

**Proposed Amendments to
National Instrument 44-101 *Short Form Prospectus Distributions***

1. ***National Instrument 44-101 Short Form Prospectus Distributions is amended by this Instrument.***

2. ***Section 1.1 is amended***
 - (a) ***in the definition of “current AIF” by replacing subparagraph (b)(ii) with the following:***
 - (ii) the issuer is not yet required under the applicable CD rule to have filed its annual disclosure statement or annual financial statements for its most recently completed financial year,;

 - (b) ***in the definition of “current annual financial statements” by replacing subparagraph (b)(ii) with the following:***
 - (ii) the issuer is not yet required under the applicable CD rule to have filed its annual disclosure statement or annual financial statements for its most recently completed financial year,; ***and***

 - (c) ***in the definition of “short form eligible exchange” by replacing “Aequitas NEO Exchange Inc.” with “NEO Exchange Inc.”.***

3. ***Section 2.7 is amended by***
 - (a) ***replacing paragraph (1)(a) with the following:***
 - (a) the issuer is required under the applicable CD rule to file an annual disclosure statement or annual financial statements within a prescribed period after its financial year end, but the issuer has not yet been required under the applicable CD rule to file its annual disclosure statement or annual financial statements, and,

 - (b) ***replacing paragraph (1.1)(a) with the following:***
 - (a) the issuer has filed, as required under the applicable CD rule
 - (i) an annual disclosure statement which does not include an AIF, or
 - (ii) annual financial statements, and,

(c) replacing paragraph (2)(a) with the following:

- (a) the successor issuer is required under the applicable CD rule to file an annual disclosure statement or annual financial statements within a prescribed period after its financial year end, but the successor issuer has not yet, since the completion of the restructuring transaction or the reorganization described in paragraph (b) of the definition of “successor issuer”, which resulted in the successor issuer, been required under the applicable CD rule to file an annual disclosure statement or annual financial statements, and, **and**

(d) replacing paragraph (3)(a) with the following:

- (a) the issuer is required under the applicable CD rule to file an annual disclosure statement or annual financial statements within a prescribed period after its financial year end, but the issuer has not yet, since the completion of a qualifying transaction or reverse takeover (as both terms are defined in the TSX Venture Exchange Corporate Finance Manual, as amended from time to time) been required under the applicable CD rule to file an annual disclosure statement or annual financial statements, and.

4. Form 44-101F1 SHORT FORM PROSPECTUS is amended under the first instance of the heading “INSTRUCTIONS” by replacing subsection (9) with the following:

- (9) *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..*

5. Section 5.4.1 of Form 44-101F1 SHORT FORM PROSPECTUS is amended by replacing “section 13.1 of Form 51-102F2” with “subsection 28(1) of Form 51-102F1”.

6. Section 7A.1 of Form 44-101F1 SHORT FORM PROSPECTUS is repealed.

7. Section 7A.2 of Form 44-101F1 SHORT FORM PROSPECTUS is replaced with the following:

7A.2 Trading Price and Volume

- (1) For each class or series of securities of the issuer distributed under the short form 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 short form 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 short form prospectus;
- (b) the address of the website or other publicly available source where the information required under paragraph (a) can be found..

8. ***Section 9.1 of Form 44-101F1 SHORT FORM PROSPECTUS is amended by replacing “section 5.4 of Form 51-102F2” wherever it occurs with “section 18 of Form 51-102F1”.***

9. ***Section 11.1 of Form 44-101F1 SHORT FORM PROSPECTUS is amended***

(a) in subsection (1)

(i) by replacing paragraph 1 with the following:

- 1. The issuer’s current AIF, if it has one, and if the current AIF is not included in the issuer's annual disclosure statement referred to in paragraph 2.,

(ii) by replacing paragraph 2 with the following:

- 2. The issuer’s annual disclosure statement that includes the issuer’s current annual financial statements, if any, or the issuer’s current annual financial statements, if any, and related MD&A.,

(iii) in paragraph 3 by

(A) replacing “interim financial report” with “interim disclosure statement or interim financial report and related MD&A”, and

(B) deleting “, and the related interim MD&A”, and

(iv) in subparagraph 8(a) by replacing “is in the form of Form 51-102F2” with “contains the disclosure required under section 19 of Form 51-102F1”, and

- (b) *in subsection (1) under the heading “INSTRUCTIONS” by replacing the second sentence with the following:*

However, if the financial statements from which the information in the news release has been derived have been filed, then the annual disclosure statement or interim disclosure statement including the financial statements or the financial statements, as applicable, must be incorporated by reference..

10. *Subsection 11.3(1) of Form 44-101F1 SHORT FORM PROSPECTUS is amended by replacing “a current AIF and current annual financial statements and related MD&A under section 11.1” with “the documents referred to in paragraphs 1 and 2 of subsection 11.1(1)”.*
11. *Section 11.5 of Form 44-101F1 SHORT FORM PROSPECTUS is replaced with the following:*

11.5 Additional Disclosure for Issuers of Asset-Backed Securities

If the issuer has not filed or has not been required to file an interim financial report and related MD&A in respect of an interim period subsequent to the financial year in respect of which it has included annual financial statements in the short form prospectus because it is not a reporting issuer and is qualifying to file the short form prospectus under section 2.6 of the Instrument, include the documents referred to in paragraph 3 of subsection 11.1(1) that the issuer would have been required to incorporate by reference if the issuer were a reporting issuer at the relevant time..

12. *Section 15.2 of Form 44-101F1 SHORT FORM 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”.*

13. *Section 16.1 of Form 44-101F1 SHORT FORM PROSPECTUS is amended*

- (a) *in paragraph (5)(a) by adding “, within the 10 years before the date of the preliminary short form prospectus, ” before “entered into a settlement agreement”, and*
- (b) *by repealing subsection (6).*

14. *Section 17.1 of Form 44-101F1 SHORT FORM 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..*

15. Section 17.1 of Form 44-101F1 SHORT FORM PROSPECTUS is amended under the heading “INSTRUCTIONS” by replacing subsection (3) with the following:

- (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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Transition

- 16.(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, directly or by incorporation, an annual disclosure statement 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, directly or by incorporation, an annual disclosure statement or an interim disclosure statement prepared under National Instrument 51-102 *Continuous Disclosure Obligations*.
- (3) The provisions of National Instrument 44-101 *Short Form Prospectus Distributions*, 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 44-101 *Short Form Prospectus Distributions* as it read on **[December 14, 2023]**.

Effective Date

17. This Instrument comes into force on **[December 15, 2023]**.