

## CANADIAN SECURITIES EXCHANGE

### NOTICE OF HOUSEKEEPING RULE AMENDMENTS

#### HOUSEKEEPING AMENDMENTS TO CSE LISTING POLICIES & PROCEDURES

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto attached as Appendices to the Exchange’s recognition order (the “Protocol”), CNSX Markets Inc., operator of the Canadian Securities Exchange (“CSE” or “Exchange”) has adopted housekeeping rule changes to CSE Listing Policies & Procedures (the “Amendments”). The Amendments have been classified as Housekeeping Rules and as such have not been published for comment. Staff of the British Columbia Securities Commission (“BCSC”) and the Ontario Securities Commission (“OSC”) have not disagreed with this classification.

#### DESCRIPTION OF THE AMENDMENTS AND RATIONALE

|    | <b>CSE Policy Section</b>  | <b>Amendment</b>   | <b>Rationale</b>  |
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| 1. | <b>Policy 1 – Interpretation and General Provisions</b><br><br>1.3(2) Definitions                          | Remove Blackline formatting from definition of “Senior Tier”, which included changing font color from red to black and deleting the underline.   | To make the formatting of “Senior Tier” consistent with the rest of the defined terms of the CSE Policy.  |
| 2. | <b>Policy 2 – Qualifications for Listing</b><br><br>2.9(1) Continuing to Qualify for Listing               | (h) a Listed Issuer with Equity Securities listed must meet the continued Listing requirements described in section <del>2A.1(9)</del> 2A.6 of Appendix 2A of this Policy.   | To correct a typographical error concerning an incorrect citation.  |
| 3. | <b>Policy 2 – Qualifications for Listing, Appendix 2A: Equity Securities</b><br><br>2A.7(1)(d) Application | The application for Listing must include the following: ...<br><br>(d) a duly executed PIF from<br><br>(i) each Related Person of the Listed Issuer of the Listed Issuer and, if any of these Persons is not an individual, a PIF from each director, senior officer and | To standardize terminology – the inserted text reflects CSE’s amended definition of Related Person, as of April 3, 2023, to capture Persons performing Investor Relations Activities [see s.1.3 (2) Definitions, Related Person (f)]. |

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|    |   | <p>each Person who beneficially, directly or indirectly owns, controls or exercises direction over 20% or more of the voting rights of such non-individual;</p> <p><u>(ii) each Person performing Investor Relations Activities for the Listed Issuer;</u></p>   | <p>This Amendment confirms an existing requirement, which was inadvertently omitted.</p> |
| 4. | <p><b>Policy 2 – Qualifications for Listing, Appendix 2A: Equity Securities</b></p> <p><i>2B.2(1) Application</i></p> | <p>The application for Listing must include the following:</p> <p>(d) a duly executed PIF from</p> <p><u>(i) each Related Person of the Listed Issuer of the Listed Issuer and, if any of these Persons is not an individual, a PIF from each director, senior officer and each Person who beneficially, directly or indirectly owns, controls or exercises direction over 20% or more of the voting rights of such non-individual;</u></p> <p><u>(ii) each Person performing Investor Relations Activities for the Listed Issuer;</u></p> | <p>Please see Rationale for Amendment # 3.</p>   |
| 5. | <p><b>Policy 2 – Qualifications for Listing, Appendix 2A: Equity Securities</b></p> <p><i>2C.7(1) Application</i></p> | <p>The application for Listing must include the following:</p> <p>(d) a duly executed PIF from</p> <p><u>(i) each Related Person of the Listed Issuer of the Listed Issuer and, if any of these Persons is not an individual, a PIF from each director, senior officer and each Person who beneficially, directly or indirectly owns, controls or exercises direction over 20% or more of the voting</u></p>   | <p>Please see Rationale for Amendment # 3.</p>   |

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|    |  | <p>rights of such non-individual;</p> <p><u>(ii) each Person performing Investor Relations Activities for the Listed Issuer;</u></p>  |  |
| 6. | <p><b>Policy 4 – Corporate Governance, Security Holder Approvals and Miscellaneous Provisions</b></p> <p>4.3 Directors and Officers</p>              | <p>(4) Where a Listed Issuer has a Significant Connection to Alberta, the Exchange may refuse to accept any director, officer or insider, or revoke, amend or impose conditions in connection with acceptance of any such application until such time as the Listed Issuer has complied with a direction from <u>the</u> Exchange or the Exchange requirement to make application to the Alberta Securities Commission and to become a reporting issuer in Alberta.</p> | <p>To correct a typographical error concerning a missing word.</p>   |
| 7. | <p><b>Policy 4 – Corporate Governance, Security Holder Approvals and Miscellaneous Provisions</b></p> <p>4.3(7) Duties of Officers and Directors</p> | <p>(a) Officers and directors of a Listed Issuer are responsible for ensuring that <u>the</u> Listed Issuer complies with applicable Exchange Requirements, corporate and securities laws.</p>  | <p>Please see Rationale for Amendment #6.</p>  |
| 8. | <p><b>Policy 4 – Corporate Governance, Security Holder Approvals and Miscellaneous Provisions</b></p> <p>4.6(1) General Requirements</p>             | <p>(b) <u>Subject to 4.6(1)(a), Aany</u> Exchange Requirement for securityholder approval may be satisfied by a written resolution signed by security holders of more than 50% of the securities having voting rights.</p>  | <p>To clarify the applicable parties under the provision, which constitutes a change in conformity with an existing marketplace requirement.</p> |

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| <p>9.</p>  | <p><b>Policy 4 – Corporate Governance, Security Holder Approvals and Miscellaneous Provisions</b></p> <p>4.6(1) General Requirements</p> | <p>(c) Listed Issuers relying on s. 4.6(2)(b) will be required to issue a press release at least seven Trading Days in advance of the closing of the transaction, which shall disclose the material terms of the transaction and that the Listed Issuer has relied upon this <del>exemption</del>provision.</p>   | <p>To cure a typographical error concerning an incorrect word.</p>  |
| <p>10.</p> | <p><b>Policy 4 – Corporate Governance, Security Holder Approvals and Miscellaneous Provisions</b></p> <p>4.6(2) Sale of Securities</p>   | <p>(c) A Listed Issuer <del>using the exemption relying on the exception</del> in subsection 4.6(2)(b) must issue a news release five days in advance of the security offering stating it will not hold a security holder vote and fully explaining how it qualifies for the <del>exception</del>exemption.”</p>  | <p>To cure typographical errors concerning incorrect words.</p>   |
| <p>11.</p> | <p><b>Policy 6 – Distributions &amp; Corporate Finance</b></p> <p>6.2(2) Private Placements</p>  | <p>(2) Price<br/> (a) Listed Issuers may not make a private placement at a price per security lower than the greater of:<br/> (i) <del>—</del>\$0.05, and<br/> (ii) <del>—</del>the closing market price of the security on the Exchange on the Trading Day prior to the earlier of: (i) the dissemination of a news release disclosing the private placement or the and Posting of a notice of the proposed private placement, <b>or (ii) a request for confidential price protection pursuant to 6.2(4)</b>, less a discount which shall not exceed the Maximum Permitted Discount set forth below:</p> | <p>To clarify the provision s.6.2, which constitutes a change in conformity with an existing marketplace requirement.</p>   |
| <p>12.</p> | <p><b>Policy 6 – Distributions &amp; Corporate Finance</b></p> <p>6.2(2) Private Placements</p>  | <p><b><u>(e) An Issuer relying on a closing price established pursuant to 6.2(2)(ii) may rely on that price for a period of no longer than 45 days.</u></b></p>   | <p>To clarify the provision s.6.2, which constitutes a change in conformity with an existing marketplace requirement, which otherwise relates to a routine administrative practice.</p> |

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| 13. | <b>Policy 6 –<br/>Distributions &amp;<br/>Corporate Finance</b><br><br>6.2(5) Private<br>Placements                       | “Subject to the Timely Disclosure Requirements of Policy 5, a Listed Issuer, including a Listed Issuer that has requested price protection pursuant to section 6.2(4), <del>(a)</del> must announce an intention to complete a private placement at least 5 Business Days prior to closing, and <del>(b)</del> immediately <u>following the announcement</u> Post notice of the proposed private placement (Notice of Proposed Issuance of Listed Securities).” | Please see Rationale for Amendment #11.   |
| 14. | <b>Policy 6 –<br/>Distributions &amp;<br/>Corporate Finance</b><br><br>6.2(7) Private<br>Placements                       | (b) an opinion of counsel that the securities issued in connection with the private placement (including any underlying securities, if applicable) have been duly issued and are outstanding as fully paid and non-assessable <del>shares</del> (as applicable)...”   | To correct a typographical error by removing an unnecessary word.   |
| 15. | <b>Policy 6 –<br/>Distributions &amp;<br/>Corporate Finance</b><br><br>6.5 Security Based<br>Compensation<br>Arrangements | (3) A Listed Issuer must not grant Stock Options or Awards with an exercise price lower than the greater of <u>\$0.05, and</u> the closing market prices of the underlying securities on<br><br>(a) The Trading Day prior to the date of grant of the Stock Options; and<br>(b) the date of grant of the Stock Options.   | To clarify the provision s.6.5, which constitutes a change in conformity with an existing marketplace practice. |
| 16. | <b>Policy 6 –<br/>Distributions &amp;<br/>Corporate Finance</b><br><br>6.5 Security Based<br>Compensation<br>Arrangements | (5) A Listed Issuer must Post the notice of <del>a Stock Option Grant</del> or Award <del>grant in a</del> Notice of Proposed Stock Options, <u>amended to reflect the type of Grant or Award</u> , immediately following each Grant <del>or</del> <u>Award</u> by the Listed Issuer.   | To correct typographical errors by adjusting the grammar of the provision.                                      |

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| <p>17.</p> | <p><b>Policy 6 – Distributions &amp; Corporate Finance</b></p> <p>6.7(1) Issue Price and Exercise Price</p>   | <p>(b) Warrants may be attached to or issued concurrently with other securities as a bonus or additional incentive. Warrants may not otherwise be issued for nil. For warrants issued with a purchase price of less than \$0.05, <u>the issue that warrant purchase price plus the exercise price:</u></p> <ul style="list-style-type: none"> <li>i. must be no lower than the volume-weighted average-price for the previous 20 Trading Days as determined by the Exchange; and</li> <li>ii. be paid in cash.</li> </ul> | <p>To clarify the provision s.6.7, which constitutes a change in conformity with an existing marketplace practice.</p>   |
| <p>18.</p> | <p><b>Policy 6 – Distributions &amp; Corporate Finance</b></p> <p>6.7 Options, Warrants and Convertible Securities Other Than Incentive Options or Rights</p> | <p>(8) For any repricing of warrants permitted by section 6.7<del>(8)</del>, a maximum of 10% of the total number of warrants being repriced may be repriced for insiders holding warrants. If insiders hold more than 10%, then the 10% allowed will be allocated pro rata among those insiders.</p>   | <p>Please see Rationale for Amendment # 2.</p>   |
| <p>19.</p> | <p><b>Policy 7 – Investor Relations, Promotional Activity, and Other Significant Transactions</b></p> <p>7.4 Suitability Considerations</p>                   | <p>(a) Officers and directors of a Listed Issuer are responsible for ensuring that <u>the</u> Listed Issuer complies with applicable Exchange Requirements, corporate and securities laws.</p>  | <p>To standardize terminology and implement conformity across routine marketplace policies, specifically relating to PIF requirements for Investor Relations activities, in accordance with the amended definition of Related Person by the CSE on April 3, 2023.</p> <p>This Amendment confirms an existing requirement, which was inadvertently omitted.</p> |

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| <p>20.</p> | <p><b>Policy 8 – Fundamental changes and Changes of Business</b></p> | <p>8.6 In order to qualify for Listing the securities of the resulting Listed Issuer, the Fundamental Change <u>or Change of Business</u> must be approved by Exchange and the security holders of the Listed Issuer prior to completion of the <u>Fundamental Change</u> transaction <u>or in the case of a Change of Business, prior to the Listed Issuer carrying on the new business</u>. The information circular, Listing Statement or management proxy circular delivered to security holders of the Listed Issuer must contain full, true and plain disclosure of the resulting company, including the financial statement disclosure set out in National Instrument 44-101 Short Form Prospectus Distributions, National Instrument 41-101 – General Prospectus Requirements and Form 41-101F1. For a Fundamental Change the information circular or management proxy circular must provide historical financial statements for the target company as if it were going public by way of prospectus and making application for Listing, plus pro forma financial statements giving effect to the transaction for the last full fiscal year of the target company and interim year-to-date of the target company. Particular requirements are specified in the Listing Statement. The information circular or management proxy circular must be reviewed by the Exchange before being Posted and delivered to shareholders.</p> | <p>To standardize terminology – the insertion of language concerning Change of Business in this Amendment is consistent with the existing text and procedures of Policy 8, which was inadvertently omitted.</p> |
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The CSE Policy can be viewed at:

Policies | CSE - Canadian Securities Exchange (thecse.com)

**A. Effective Date**

The Housekeeping Amendments become effective as of the date hereof.

**B. Classification**

Amendments have been classified as housekeeping and were not published for comment.

**C. Questions**

Questions regarding this notice may be directed to:

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