

BC CAPITAL MARKET

Report 2023



**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 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 offer securities to investors. Similarly, B.C. investors may purchase securities from companies or investment funds from any jurisdiction, provided the company or investment fund follows the province's securities laws. This report covers 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, the company or investment fund must also provide continuous disclosure to keep investors informed of its affairs. Some companies and investment funds list their securities on Canadian stock exchanges (Canadian Exchanges) such as the Toronto Stock Exchange (TSX), the TSX Venture Exchange (TSXV), the Canadian Securities Exchange (CSE), the Cboe Canada (CBOE) or on a foreign stock exchange. They are referred to as “public” or “listed” companies or investment funds.
- They can rely on an exemption from the prospectus requirement, if the company or investment fund, and their investors, meet certain criteria they can sell their securities in the “exempt” or “private placement” market³.

This report does not describe all capital market activity in B.C. The BCSC only collects information on capital raised under prospectuses and certain private placement transactions.

The comparative figures in this report may differ from those reported in prior years due to the timing difference between when capital is raised and when the information is available 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 on the BCSC website.”](#)

Table of Contents

ABOUT THIS REPORT	1
CAPITAL MARKET SNAPSHOT	3
CAPITAL RAISED	4
CAPITAL RAISED BY PROSPECTUS	7
CAPITAL RAISED BY PRIVATE PLACEMENT	9
CAPITAL RAISED BY B.C. COMPANIES AND INVESTMENT FUNDS.....	13
LISTED COMPANIES	16
CANADIAN EXCHANGES.....	16
B.C. COMPANIES.....	19

The BC Securities Commission (BCSC) is the independent provincial government agency that enforces B.C.'s *Securities Act*, which regulates how individuals and 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 the province 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.







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CAPITAL MARKET SNAPSHOT

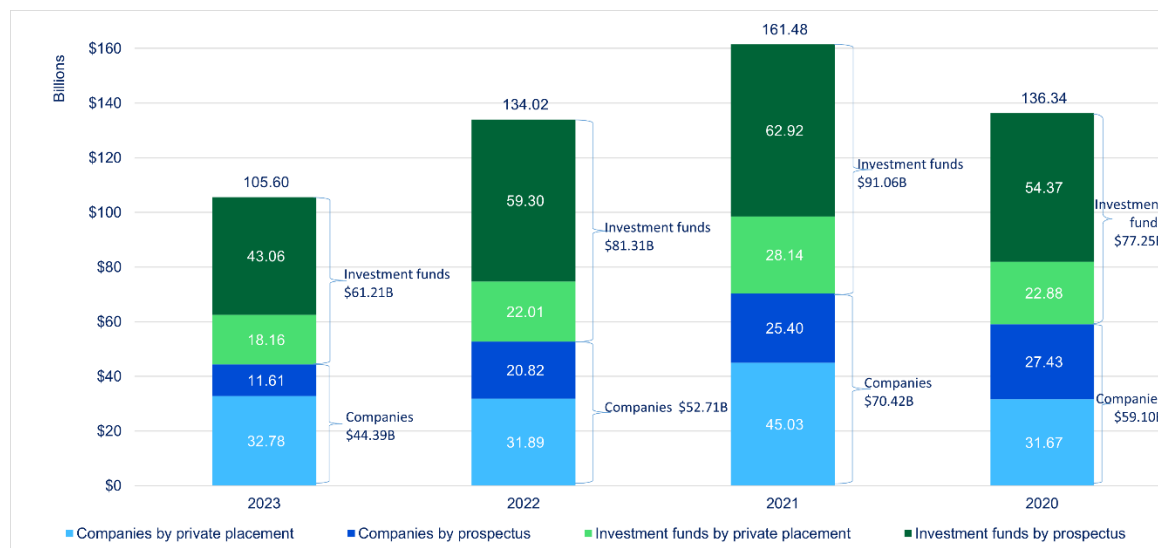
	Weaker economic conditions persisted, lowering investor confidence, and providing fewer opportunities for raising capital, particularly in public markets. As a result, market activity in B.C. declined by about one fifth, for the second year in a row.
	Thousands of companies raise money in B.C. every year. In 2023, the number of companies (2,663) raising capital in B.C.'s capital market declined modestly (8%). Over half (56%) of companies raising capital were B.C.-based, like the previous year.
	The reported amounts raised in B.C. through capital-raising are dominated by non-B.C. companies and funds. In 2023, the \$24.5 billion in capital raised by B.C. companies and investment funds decreased 13%, and made up 23% of B.C. capital market activity, up 2% from 2022.
	B.C. companies and investment funds are most active in private markets. In 2023, they raised 17% of their capital by prospectus and 83% by private placement.
	B.C. is home for the majority of Canada's listed start-ups, and for about one-fifth of Canada's listed senior companies. <ul style="list-style-type: none"> • 47% of companies on Canadian Exchanges; • 55% of Canadian-listed venture companies were B.C. based⁴; and, • 19% of Canadian-listed non-venture companies.
	Most B.C. public companies are small. Market capitalization for all Canadian-listed companies increased to \$3.8T, up from \$3.5T in 2022. This is an 8% increase over 2022. The market capitalization of listed B.C. companies remained flat at \$279 billion.

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

2023 was another challenging year for global markets. Interest rates and inflation affected economic conditions and market activity remained volatile, including in B.C.'s capital market.

In 2023, B.C. capital market activity declined 21%, after a 17% decrease in 2022. Lower public market capital raising activity accounted for most (\$25.5B, 89%) of the change. Prior to 2022, B.C. had experienced five years of growth averaging 12% per year.

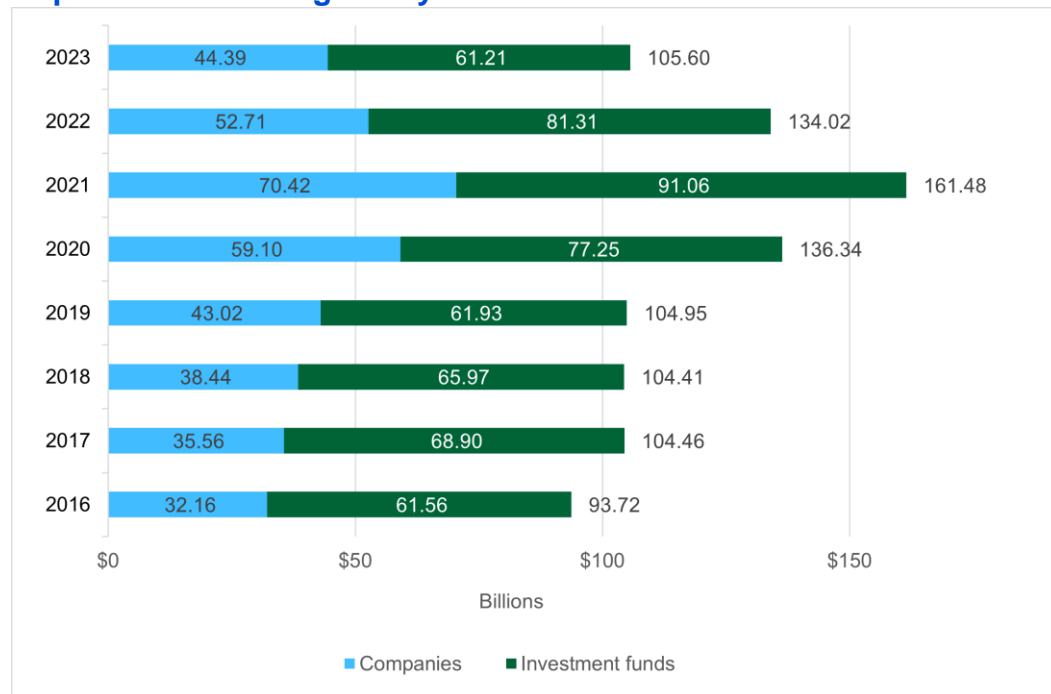


Investment fund activity made up over 60% of capital raising in 2023, but investment fund activity declined more than corporate activity. The capital raised in B.C. by investment funds decreased 25%, after decreasing 11% in 2022. The capital raised in B.C. by companies decreased 16%, after decreasing 25% in 2022.

While thousands of companies raised capital in B.C., the total number of active companies declined modestly (8%), to 2,663 from 2,889 in 2022.

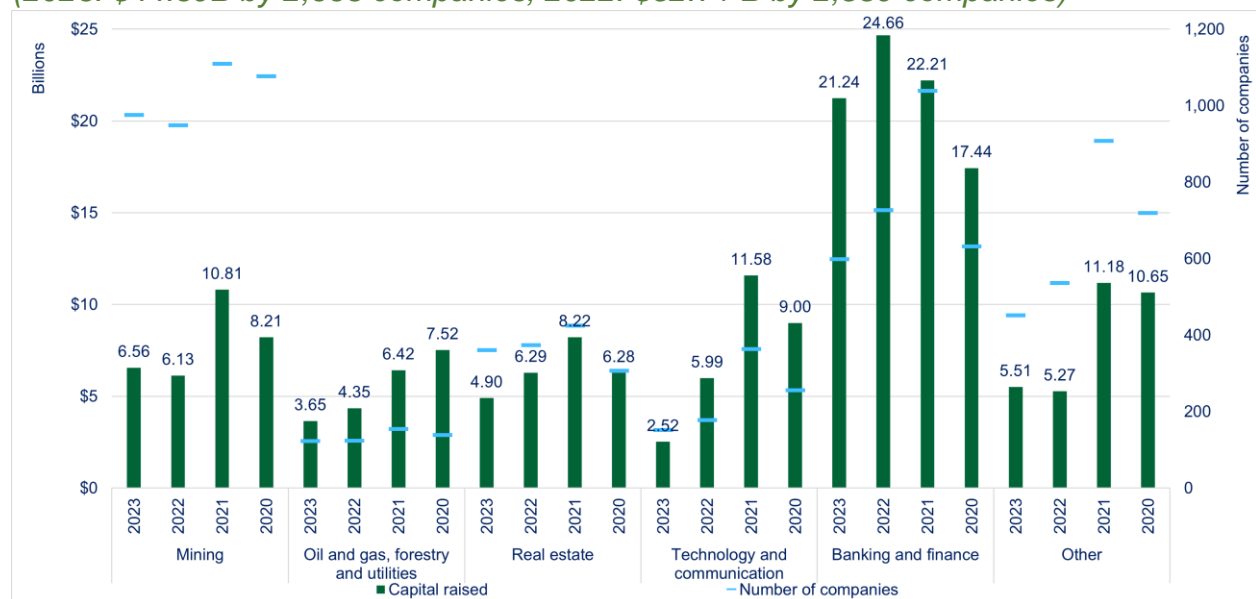
In 2023, slightly more was raised by prospectus vs. private placement overall. However, the majority (70%) of reported investment fund capital raising was public, while for companies the majority (74%) of capital raising was by private placement.

Capital raised through the years



Capital raised by companies by sector⁵

(2023: \$44.39B by 2,663 companies; 2022: \$52.71 B by 2,889 companies)



Capital raising fluctuates significantly from year-to-year, both overall and by sector. Drivers behind large changes in activity can include general market interest, changing economic conditions, and the activities of individual companies.

⁵ Sectors are based on the North American Industry Classification System (NAICS) codes reported by the companies, as adjusted by BCSC staff.

Mining

Mining is a key capital raising sector in B.C. The province and Canada are global leaders in public mining capital raising. The number of mining companies raising capital increased 3% to 976 from 949 in 2022, and the capital raised increased by 7% after a 43% decrease in 2022.

The trend of smaller financings continued in 2023, but there were modestly more financings and so there was an overall increase in capital raised. Completed financings were spent prudently, with explorers and miners alike reducing exploration and development expenditures.

Oil and gas, forestry and utilities

Oil and gas, forestry and utilities capital raising decreased 16%, continuing a downward trend from a 32% decrease in 2022. The five largest companies by capital raised were in the energy infrastructure and energy distribution sub-sectors.

Real estate

Real estate sector capital raising decreased 22% (2022: 23% decrease) with the number of companies involved decreasing 3% (2022: 12% decrease).

Technology and communication

Technology and communication sector capital raising decreased 58% after a 48% decrease in 2022. The five largest companies by capital raised were in the communication sector and were responsible for 69% of sector activity versus 88% in 2022.

Banking and finance

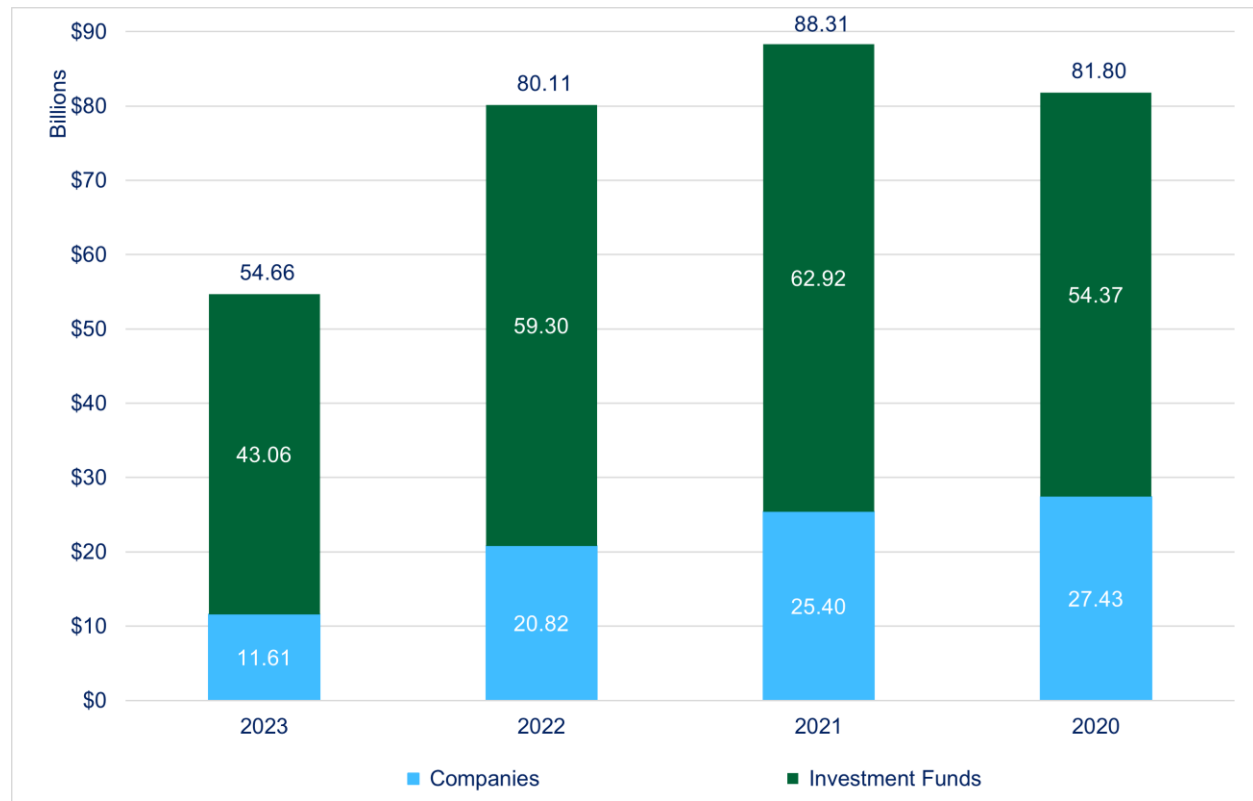
The banking and finance sector was the most active in B.C.'s capital market, raising 48% of total capital. Capital raising in the sector declined 14% (2022: 11%). The 10 largest companies by capital raised were mainly national and international banks and pension funds - representing 46% of sector activity (2022: 54%).

Other

This category includes:

- Biotechnology: raised \$0.39B (2022: \$0.92B) – a 65% decrease (2022: 39% decrease) - 106 companies active down from 109 in 2022.
- Cannabis: raised \$0.06B (2022: \$0.4B) - an 85% decrease (2022: 62% decrease) – with 28 companies active versus 35 in 2022.

CAPITAL RAISED BY PROSPECTUS



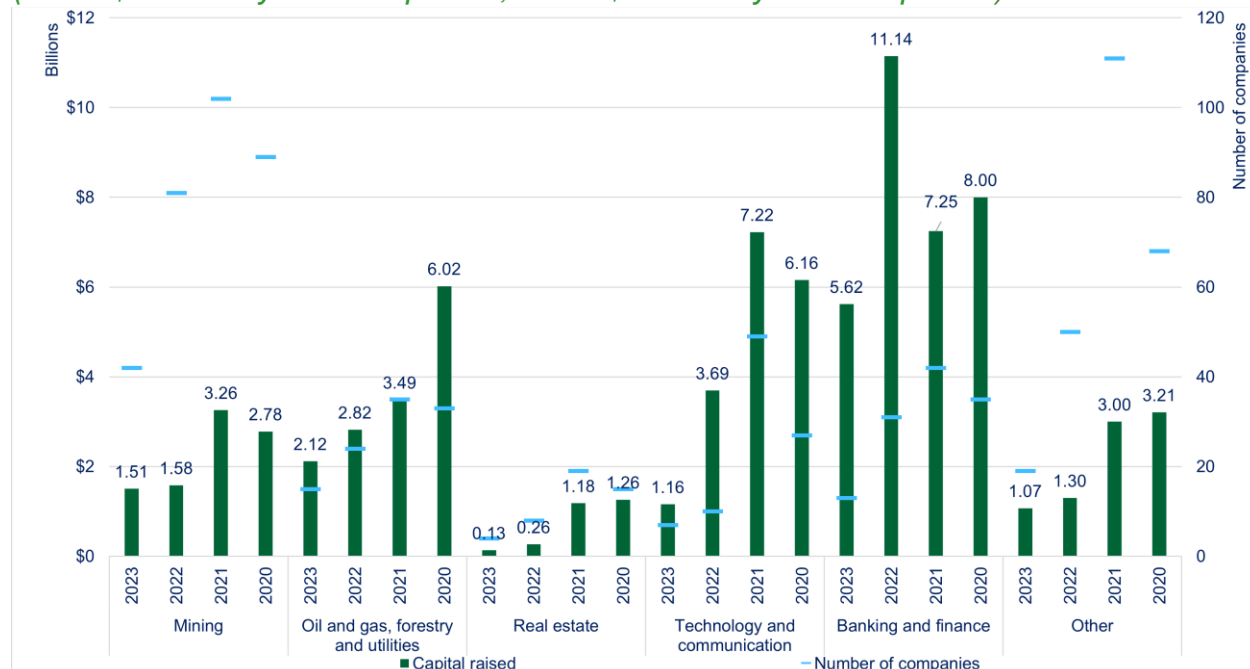
The capital raised by companies and investment funds under a prospectus decreased 32% following a 9% decrease in 2022. With 51% fewer companies active in B.C.'s prospectus market (2022: 43% fewer), the capital raised by companies decreased 44% (2022: 18% decrease). Capital raised by investment funds decreased 27% (2022: 6% decrease).

In part, the reduction in public investment fund capital raising reflects that until 2024 BCSC was unable to estimate distribution activity for exchange-traded investment funds (ETF). ETF capital raising activities have grown significantly in recent years.

In part, the reduction in public company capital raising reflects use of the listed issuer financing exemption (LIFE), introduced in the late fall of 2022. The LIFE enables issuers to offer free-trading securities to investors with less burdensome disclosure requirements, and is intended to reduce costs for issuers raising smaller amounts of capital through public markets. In 2023, companies reported raising \$280M in the B.C. capital market using the LIFE exemption.

Capital raised by companies by prospectus

(2023: \$11.61B by 100 companies; 2022: \$20.82B by 204 companies)



About half as many mining companies were active in the public market, but they raised roughly the same amount in total as last year. Mining companies raised 48% less by prospectus (2022: 21% decrease). However, there was only a slight decline in the amount raised by mining companies, a 4% decrease after a 52% decrease in 2022.

The five most active capital raising companies in oil and gas, forestry and utilities sector were responsible for 79% of the total raised versus 67% in 2022.

In technology and communications, Telus Corporation and Bell Canada raised \$1.06B, or 92% of the sector. In 2022, they raised \$3.51B, or 95% of the sector.

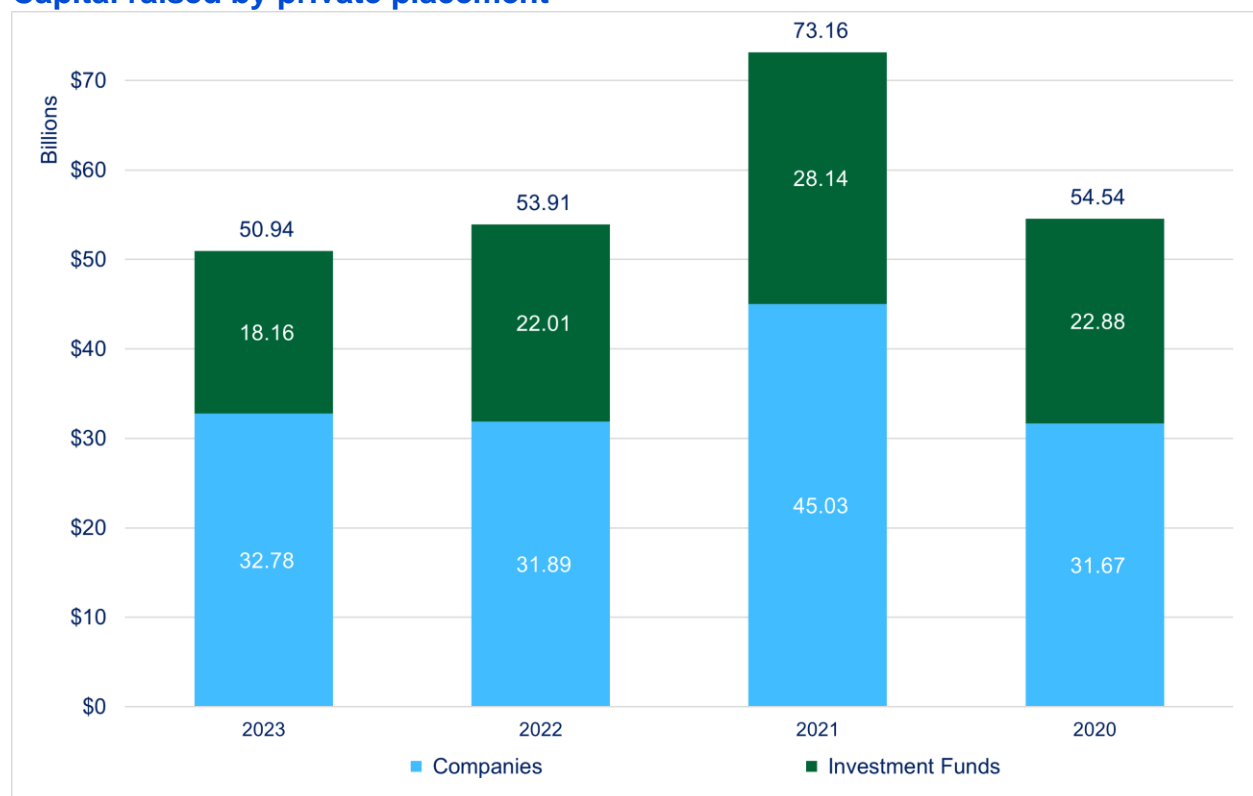
The banking and finance sector had a 50% decrease in the amount raised versus 2022 where there was a 54% increase. The five most active companies by capital raised were national banks raising \$5.20B, which was 92% of the sector. In 2022, they raised \$8.62B, which was 77% of the sector.

CAPITAL RAISED BY PRIVATE PLACEMENT

Amounts raised privately in 2023 were down modestly versus 2022, with companies reporting slightly more raised and investment funds reporting an 18% decline.

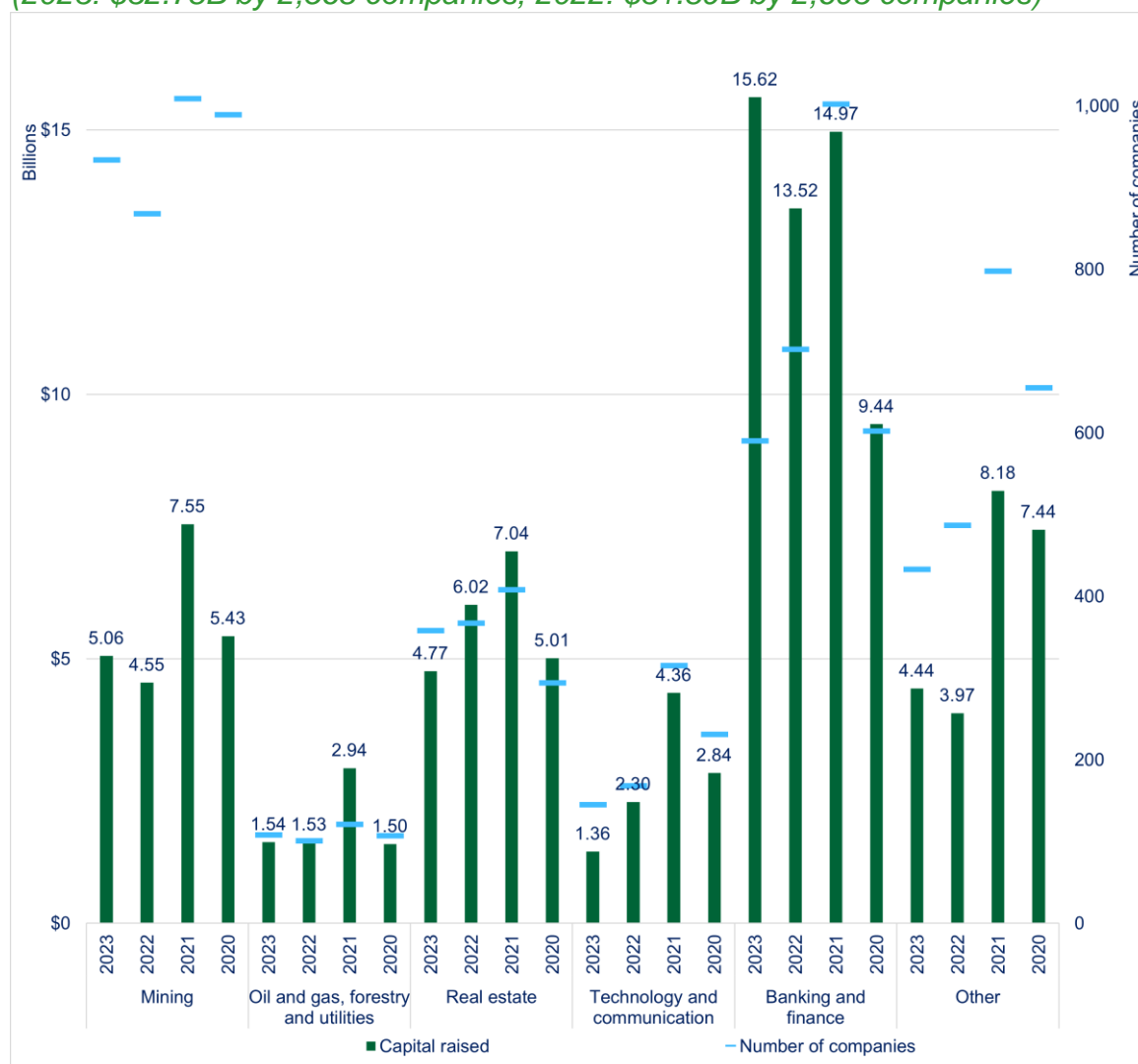
The capital raised by private placement decreased 6% in 2023 after a 26% decrease in 2022. The capital raised by companies increased 3% (2022: 29% decrease) and the capital raised by investment funds decreased 18% (2022: 22% decrease). The number of companies raising capital via private placement decreased 5% (2022: 36% decrease).

Capital raised by private placement



Capital raised by companies by private placement

(2023: \$32.78B by 2,568 companies; 2022: \$31.89B by 2,693 companies)



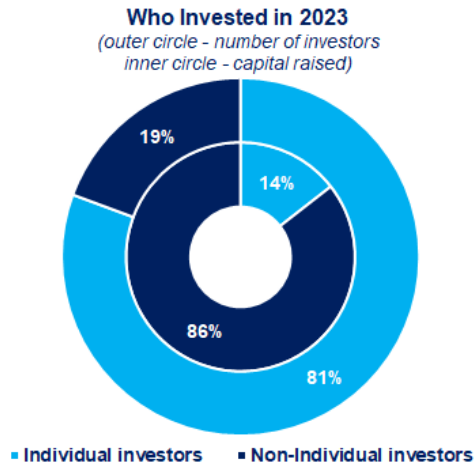
Mining sector capital raising increased 11% after a 40% decrease in 2022. The number of mining companies involved in private placements increased 7% after a 16% decrease in 2022. The 10 largest companies by capital raised represented 36% of the sector. In 2022, this number was 33%.

Private placements in real estate decreased 21% after a 14% decrease in 2022. The 10 largest companies by capital raised represented 42% of the sector, which was the same as 2022.

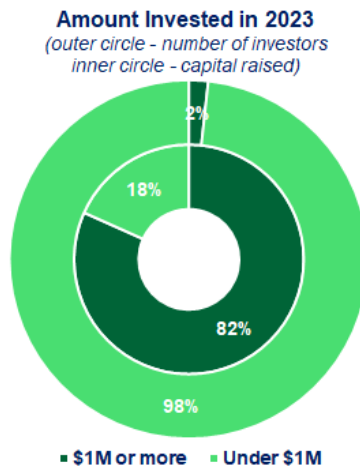
Banking and finance sector capital raising increased 16% after a 10% decrease in 2022. The 10 largest companies raising capital by private placement were mainly national and international financial institutions representing 38% of sector activity versus 45% in 2022.

Private placement investors in companies

In 2023, 81% of private placement investors in companies were individuals (2022: 84%), but non-individuals⁶ invested 86% of the capital raised that way (2022: 86%).



Investors, who invested \$1 million or more each time, represented just 2% of the total number of private placement investors (2022: 2%) in companies but were responsible for 82% of the capital raised that way (2022: 84%).



⁶ Includes companies and investment funds.

Exemptions relied on by companies in the private placement market

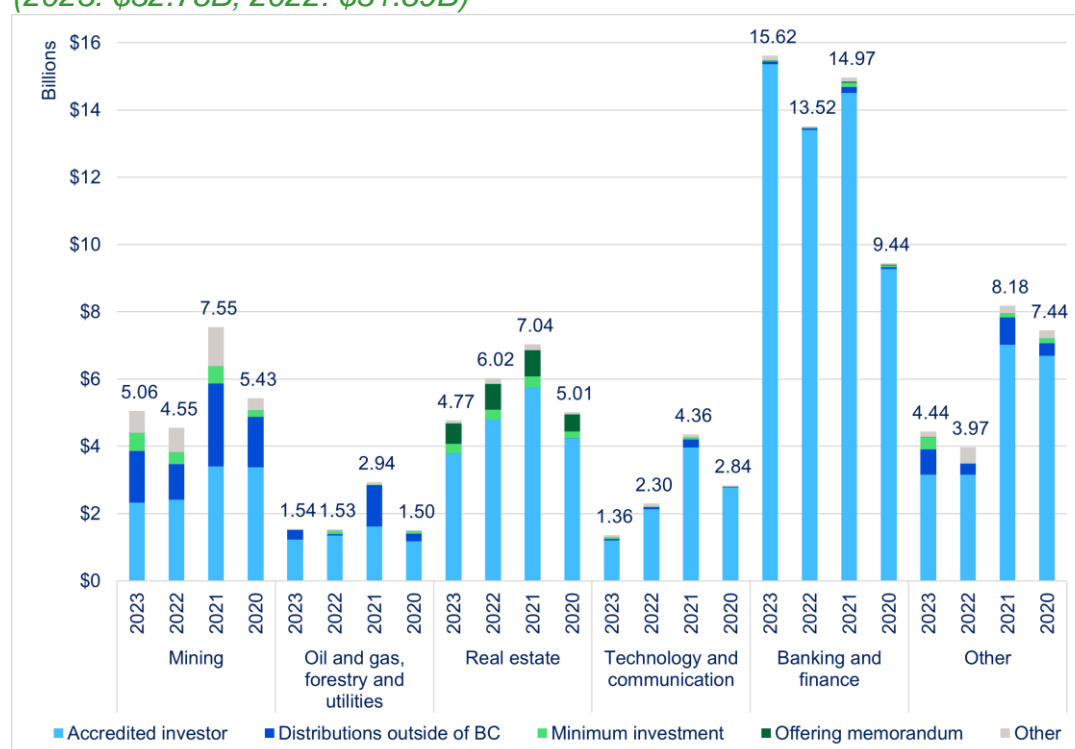
Companies can raise capital in B.C. by selling securities under a prospectus exemption that requires the company and/or the investor meet certain criteria.

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

- Accredited investor (AI)⁷: \$27.05B - 83% (2022: \$27.23 - 85%)
- Distributions outside of B.C.⁸: \$2.56B - 8% (2022: \$1.50B – 5%)
- Minimum investment⁹: \$1.25B – 4% (2022: \$0.78B - 2%)
- Offering memorandum¹⁰: \$0.64B – 2% (2022 - \$0.80B - 3%)
- Listed Issuer Financing¹¹: \$0.28B – 1% (2022 - \$0.05B – 0.2%)

Capital raised by sector and exemption

(2023: \$32.78B; 2022: \$31.89B)



As noted above, the AI Exemption is relied on for most private placements.

While the Offering Memorandum exemption was designed for early-stage businesses and is available to all sectors, it is mainly used in the real estate sector.

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

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

⁹ Non-individuals who invest at least \$150,000.

¹⁰ An offering memorandum is a document provided to investors by the company that contains sufficient information so that the investor can make an informed investment decision. It includes a description of the business, the management, the offering, and the risks associated with the investment.

¹¹ Introduced in the late fall of 2022, eligible issuers must file an offering document to allow the securities they issue to be freely tradeable.

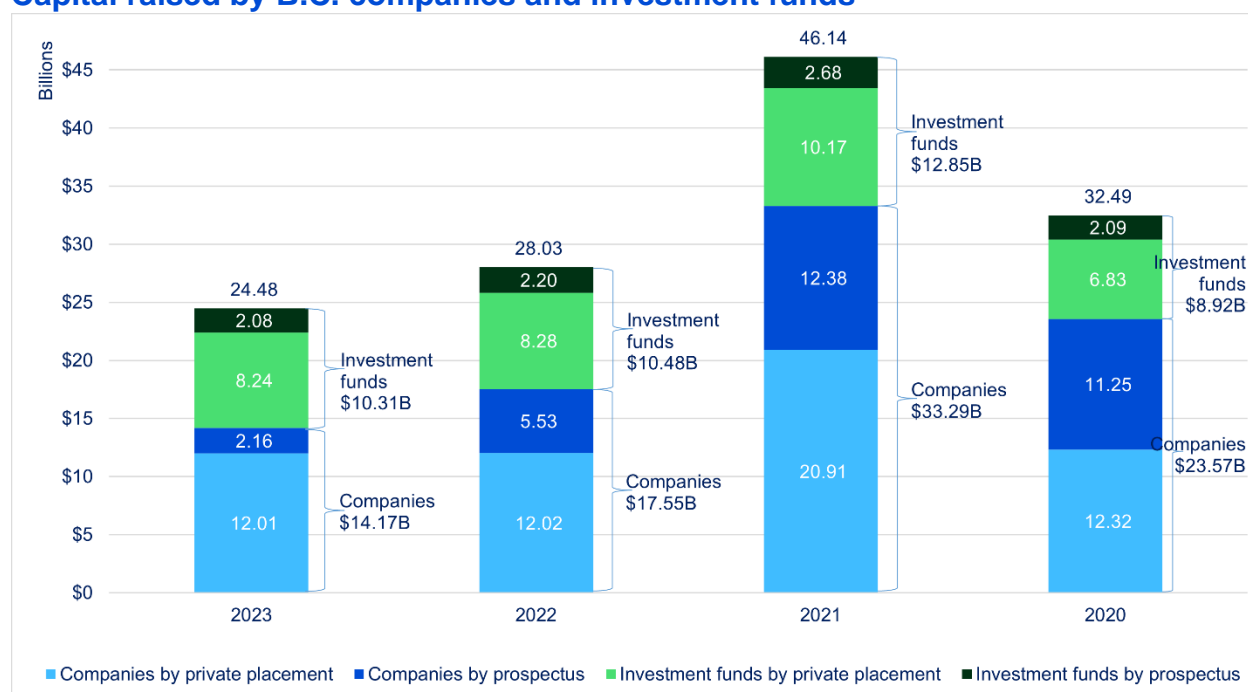
CAPITAL RAISED BY B.C. COMPANIES AND INVESTMENT FUNDS

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 only includes B.C. companies and investment funds.

B.C. company and investment fund capital raising declined, due mainly to smaller public financings.

B.C. companies and investment funds raised \$24.48B – a 13% decrease from the 39% decrease in 2022 – representing 23% of the total \$105.57B raised in the B.C. capital market.

Capital raised by B.C. companies and investment funds

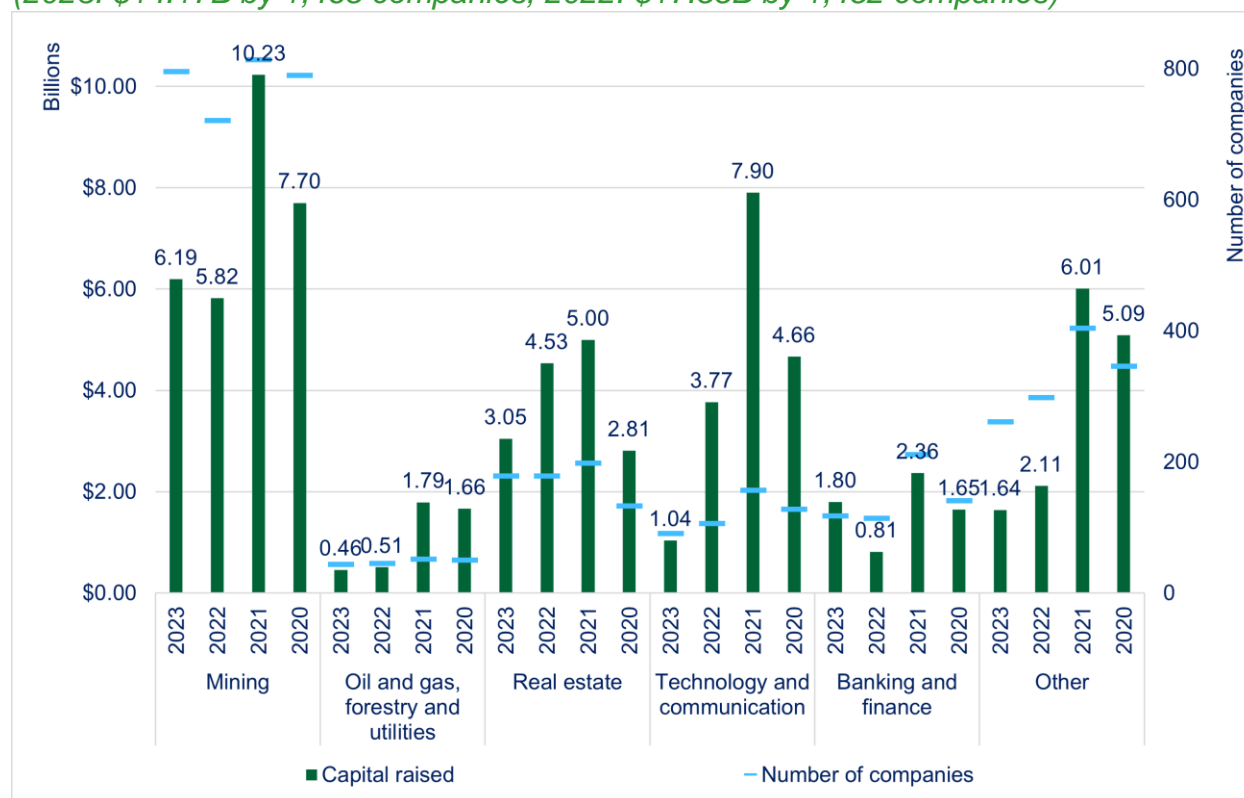


B.C. companies raised 19% less capital in 2023, after raising 47% less in 2022. B.C. investment funds raised 2% less (2022: 18% less). The number of B.C. companies raising capital increased 2% to 1,489 after falling 20% to 1,462 in 2022. The number of B.C. companies represent 56% of the total number of companies involved in the B.C. capital market versus 51% in 2022.

B.C. companies and investment funds raised 17% of their capital by prospectus (2022: 28%) and 83% by private placement (2022: 72%).

Capital raised by B.C. companies by sector

(2023: \$14.17B by 1,465 companies; 2022: \$17.55B by 1,452 companies)



Most of the decline in public capital raising by B.C. companies related to lower activity in the real estate sector and in the technology and communication sector. In the other sector, cannabis sub-sector financing declined further, after a large decline in 2022.

Mining remained the most active sector for B.C. companies and saw a 6% increase in capital raised after a 43% decrease in 2022. The 796 B.C. mining companies (2022: 720) accounted for 53% of the total number of B.C. companies active this year versus 49% in 2022. In 2023, they accounted for 44% of the capital raised by B.C. companies overall. In 2022 this number was 33%.

Technology and communication sector capital raising decreased 72% after a 52% decrease in 2022. Telus Corporation accounted for 48% of activity whereas it accounted for 84% in 2022.

Real estate sector capital raising decreased 33% after a 9% decrease in 2022. The 10 largest B.C. companies by capital raised were responsible for 52% of activity, slightly down from 53% in 2022.

Banking and finance sector capital raising increased 122%. It had fallen 66% in 2022. The 10 largest companies accounted for 87% of the capital raising activity versus 67% in 2022.

The “Other” category includes:

- Biotechnology: \$212M (2022: \$751M) –a 72% decrease (2022: 42% decrease).
- Cannabis: \$57M (2022: \$385M) – an 85% decrease (2022: 59% decrease).

The most active B.C. companies by capital raised

	2023 (\$ billions)	2022 (\$ billions)	2021 (\$ billions)	2020 (\$ billions)
BCI and BCI QuadReal Realty	0.99	0.40	0.80	-
Ritchie Bros. Auctioneers Inc.	0.66	-	-	-
Telus Corporation and Telus International (Cda) Inc.	0.50	3.20	4.47	3.00
NexGen Energy Ltd.	0.47	-	-	-
Lithium Americas Corp.	0.43	-	0.85	-
ACM Commercial Mortgage Fund	-	0.73	-	-
Ero Copper Corp.	-	0.55	-	-
Svante Technologies Inc.	-	0.43	-	-
Mercer International Inc.	-	-	1.11	-
First Majestic Silver Corp.	-	-	1.00	-
Teck Resources Limited	-	-	-	1.46
AbCellera Biologics Inc.	-	-	-	0.98
Methanex Corporation	-	-	-	0.95
Ballard Power Systems Inc.	-	-	-	0.93

LISTED COMPANIES

The following analyses summarize the Canadian Exchange listings¹². Except as indicated, we exclude investment funds¹³, companies that are only listed on foreign exchanges¹⁴, and companies that are under a cease trade order.

CANADIAN EXCHANGES

Canadian public start-ups are most often based in B.C., which over time created an experienced local network of venture market managers, lawyers, accountants, geologists, and other experts who also call B.C. home. Many venture companies fail, but some succeed and grow, so over time B.C. has grown to become home to a higher share of Canada's senior (non-venture) companies. Regardless of stage of development, B.C. companies are usually smaller than their Canadian peers.

Due to more challenging capital raising conditions, the number of Canadian public companies fell 5% overall and fell 3% in B.C. in 2023.

B.C. is home to 47% of all companies listed on the Canadian Exchanges. In 2022, this number was slightly lower at 46%. Over half (55%) of all Canadian-listed venture companies are based in B.C., and 19% of Canadian-listed non-venture companies are based in B.C.

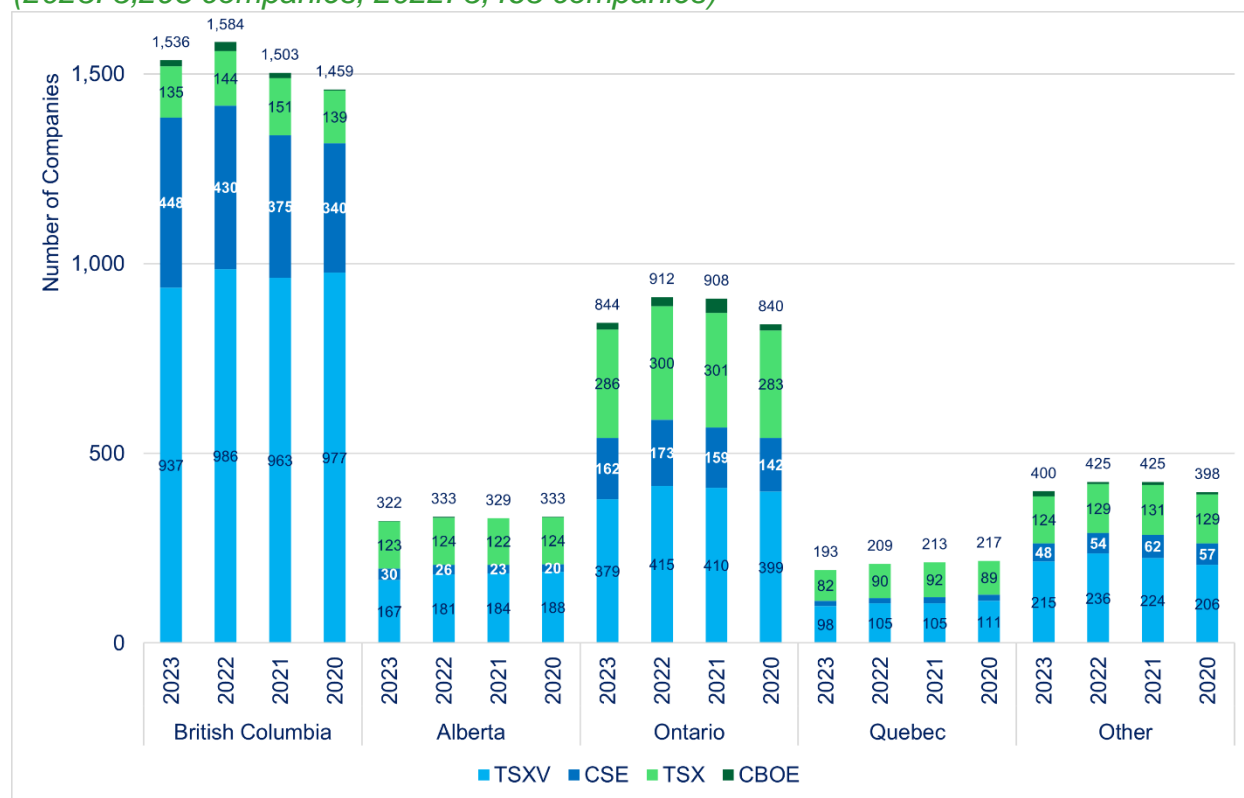
¹² All figures are as at December 31, 2023.

¹³ There were 1,179 (2022: 1,125) investment funds with a total market capitalization of \$452.7B (2022: \$372.1B) on the Canadian Exchanges. Four investment funds (2022: 0) were B.C.-based (market capitalization of \$40M).

¹⁴ Examples: New York Stock Exchange (NYSE), NASDAQ, OTC markets, London Stock Exchange.

Companies on the Canadian Exchanges by head office

(2023: 3,295 companies; 2022: 3,463 companies)



As noted above, some venture companies over time meet higher listing requirements and choose to graduate to senior exchanges. For example, 53% of B.C. companies listed on the TSX graduated from the TSX-V. Nationally, 33% of companies listed on the TSX were TSX-V graduates.

Market Capitalization

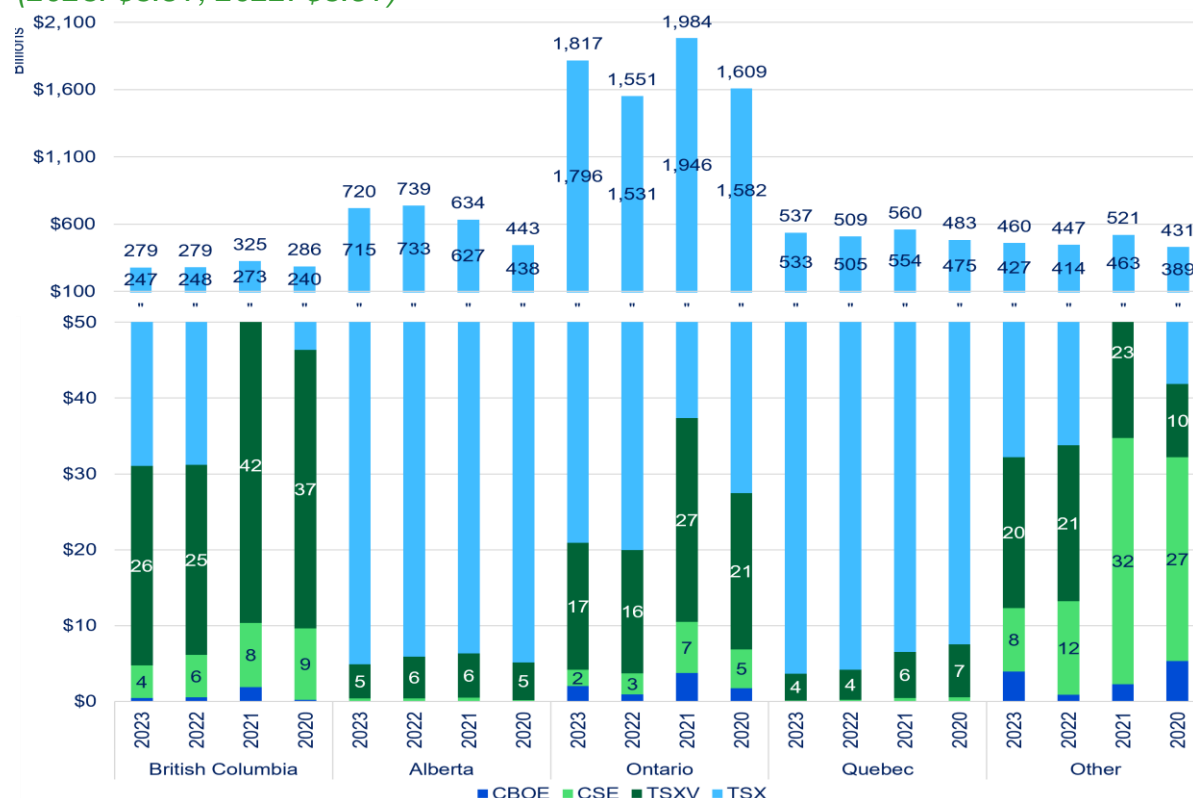
The total market capitalization of listed companies in Canada increased 8% to \$3.8T in 2023 after a 12% decrease to \$3.5T in 2022.

B.C. company market capitalization remained flat overall, at \$279B (2022: 14% decrease), and accounted for 7% of total Canadian listed company market capitalization versus 8% in 2022.

By exchange listing, B.C. company market capitalization changed as follows:

- TSX: decreased 0.1% to \$247B (2022: decreased 9% to \$248B)
- TSXV: increased 5% to \$26B (2022: decreased 40% to \$25B)
- CSE: decreased 23% to \$4B (2022: decreased 34% to \$6B)
- CBOE: decreased 17% to \$0.4B (2022: decreased 73% to \$0.5B)

Market capitalization of companies on the Canadian Exchanges by head office (2023: \$3.8T; 2022: \$3.5T)



The “other” category includes 151 companies with a market capitalization of \$31.0B that are headquartered outside Canada but the BCSC is their principal regulator.¹⁵ In 2022, it was 162 companies, with a market capitalization of \$29.7B.

The BCSC is the principal regulator of an additional 295 listed companies (2022: 311) that are not listed on the Canadian Exchanges. Twenty-six of the companies are listed on a senior exchange in the United States¹⁶ or on the London Stock Exchange. They have a combined market capitalization of \$99.5B. This is an increase versus 2022 when it was 25 companies at \$71.7B.

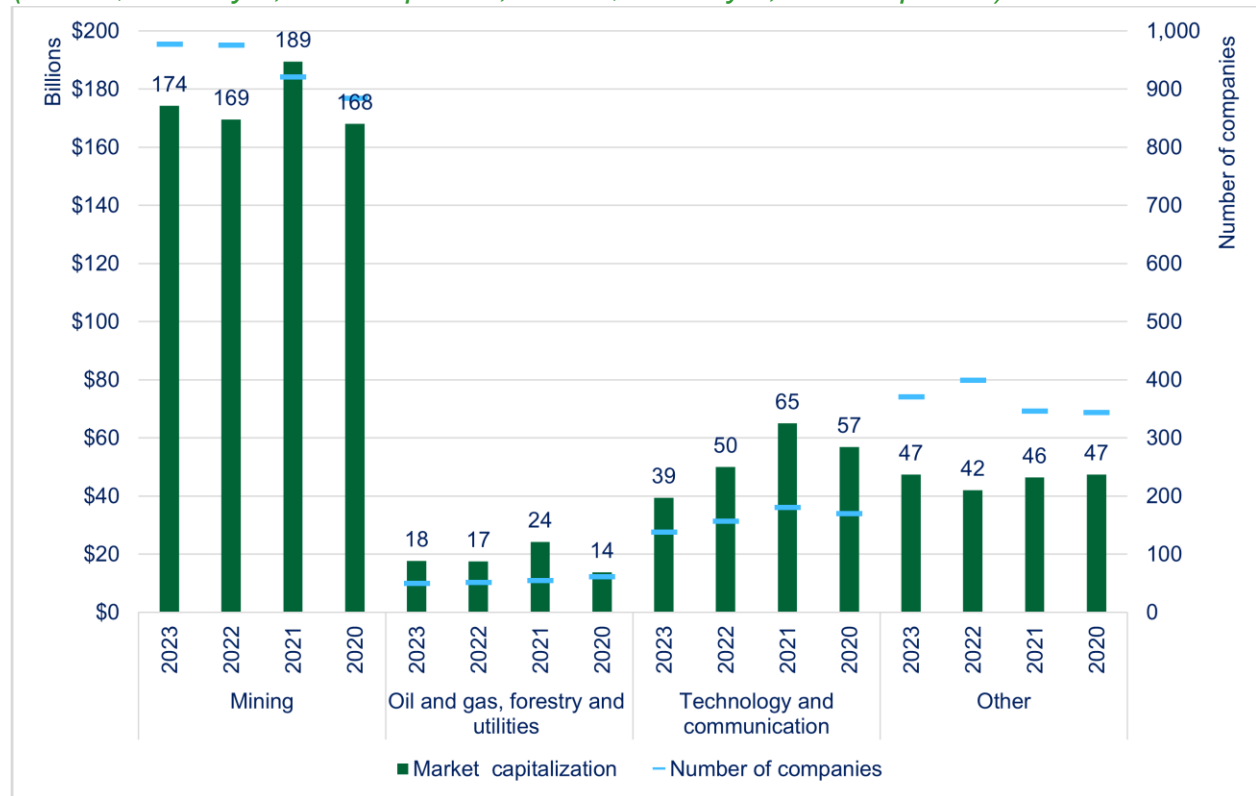
¹⁵ Under the *Securities Act*, listed companies can access the capital markets across Canada by dealing with one regulator (its principal regulator). In most cases, the listed company’s principal regulator is the securities regulator where it is located. For listed companies with international head offices, the principal regulator is the one that it has the most significant connection to.

¹⁶ NYSE, NYSE American, and NASDAQ.

B.C. COMPANIES

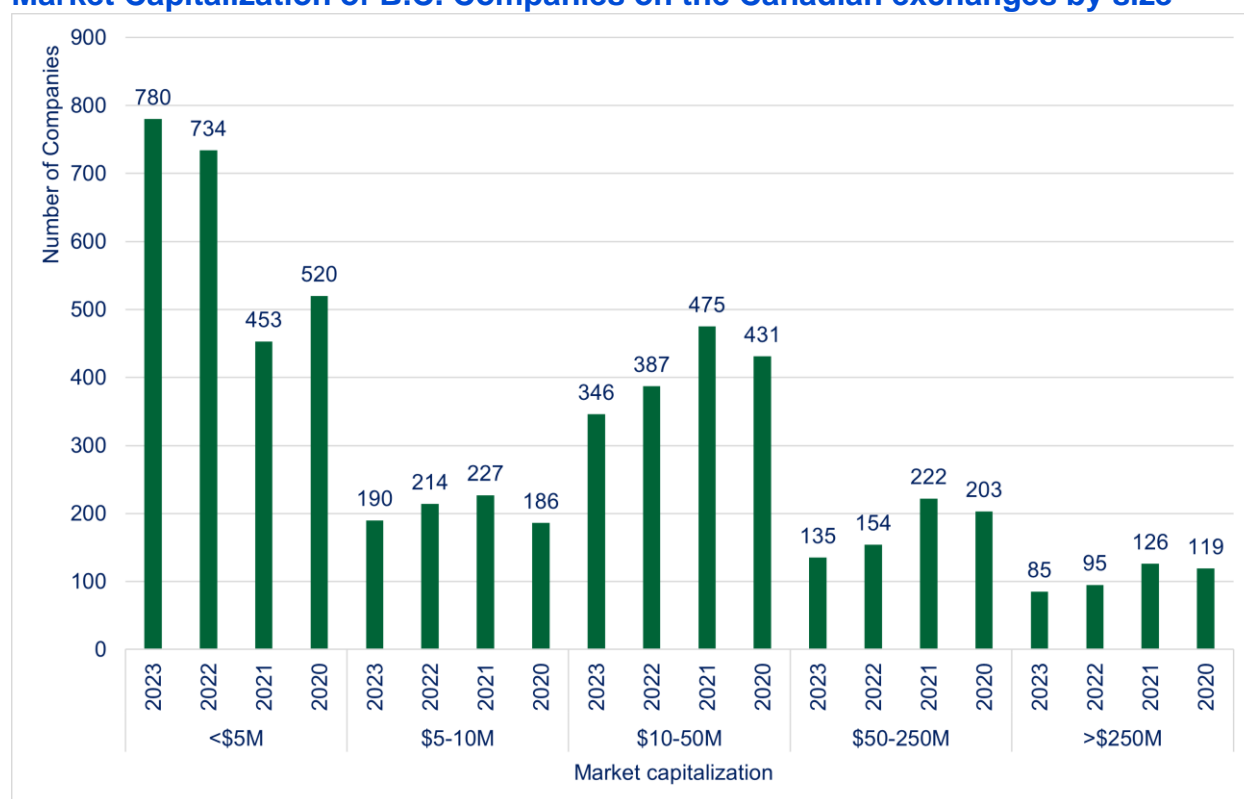
B.C. companies on the Canadian Exchanges by sector

(2023: \$279B by 1,536 companies; 2022: \$279B by 1,584 companies)



Mining continues to be the most prominent sector in B.C. with 977 listed B.C. mining companies representing 64% of all listed B.C. companies. This is slightly up from 2022 when it was 976 companies at 62%. These companies capture 63% of total B.C. listed company market capitalization versus 61% in 2022.

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



At December 31, 2023, half (51%) of B.C.-based companies listed in Canada have a market capitalization below \$5 million. Since 2021, there has been a decrease in market capitalization numbers for B.C.-based companies listed on Canadian exchanges. Ultimately, those companies may have to either seek new capital or reduce expansion or growth plans.

By comparison, 30% of Alberta-based listed companies (2022: 29%) and 20% of Ontario-based listed companies (2022: 20%) had a market capitalization below \$5 million.

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

Exchange		2023 (\$ billions)	2022 (\$ billions)	2021 (\$ billions)	2020 (\$ billions)
Lululemon Athletica Inc.	NASDAQ	82.39	55.86	64.37	58.14
Telus Corporation	TSX	34.50	37.38	40.82	32.54
Wheaton Precious Metal Corp.	TSX	29.61	23.91	24.46	23.67
Teck Resources Limited	TSX	29.13	26.23	19.45	-
Ivanhoe Mines Ltd.	TSX	16.30	-	-	-
First Quantum Minerals Ltd.	TSX	-	19.59	20.92	15.75
Abcellera Biologics Inc.	NASDAQ	-	-	-	15.60