Annex B

Proposed Changes to
Companion Policy 45-106CP *Prospectus Exemptions*

1. Companion Policy 45-106CP Prospectus Exemptions is changed by this Document.

2. Section 3.12 is changed

(a) in subsection (1)

(i) by replacing "section 5A.2***" with "***Part 5A***", "***paragraph 5A.2(c)***" with "***paragraph 5A.2(1)(c)***" and "***paragraph 5A.2(f)***" with "***paragraph 5A.2(1)(f)***", and***

(ii) by adding "There is no requirement for a successor issuer, when calculating the increase in the issuer's outstanding listed equity securities referred to in paragraph 5A.2(1)(h.1), to take into account the distributions completed under Part 5A by the predecessor issuer.***" at the end of the second paragraph;***

(b) by replacing subsection (3) with the following:

An issuer must reasonably expect to have, following completion of the offering, sufficient available funds to meet its short-term liquidity requirements. For an issuer that has not yet generated revenue arising in the course of ordinary activities, this generally means that the issuer needs to have available funds to achieve its next significant milestone. For an issuer that has generated revenue arising in the course of ordinary activities, this generally means that the issuer needs to have available funds to continue operations for the short-term following the distribution, which we generally consider to be 12 months.

There is no requirement to have a minimum offering amount under the listed issuer financing exemption. However, if, following completion of the offering, the issuer will not have sufficient available funds to meet the issuer's short-term liquidity requirements, the issuer must set a minimum offering amount such that, following completion of the distribution, the issuer will have sufficient available funds to meet its short-term liquidity requirements.**,**

(c) in subsection (5) by replacing "which is the earlier of (i) the date that is 12 months prior to the date of the issuer's completed Form 45-106F19, and (ii) the date that the issuer's most recent audited annual financial statements were filed***" with "***that is 18 months before the date of the offering document***",***

(d) in subsection (6) by replacing "which is the earlier of the date that is 12 months before the date of the completed Form 45-106F19 and the date that the issuer's most recent audited annual financial statements were filed***” with “***that is 18 months before the date of the offering document***”, and***

(e) in subsection (12) by replacing “section 5A.2***” with “***Part 5A***”.***

3. Section 3.13 is changed

(a) under the heading “Instructions, Item 1 *Overview of the offering document*___***” by deleting “***Generally, we do not expect it to be longer than about 5 pages.***”,***

(b) under the heading “Part 1, Item 2 *Details of the offering*___***” by replacing “***45 days***” with “***60 days***”,***

(c) under the heading “Part 2, Item 6 *Material facts*___***” by replacing “***12 months***” with “***18 months***”,***

(d) under the heading “Part 3, Item 8 *Available funds*___***” by replacing “***significant decline***” wherever it occurs with “***significant change***”, by adding “***or vice versa***” after “***to deficiency***”, by replacing “***business objectives and liquidity requirements for a period of 12 months***” with “***short-term liquidity requirements***”, by replacing “***business objectives (as disclosed in Item 7 of Part 2 of Form 45-106F19) and liquidity requirements for a period of 12 months***” with “***short-term liquidity requirements***” and by adding “***For further guidance, refer to section 3.12(3) of this Companion Policy.***” at the end of the third paragraph, and***

(e) under the heading “Part 7, Item 15 *Certificate*___***” by replacing “***which is the earlier of the date that is 12 months prior to the date of the Form and the date that the issuer’s most recent audited annual financial statements were filed***” with “***that is 18 months prior to the date of the Form***”.***

4. These changes become effective on [•].