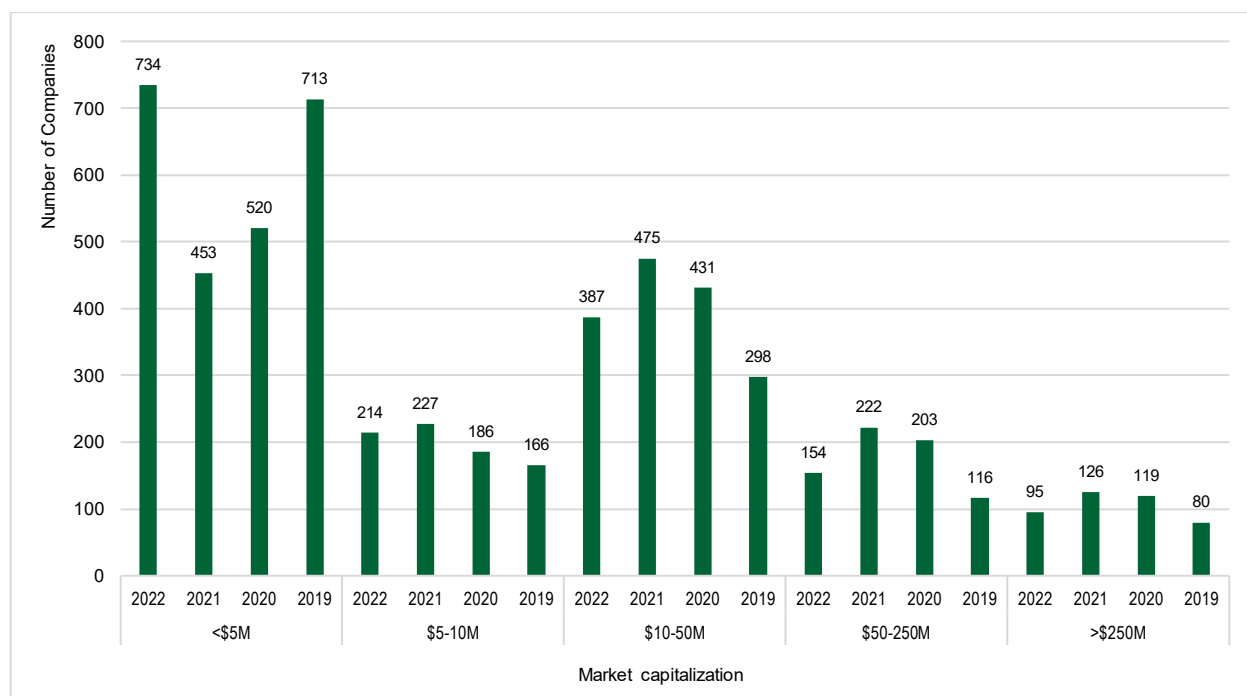
(2022: \$279B by 1,584 companies; 2021: \$325B by 1,503 companies)



Consistent with the trend for Canadian companies nationally, the total market capitalization of B.C. companies decreased 14% after a 14% increase in 2021.

Mining continues to be the leading sector in B.C.: 976 listed B.C. mining companies represent 62% of all listed B.C. companies (2021: 921 companies, 61%) and 61% of the total market capitalization (2021: 58%).

Market Capitalization of B.C. Companies on the Canadian Exchanges by size



As overall market capitalization decreased, listed B.C. companies with a market capitalization below \$5 million grew in number and proportion:

- increasing 62% to 734 companies (2021: 453 companies, 13% decrease)
- becoming 46% of all listed B.C. companies (2021: 30%).

By comparison, 29% (2021: 24%) of Alberta-based listed companies and 20% (2021: 13%) of Ontario-based listed companies had a market capitalization below \$5 million.

The five largest B.C. listed companies by market capitalization

	Exchange	2022 (\$ billions)	2021 (\$ billions)	2020 (\$ billions)	2019 (\$ billions)
Lululemon Athletica Inc.	Nasdaq	55.86	64.37	58.14	40.70
Telus Corporation	TSX	37.38	40.82	32.54	30.26
Teck Resources Limited	TSX	26.23	19.45	-	12.48
Wheaton Precious Metal Corp.	TSX	23.91	24.46	23.67	17.28
First Quantum Minerals Ltd.	TSX	19.59	20.92	15.75	9.08
Abcellera Biologics Inc.	Nasdaq	-	-	15.60	-