

## Annex A

### List of Commenters, Summary of Comments and CSA Responses

#### LIST OF COMMENTERS

1. Treewalk (October 24, 2025)
2. Marrelli Support Services Inc. (November 18, 2025)
3. Canadian Coalition for Good Governance (December 2, 2025)
4. Canadian Independent Finance and Innovation Counsel (December 15, 2025)
5. Goodmans LLP (December 15, 2025)
6. FAIR Canada (December 19, 2025)
7. Investor Advisory Panel (December 22, 2025)
8. The Prospectors & Developers Association of Canada (December 22, 2025)
9. Canadian Securities Exchange (December 22, 2025)
10. Torys LLP (December 22, 2025)
11. S. Mark Francis (December 22, 2025)
12. Portfolio Management Association of Canada (December 22, 2025)
13. The Canadian Centre for Audit Quality (December 22, 2025)
14. TSX Venture Exchange Inc. (December 22, 2025)
15. Canadian Forum for Financial Markets (December 22, 2025)
16. Deloitte LLP (December 22, 2025)
17. Jaime Sutton (December 22, 2025)
18. Borden Ladner Gervais LLP (December 22, 2025)
19. Cassels Brock & Blackwell LLP (December 22, 2025)
20. PricewaterhouseCoopers LLP (December 22, 2025)
21. Canadian Advocacy Council of CFA Societies Canada (December 22, 2025)

#### SUMMARY OF COMMENTS AND CSA RESPONSES

##### Overall Commentary on the Proposed SAR Pilot

We appreciate and acknowledge the comments received, including those that raised concerns with the SAR Pilot. We intend to monitor these concerns throughout the duration of the SAR Pilot. On balance, we believe the benefits of the SAR Pilot outweigh the risks.

<b>Generally Supportive</b>	<p><u>General Support</u> 11 commenters generally agreed with the proposed SAR Pilot and expressed their support for the initiative and its objectives.</p> <p><u>Proportionate Burden Reduction</u> Six commenters noted their belief that the SAR Pilot would meaningfully reduce burden for venture issuers while maintaining investor protection.</p> <p><u>Voluntary Election</u> Four commenters also commended the voluntary nature of the SAR Pilot, which allows eligible issuers to continue quarterly reporting if preferred and adopt the reporting frequency best suited to their operations and investor base.</p>
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	<p><u>Improvement in Disclosure Quality</u></p> <p>One commenter noted that shifting to SAR could improve disclosure quality by encouraging issuers and advisors to prepare more comprehensive reports. They added that the SAR Pilot enhances market efficiency by helping better-resourced issuers remain active in public markets and supports growth and liquidity in the venture market by reducing barriers and compliance costs.</p> <p><u>Enhance Focus and Allocation</u></p> <p>Two commenters wrote that the SAR Pilot would enhance managerial focus and resource reallocation. One such commenter noted the SAR Pilot could reduce pressure for managerial short-termism.</p> <p><u>Harmonization with Major Jurisdictions</u></p> <p>Five commenters indicated that the SAR Pilot aligns Canada with other major jurisdictions that generally allow for SAR. Four such commenters noted that the U.S. Securities and Exchange Commission (SEC) signaled the SEC’s openness to reducing reporting frequency.</p> <p><u>Miscellaneous</u></p> <p>Other commenters noted that:</p> <ul style="list-style-type: none"> <li>• permitting venture issuers to report on a semi-annual basis could encourage more public market financing, and benefit investors by providing increased access to investment opportunities;</li> <li>• the SAR Pilot would not interfere with event-driven disclosure obligations, including material change reporting;</li> <li>• venture issuers generally receive little to no analyst coverage, accordingly, the SAR Pilot would not diminish an existing benefit for most venture issuers.</li> </ul>
<p><b>Somewhat Supportive But Expressed Concerns</b></p>	<p>Five commenters were somewhat supportive of the SAR Pilot but expressed concerns mainly related to the risks associated with information asymmetry.</p>
<p><b>Not Supportive</b></p>	<p><u>General Concerns</u></p> <p>Five commenters expressed general concern with the SAR Pilot.</p> <p><u>Information Asymmetry</u></p> <p>These commenters also noted that the SAR Pilot would introduce information asymmetry that could weaken investor confidence, market quality, and transparency. Some commenters noted that a change that increases perceived investment risk may harm issuers by reducing comparability, decreasing governance touchpoints, increasing their cost of capital or reducing their access to public market financing.</p> <p>A few commenters noted that quarterly financial reporting provides investors with critical insight into liquidity, burn rate, and operational progress, particularly during periods preceding dilutive financings and for early-stage issuers which may be speculative and who often face cash constraints.</p>

	<p><u>Selective Disclosure</u></p> <p>These commenters highlighted selective disclosure and insider/tippee trading concerns. Some of these commenters noted that SAR eligible issuers may be required to make quarterly financial disclosures to their bankers, creditors and others, while such disclosures are not publicly available for use by investors.</p> <p><u>Reporting Costs</u></p> <p>Some commenters noted that a switch to SAR may not materially impact an issuer's annual reporting costs or financial position and also requested that a quantitative cost benefit analysis be conducted prior to enacting the SAR Pilot.</p> <p><u>Existing Disclosure Requirements</u></p> <p>A few commenters expressed concerns that relying on existing event-driven disclosure obligations, including material change reporting and timely disclosure may be insufficient to address information asymmetry arising from the longer periods between periodic disclosure.</p> <p><u>Global Competitiveness</u></p> <p>Two commenters noted that Canada may be able to enhance the global competitiveness of its capital markets by retaining quarterly reporting.</p> <p><u>Implications on Third Parties</u></p> <p>One commenter cautioned that the SAR Pilot could strain external service providers, deter suppliers from working with smaller reporting issuers, reduce financial transparency and create inconsistencies across compliance frameworks.</p>
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**Responses to Specific Questions**

1. *Do you agree with the eligibility criteria and conditions in the Blanket Order for the SAR Pilot? Are there any other eligibility criteria that should disqualify issuers from participating in the SAR Pilot? Are there any other conditions that issuers participating in the SAR Pilot should be subject to?*

We acknowledge and thank the commenters for these comments. We have categorized the specific comments and our responses into the following themes:

Theme	Comment	CSA Responses
Eligibility Criteria and Conditions	<p>A number of commenters expressed concern that the SAR Pilot's \$10 million annual revenue threshold may not fully capture a company's size, stage of development, operational complexity or capability to withstand compliance costs.</p> <p>A number of commenters recommended broadening the eligibility of the SAR pilot beyond issuers with \$10 million in revenue.</p>	<p>We have reviewed all of these comments, and given the range of feedback received, on balance we have determined that for the purposes of the SAR Pilot, we will maintain the existing eligibility criteria and conditions.</p>

Theme	Comment	CSA Responses
	<p>Other commenters suggested a reduced eligibility threshold or additional eligibility criteria based on an issuer’s revenue, activity profile, sector, exchange tier listing, market capitalization, operating history, the number of its shareholders, the value of its assets or certain incurred costs.</p> <p>A number of commenters recommended that the SAR Pilot should exclude issuers that have not carried on substantive business activity within a defined period. Conversely, one commenter suggested that the SAR Pilot only include inactive businesses, such as Capital Pool Companies.</p> <p>A number of commenters suggested additional criteria to exclude issuers that have disclosed conditions or events that raise significant doubt about the entity’s ability to continue as a going concern or issuers that incurred late filing fees or administrative penalties in the last 12 months. Other commenters requested a transition period after an issuer announces its intention to adopt SAR and suggested increasing the look-back period for certain conditions from 12 months to 24 months.</p> <p>One commenter suggested excluding issuers undergoing or contemplating reverse takeovers (<b>RTOs</b>) or other significant transactions, or that have recently completed a prospectus offering. Another commenter requested clarification as to whether the resulting issuer of a qualifying transaction or RTO can rely on the continuous disclosure record of the previously listed entity for determination of the SAR Pilot’s 12-month continuous disclosure record requirement.</p> <p>Conversely, a number of commenters recommended expanding SAR Pilot eligibility to all venture issuers or otherwise allow for broader representation from a variety of industry sectors.</p> <p>Four commenters noted that revenue fluctuations are common among venture issuers. Some of these commenters</p>	<p>We will carefully analyze data from the SAR Pilot to inform future rule-making.</p> <p>We have provided further guidance regarding RTOs and changes in year-end in Annex C – <i>Summary of the Terms and Conditions of the SAR Pilot and CSA Commentary</i>.</p>

Theme	Comment	CSA Responses
	<p>suggested applying a rolling average revenue or similar metric over a defined period to reduce volatility, possibly combined with a market capitalization test.</p> <p>Multiple commenters also recommended broadening the SAR Pilot to allow participating issuers to use semi-annual disclosure requirements in prospectuses and other documents, including circulars. One commenter requested that the SAR Pilot allow eligible issuers to file base shelf prospectuses.</p> <p>Commenters also noted that:</p> <ul style="list-style-type: none"> <li>• issuers should be ineligible for the SAR Pilot if they have conducted an offering using the Listed Issuer Financing Exemption under Part 5A of National Instrument 45-106 <i>Prospectus Exemptions (LIFE)</i> within the past 12 months or intend to rely on LIFE while participating;</li> <li>• issuers should be able to continue to participate in the SAR Pilot where they change their financial year end;</li> <li>• issuers should be ineligible for the SAR Pilot if they are required to prepare quarterly financial statements for external stakeholders.</li> </ul>	
Alternative Disclosure	<p>A number of commenters recommended including a requirement that issuers participating in the SAR Pilot prepare and file some form of alternative financial disclosure relating to their first and third interim periods.</p> <p>Suggestions for alternative disclosure included:</p> <ul style="list-style-type: none"> <li>• securities issuances or cancellations;</li> <li>• cash balances or other disclosure related to cash such as a cash flow report;</li> <li>• key expenses and operating outflows;</li> <li>• material changes;</li> <li>• net working capital.</li> </ul> <p>Two commenters noted that, while Australian securities rules generally require semi-annual financial reporting, the country's exchanges mandate streamlined quarterly activity reports</p>	<p>For the purposes of the SAR Pilot, we are not proposing requisite alternative disclosure, as it runs the risk of undermining the primary purpose of the SAR Pilot, namely reducing regulatory burden and costs associated with frequent financial reporting for smaller venture issuers. We note that SAR participating issuers remain subject to timely disclosure and material change reporting requirements</p>

Theme	Comment	CSA Responses
	<p>for mining and oil &amp; gas entities, as well as quarterly cash flow reports for exploration companies.</p> <p>One commenter suggested that, instead of limiting the SAR Pilot’s eligibility to issuers with revenues of no more than \$10 million, the CSA should require all issuers to provide first- and third-quarter alternative disclosure by news release.</p>	<p>under securities laws and venture exchange rules.</p> <p>However, for the future rule-making project, we will determine whether, and under what circumstances, alternative disclosure would be appropriate and what form it would take, if any.</p> <p>We have provided further guidance regarding existing timely disclosure and material change reporting requirements and accompanying policies in Annex C – <i>Summary of the Terms and Conditions of the SAR Pilot and CSA Commentary</i>.</p>
Additional and Periodic Notices of Status/ Participation	<p>We received several comments related to requiring additional disclosure that will inform investors on how to assess whether an issuer is opting in- or out- of the SAR Pilot, including news release timing and requirements, and disclosure in other continuous disclosure documents, websites and direct correspondence.</p> <p>One commenter, however, requested that the CSA eliminate the news release requirement, as it could have unintended consequences on an issuer’s market perception.</p>	<p>We have provided further guidance with respect to our expectations regarding notice of status within the SAR Pilot in Annex C – <i>Summary of the Terms and Conditions of the SAR Pilot and CSA Commentary</i>.</p>
Voluntary Disclosure of Interim Financial Information	<p>Some commenters expressed concern that, where SAR participating issuers may continue to voluntarily disclose certain first and third quarter interim financial information, such information may not be prepared with the same level of transparency and oversight and may also include more “non-GAAP” financial information than quarterly financial reports. One commenter recommended the CSA provide guidance and establish minimum</p>	<p>If SAR participating issuers choose to voluntarily disclose quarterly financial information, they must ensure that such information complies with applicable securities laws.</p>

Theme	Comment	CSA Responses
	disclosure requirements related to such communications.	For further guidance, issuers are encouraged to contact their principal regulator to discuss staff's expectations.
Significant Transactions	<p>Some commenters requested clarification with respect to the following:</p> <ul style="list-style-type: none"> <li>• the determination of which interim financial report should be used for purposes of preparing a business acquisition report (<b>BAR</b>); and</li> <li>• how the SAR Pilot applies to RTOs.</li> </ul>	<p>The SAR Pilot is not meant to alter prospectus or prospectus-level disclosure required in the context of a prospectus offering or a circular.</p> <p>In circumstances where a BAR may be required in the context of a probable significant acquisition, we encourage the filing entity to contact their principal regulator to discuss staff's expectations.</p> <p>We have clarified the disclosure required for RTOs in Annex C – <i>Summary of the Terms and Conditions of the SAR Pilot and CSA Commentary</i>.</p>
Other Recommendations	<p>We also heard feedback that, before implementation of or during the pilot phase, as appropriate, we should:</p> <ul style="list-style-type: none"> <li>• maintain an easily accessible list of all companies adopting SAR to enable investors, analysts, and other market participants to identify which issuers are using SAR and to support informed investment decisions and market transparency;</li> <li>• consider granting CSA members clear authority to require issuers to revert to quarterly reporting whenever deemed necessary;</li> <li>• consider the impact of the SAR Pilot on third parties, such as those that assist</li> </ul>	<p>We will consider each of these recommendations, including whether and how to best address them. We will carefully analyze data from the SAR Pilot to inform future rule-making.</p>

Theme	Comment	CSA Responses
	<p>in the preparation of quarterly financial information;</p> <ul style="list-style-type: none"> <li>• work with the exchanges to develop and promote educational materials about SAR to explain the implications of SAR and guide investors on how to find information about SAR participating issuers;</li> <li>• focus a portion of the CSA’s continuous disclosure reviews on SAR participating issuers in respect of material change reports and alternative quarterly disclosure;</li> <li>• monitor international developments related to SAR and developments impacting cross-listed issuers, including cross-listed issuers on U.S. exchanges;</li> <li>• provide the expected timeframe for the SAR Pilot and outline the criteria the CSA intends to use to assess its success or failure; and</li> <li>• include a five-year CSA review of the SAR Pilot or permanent SAR framework with automatic expiry if the review is not completed.</li> </ul>	

2. *The SAR Pilot is intended to be a multi-year pilot project. The CSA intends to engage in a formal rule-making project to consider whether the SAR Pilot should be adjusted in terms of scope, eligibility and conditions. Please provide any feedback in respect of criteria or conditions that could be considered as part of the future rule-making project. Please note that the planned rule-making project related to SAR will include a request for comment.*

We acknowledge and thank the commenters for their feedback in respect of criteria or conditions that could be considered as part of the future rule-making project. We have summarized the key comments received in the table below. We will consider all feedback received, along with the considerations highlighted in Question 1, above, during the rule-making process.

Theme	Consideration
Eligibility Criteria	<p>Whether the CSA should consider eventually expanding the SAR Pilot’s framework to include issuers with annual revenues of over \$10 million, including whether to make SAR the default requirement for all issuers with optional quarterly reporting.</p> <p>Whether to require shareholder approval of SAR at each annual general meeting as part of any future rule-making initiative.</p>

Theme	Consideration
	Whether newly listed venture issuers should be allowed to participate in the SAR Pilot.
Alternative Disclosure	<p>Whether issuers should be required to file certain condensed financial information similar to an earnings release but the form of which would be set out in NI 51-102.</p> <p>Whether, for issuers that have not generated any revenue, relevant financial information could be adequately disclosed through alternative continuous disclosure mechanisms.</p>
Other Recommendations	<p>We also heard feedback that we should:</p> <ul style="list-style-type: none"> <li>• consider whether certain continuous disclosure obligations should be simplified or eliminated instead of pursuing the SAR Pilot;</li> <li>• consider whether to exempt venture issuers with annual revenues below \$10 million from Canadian Public Accountability Board oversight, rather than pursue the SAR Pilot;</li> <li>• consider whether any future SAR related rule-making proposal be paired with a requirement for issuers to file financial statements in XBRL or iXBRL format, alongside the development and deployment of market-utility tools easing the cost of production, review, and filing of disclosure information;</li> <li>• review and consider the experience in other jurisdictions where less frequent reporting is permitted, to determine whether issuers took advantage of this option, whether it impacted their ability to raise capital, and whether there have been other positive or negative consequences;</li> <li>• collect data on specified metrics throughout the SAR Pilot to assess its impact both on venture issuers and investors and provide information to stakeholders as the SAR Pilot progresses to inform their beliefs regarding a broader SAR related rule-making project.</li> </ul>