

**Proposed Amendments to
National Instrument 41-101 *General Prospectus Requirements***

1. ***National Instrument 41-101 General Prospectus Requirements is amended by this Instrument.***

2. ***Section 1.1 is amended***
 - (a) ***by deleting the definition of “Aequitas personal information form”,***
 - (b) ***in the definition of “Form 51-102F1” by replacing “Form 51-102F1 Management’s Discussion & Analysis” with “Form 51-102F1 Annual Disclosure Statement”,***
 - (c) ***in the definition of “Form 51-102F2” by replacing “Form 51-102F2 Annual Information Form” with “Form 51-102F2 Interim Disclosure Statement”,***
 - (d) ***in the definition of “IPO venture issuer” by replacing “Aequitas NEO Exchange Inc.” with “NEO Exchange Inc.”,***
 - (e) ***by adding the following definition:***

“NEO personal information form” means a personal information form for an individual prepared pursuant to NEO Exchange Inc. Form 3, as amended from time to time; ***and***
 - (f) ***in the definition of “personal information form” by replacing paragraph (c) with the following:***
 - (c) a completed NEO personal information form submitted by an individual to NEO Exchange Inc., to which is attached a completed certificate and consent in the form set out in Schedule 1 – Part B of Appendix A;

3. ***Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended under the heading “GENERAL INSTRUCTIONS”***
 - (a) ***by replacing subsection (8) with the following:***
 - (8) *If the issuer is a structured entity, as that term is defined in Canadian GAAP applicable to publicly accountable enterprises, or the term equivalent to structured entity under the issuer’s GAAP, modify the disclosure requirements in this Form to reflect the nature of the issuer’s business.,*
 - (b) ***in subsection (12) by replacing “Form 51-102F2” with “Part 3 of Form 51-102F1”, and***

- (c) *in subsection (14) by replacing the first sentence with “Where requirements in this Form make reference to, or are substantially similar to, requirements in Form 51-102F1 or Form 51-102F2, issuers may apply subsection (12) of General Instructions for Part 2 and Part 3 of Form 51-102F1 and subsection (5) of General Instructions for Part 2 of Form 51-102F2.”.*
4. ***Subsection 1.9(4) of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended by replacing “Aequitas NEO Exchange Inc.” with “NEO Exchange Inc.”.***
5. ***Section 5.1 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended by***
- (a) *replacing subsection (1) with the following:*
- (1) Describe the business of the issuer and its reportable segments as that term is interpreted in the issuer’s GAAP. Disclose information for each reportable segment of the issuer in accordance with section 15 of Form 51-102F1”, *and*
- (b) *repealing subsection (4).*
6. ***Section 5.3 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended by replacing “section 5.3 of Form 51-102F2” with “section 17 of Form 51-102F1”.***
7. ***Section 5.4 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended by***
- (a) *replacing “section 5.4 of Form 51-102F2” with “section 18 of Form 51-102F1”, and*
- (b) *deleting “For the purposes of this section, the alternative disclosure permitted in Instruction (ii) to section 5.4 of Form 51-102F2 does not apply.”.*
8. ***Section 7.1 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended by repealing subsections (1) and (2).***
9. ***Section 8.1 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended***
- (a) *by replacing subsection (1) with the following:*
- (1) For the purposes of this Item, “MD&A” has the same meaning as in NI 51-102.,

- (b) *in subsection (2) by replacing “in the form of Form 51-102F1” with “in the form of Part 2 of Form 51-102F1 and Part 2 of Form 51-102F2”,*
 - (c) *in paragraph (2)(a) by replacing “Form 51-102F1” with “Part 2 of Form 51-102F1 and Part 2 of Form 51-102F2”,*
 - (d) *by replacing subparagraph (2)(b)(i) with the following:*
 - (ii) the Instruction to section 7 of Form 51-102F1, and,
 - (e) *by repealing subparagraph (2)(b)(ii),*
 - (f) *in paragraph (2)(c) by replacing “section 1.10” with “section 4”, and*
 - (g) *under the heading “INSTRUCTION” by replacing “section 1.10” with “section 4”.*
10. *The sentence after the heading “GUIDANCE” under section 8.2 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is replaced with the following:*
- Under section 4 of Form 51-102F2, venture issuers, or IPO venture issuers, have the option of meeting the requirement to provide interim MD&A under section 3 of Form 51-102F2 by providing quarterly highlights disclosure..*
11. *Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended by repealing sections 8.4, 8.6 and 8.8.*
12. *Section 13.2 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is replaced with the following:*
- 13.2(1)** For each class or series of securities of the issuer distributed under the prospectus or securities of the issuer into which those classes or series of securities are convertible or exchangeable that is traded or quoted on a Canadian or foreign marketplace for which the issuer has applied for and received a listing, identify all such marketplaces.
- (2)** If a Canadian marketplace is not identified under subsection (1) in respect of a class or series of securities of the issuer distributed under the prospectus or securities of the issuer into which those classes or series of securities are convertible or exchangeable, but one or more foreign marketplaces are identified under subsection (1) in respect of that class or series, identify the foreign marketplace on which the greatest volume of trading or quotation generally occurs and provide either of the following in respect of that class or series:

- (a) the price ranges and volume traded or quoted on a monthly basis for each month or, if applicable, partial months of the 12-month period before the date of the prospectus;
- (b) the address of the website or other publicly available source where the information required under paragraph (a) can be found..

13. ***Subsection 16.1(1) of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended by replacing “section 10.1 of Form 51-102F2” with “section 23 of Form 51-102F1”.***

14. ***Section 16.2 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended by replacing “section 10.2 of Form 51-102F2” with “section 24 of Form 51-102F1”.***

15. ***Section 16.3 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is repealed.***

16. ***Section 20.11 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended by replacing “Aequitas NEO Exchange Inc.” with “NEO Exchange Inc.”.***

17. ***Section 21.1 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended under the heading “INSTRUCTIONS” by replacing subsection (2) with the following:***

(2) *A risk factor must not be de-emphasized by including, for greater certainty, excessive caveats or conditions..*

18. ***Section 21.1 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended under the heading “INSTRUCTIONS” by adding the following after subsection (2):***

- (3) *Consider presenting risk factor disclosure in a manner, such as the tabular form below or any other suitable manner, that clearly identifies, for each risk factor*
 - (a) *the nature of the risk factor,*
 - (b) *its description,*
 - (c) *the issuer's impact/probability (i.e., its seriousness), and*
 - (d) *the issuer's risk mitigation strategy relating to it.*

RISK FACTORS

Nature of Risk Factor	Description	Impact / Probability Assessment	Risk Mitigation Strategy
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19. **Section 22.1 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended**
- (a) **in paragraph (1)(a) by adding “and” after “,”,**
 - (b) **in paragraph (1)(b) by replacing “company,” with “company.”,**
 - (c) **by repealing paragraphs (1)(c) and (d),**
 - (d) **in paragraph (5)(a) by adding “within the 10 years before the date of the preliminary prospectus” before “entered into a settlement agreement”, and**
 - (e) **by repealing subsection (6).**
20. **Section 24.1 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended by replacing “section 13.1 of Form 51-102F2” with “section 28 of Form 51-102F1”.**
21. **Section 24.2 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended by replacing “section 13.1 of Form 51-102F2” with “subsection 28(1) of Form 51-102F1”.**
22. **Section 26.2 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is repealed.**
23. **Section 28.2 of Form 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS is amended by**
- (a) **replacing “section 16.2 of Form 51-102F2” with “subsections 30(2) and (3) of Form 51-102F1”, and**
 - (b) **replacing “section 16.1 of Form 51-102F2” with “subsection 30(1) of Form 51-102F1”.**

Transition

- 24.(1) In this section, “prospectus” means a preliminary prospectus, an amendment to a preliminary prospectus, a final prospectus or an amendment to a final prospectus.
- (2) In this section, “issuer’s effective date” means, in relation to an issuer, the earlier of
- (a) the date the issuer is required to include in a prospectus an MD&A for its first financial year ending on or after [December 15, 2023], and

- (b) the date, on or after **[December 15, 2023]**, the issuer includes in a prospectus an MD&A that is prepared under National Instrument 51-102 *Continuous Disclosure Obligations*.
 - (3) The provisions of National Instrument 41-101 *General Prospectus Requirements*, as amended by this Instrument, do not apply to an issuer until the issuer's effective date.
 - (4) Until the issuer's effective date, an issuer must comply with National Instrument 41-101 *General Prospectus Requirements* as it read on **[December 14, 2023]**.
 - (5) If, after **[December 14, 2023]** and before the issuer is required to include in a prospectus an MD&A for its first financial year ending on or after **[December 15, 2023]**, an issuer includes in a prospectus an MD&A prepared under National Instrument 51-102 *Continuous Disclosure Obligations*, and the prospectus includes no other MD&A for prior interim periods or prior financial years that is prepared under Part 2 of Form 51-102F1 *Annual Disclosure Statement*,
 - (a) the MD&A must be prepared under Part 2 of Form 51-102F1 *Annual Disclosure Statement*, and
 - (b) an MD&A for interim periods and financial-year ends subsequent to the MD&A must be prepared under Part 2 of Form 51-102F2 *Interim Disclosure Statement*, or Part 2 of Form 51-102F1 *Annual Disclosure Statement*, as applicable.
25. This Instrument comes into force on **[December 15, 2023]**.