

IN THE MATTER OF THE *SECURITIES ACT*
(R.S.N.L. 1990, C. S-13, AS AMENDED (THE ACT))

and

Prospectus Exemption for New Reporting Issuers
(CSA Coordinated Blanket Order 45-930)

SUPERINTENDENT ORDER 2025-135
(Under section 142.1 of Part XXIII of the *Securities Act*)

WHEREAS under section 142.1 of Part XXIII of the Securities Act (the Act), except where exemption applications are otherwise provided for in the securities law of the province, the superintendent may, on the application of an interested person or company and where in the superintendent's opinion it would not be prejudicial to the public interest, make an order on the terms and conditions that the superintendent may impose exempting the person or company from a requirement of the securities law of the province on such terms or conditions as may be set out in the order,

AND WHEREAS the Canadian Securities Administrators (CSA) staff are in agreement that it would be appropriate to grant a blanket exemption order with respect to Prospectus Exemptions for New Reporting Issuers.

IT IS ORDERED THAT:

DEFINITIONS

1. Terms defined in the *Securities Act* (the Act), National Instrument (NI) **14-101** *Definitions*, National Instrument (NI) **41-101** *General Prospectus Requirements*, National Instrument (NI) **44-101** *Short Form Prospectus Distributions*, National Instrument (NI) **45-106** *Prospectus Exemptions* and National Instrument (NI) **51-102** *Continuous Disclosure Obligations* have the same meaning if used in this Order.

2. In this Order:

“aggregate market value of an issuer's listed equity securities” means the total number of listed equity securities outstanding multiplied by the market price;

“ineligible OTC issuer” means an issuer that has securities listed, quoted, or the equivalent, trading on the OTCQX Best Market, the OTCQB Venture Market or any other over-the-counter market that requires an issuer to complete an application process to be listed, quoted or the equivalent;

“listed equity securities” means securities of a class of equity securities of an issuer listed for trading on TSX Inc., TSX Venture Exchange Inc, CNSX Markets Inc., or Cboe Canada Inc.; and

“prior 45-930 offering” means a prior offering in reliance on the exemption in this Order or a substantially similar order of another regulator or securities regulatory authority.

BACKGROUND

3. The purpose of this Order is to introduce a new prospectus exemption to facilitate capital raising for new reporting issuers.

ORDER

4. The Superintendent, considering that to do so would not be prejudicial to the public interest, orders under section 142.1 of Part XXIII of the Act that the prospectus requirement does not apply to a distribution by an issuer of a security of the issuer’s own issue to a purchaser if all of the following apply:
 - (a) a receipt for a final long form prospectus or for any amendment to the final prospectus was issued in a jurisdiction of Canada by a regulator or securities regulatory authority in connection with the issuer’s initial public offering within the 12 months immediately preceding the date that the issuer files the news release referred to in paragraph (j);
 - (b) the prospectus referred to in paragraph (a) included a signed certificate of an underwriter under section 5.9 of NI 41-101;
 - (c) the issuer is a reporting issuer in at least one jurisdiction of Canada immediately before the date that the issuer files the news release referred to in paragraph (j);
 - (d) the issuer has filed all periodic and timely disclosure documents that it is required to have filed under each of the following:
 - (i) applicable securities legislation;
 - (ii) an order issued by the regulator or securities regulatory authority;
 - (iii) an undertaking to the regulator or securities regulatory authority;
 - (e) the issuer has listed equity securities;
 - (f) the issuer is not an ineligible OTC issuer;
 - (g) the issuer is not an investment fund;
 - (h) the security being distributed is of the same class that was qualified for distribution pursuant to the prospectus referred to in paragraph (a);

- (i) the offering price per security distributed in reliance on the exemption in this Order is not less than the price per security distributed under the prospectus referred to in paragraph (a);
- (j) before soliciting an offer to purchase, the issuer issues and files a news release that
 - (i) announces the offering, and
 - (ii) includes the following statement: “There is an offering document related to this offering that can be accessed under the issuer’s profile at www.sedarplus.ca and at [include website address and provide a link, if the issuer has a website]. Prospective investors should read this offering document before making an investment decision.”;
- (k) before soliciting an offer to purchase, the issuer files an offering document which includes all of the following:
 - (i) details of the offering, including all of the following:
 - (A) the type and number of securities the issuer is offering, and a description of all significant attributes of the securities;
 - (B) the offering price;
 - (C) the minimum and maximum amount of securities that the issuer may offer;
 - (D) whether the offering may close in one or more closings and the date by which the offering is expected to close (if known);
 - (E) the exchange on which the securities are listed, traded or quoted as well as any quotation system on which the securities are traded or quoted;
 - (F) the closing price of the issuer’s securities on the most recent trading day before the date of the offering document;
 - (ii) disclosure of any material fact relating to the securities being distributed that has not already been disclosed in a document filed by the issuer;
 - (iii) a detailed description of the issuer’s business objectives, recent developments and use of proceeds;
 - (iv) use of funds from the issuer’s initial public offering and any subsequent financings;

- (v) the amount and source of any material funds to be used in conjunction with the proceeds of the distribution;
- (vi) if proceeds of the offering are to be allocated to an acquisition, the disclosure that would be required under item 10 of Form 44-101F1 *Short Form Prospectus* if the offering document was a short form prospectus, where the reference to the date of the short form prospectus is read as the date of the offering document;
- (vii) disclosure of any involvement of underwriters, dealers, finders or other intermediaries in connection with the offering including any compensation, fees, commissions and any disclosure required under National Instrument 33-105 *Underwriting Conflicts*;
- (viii) a statement on the cover page disclosing the following statement in bold

[Name of issuer] is conducting an offering under Coordinated Blanket Order 45-930 *Prospectus Exemption for New Reporting Issuers* (the Order). In connection with this offering, the issuer represents it is qualified to distribute securities in reliance on the exemption included in the Order.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.

- (ix) a certificate in bold that states

This offering document, together with all documents filed under Canadian securities legislation, contains disclosure of all material facts relating to the securities being distributed and does not contain a misrepresentation.

- (x) the signature, date of the signature, name and position of the chief executive officer and chief financial officer of the issuer;
- (l) the issuer does not allocate the proceeds as disclosed in the offering document referred to in paragraph (k) to any of the following:
 - (i) a restructuring transaction;

- (ii) any other transaction for which the issuer seeks approval of any security holder;
- (m) if the issuer is a venture issuer, it does not allocate the proceeds as disclosed in the offering document referred to in paragraph (k) to an acquisition that is or would be a significant acquisition under part 8 of NI 51-102;
- (n) if the securities legislation where the purchaser is resident does not provide a comparable right, the offering document referred to in paragraph (k) and any subscription agreement provide the purchaser with a contractual right to cancel the agreement to purchase the security by delivering a notice to the issuer not later than midnight on the 2nd business day after the purchaser agrees to purchase the security;
- (o) if the securities legislation where the purchaser is resident does not provide a comparable right, the offering document referred to in paragraph (k) and any subscription agreement provide a purchaser of securities offered by the offering document with a contractual right of action against the issuer for rescission or damages that
 - (i) is available to the purchaser if a document or a core document each as defined in Part XXII.I of the Act, or the offering document, contains a misrepresentation on the date the purchaser agrees to purchase the security, without regard to whether the purchaser relied on the misrepresentation,
 - (ii) is enforceable by the purchaser delivering a notice to the issuer
 - (A) in the case of an action for rescission, within 180 days after the purchaser signs the agreement to purchase the security,
 - (B) or in the case of an action for damages, before the earlier of
 - (1) 180 days after the purchaser first has knowledge of the facts giving rise to the cause of action, or
 - (2) 3 years after the date the purchaser signs the agreement to purchase the security,
 - (iii) is subject to the defence that the purchaser had knowledge of the misrepresentation,
 - (iv) in the case of an action for damages, provides that the amount recoverable
 - (A) must not exceed the price at which the security was offered, and

(B) does not include all or any part of the damages that the issuer proves does not represent the depreciation in value of the security resulting from the misrepresentation, and

(v) is in addition to, and does not detract from, any other right of the purchaser;

(p) if the issuer has a website, it posts the offering document referred to in paragraph (k) on its website;

(q) in Québec, the offering document referred to in paragraph (k) is prepared in French or French and English;

(r) at the time of the distribution of securities in reliance on the exemption in this Order, the issuer reasonably expects that it will have available funds to meet its business objectives and liquidity requirements for a period of 12 months after the distribution;

(s) on the date of the issuance of the news release referred to in paragraph (j), the total dollar amount of the distribution, combined with the dollar amount of all other prior 45-930 offerings during the 12 months immediately preceding the date that the issuer files the news release, will not exceed \$100,000,000;

(t) if the issuer has not closed a prior 45-930 offering within the 12-month period immediately preceding the date that the issuer files the news release referred to in paragraph (j), the aggregate market value of securities in the distribution will not exceed 20% of the aggregate market value of the issuer's listed equity securities outstanding on the date of the news release;

(u) if the issuer has closed a prior 45-930 offering within the 12-month period immediately preceding the date that the issuer files the news release referred to in paragraph (j), the aggregate market value of securities in the distribution, combined with all other prior 45-930 offerings during the 12-month period, will not exceed 20% of the aggregate market value of the issuer's listed equity securities outstanding as of the date of the news release announcing the first prior 45-930 offering;

(v) the distribution does not result in a new control person;

(w) the distribution does not result in a person or company acquiring beneficial ownership of, or exercising control or direction over, such number of the issuer's securities that would result in such person or company being entitled to elect a majority of the directors of the issuer;

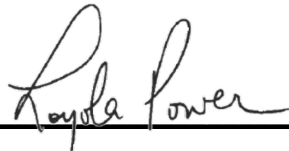
(x) the distribution is not made to a person who is an employee, insider or consultant of the issuer;

- (y) the issuer closes the distribution no later than the 45th day after the date the issuer issues and files the news release referred to in paragraph (j).
5. If a material change occurs in respect of the issuer after the filing of the news release referred to in paragraph 4(j) and before the completion of the distribution, the issuer must cease the distribution until the issuer
- (a) complies with the requirements in securities legislation, including NI 51-102, in connection with the material change,
 - (b) files an amendment to the offering document filed under paragraph 4(k) in the form of an amended and restated offering document, and
 - (c) issues and files a news release that states that an amendment to the offering document referred to in paragraph 4(k) addressing the material change has been filed.
6. An issuer distributing securities in reliance on the exemption in this Order must file a completed Form 45-106F1 *Report of Exempt Distribution* on or before the 10th day after the closing of the distribution.

EFFECTIVE DATE

This Superintendent Order comes into effect on April 17, 2025.

DATED at the City of St. John's, Newfoundland and Labrador, this 16th day of April 2025.

A handwritten signature in black ink, appearing to read "Loyola Power", is written over a solid black horizontal line.

Loyola Power
Superintendent of Securities