

Corporate Finance Disclosure Information Session

January 22, 2026

Today

- Current events and economic uncertainty
- Material contracts
- Related party transactions
- Management cease trade orders (MCTOs)
- Semi-annual financial reporting
- Listed issuer financing exemption (LIFE)
- Regulatory update
- Self-certified investor prospectus exemption

Disclaimer

The following information is intended only as general introductory information to address some common questions.

It is not intended to be and must not be relied on as legal advice.

Please refer to the specific provisions of Alberta securities laws.

We encourage you to seek legal advice from legal counsel familiar with Alberta securities laws.



CPD confirmation of attendance

If you wish to obtain CPD for this session, you must **enter the words** disclosed during the information session in the survey at the end of the presentation.

Please ensure that you correctly enter your name and email address so that the confirmation of attendance can be emailed to you.

Current events and economic uncertainty

Disclosure considerations

Jennifer Pearson

Securities Analyst, Corporate Disclosure & Financial Analysis
Corporate Finance



Greater emphasis on complete disclosure

Global and domestic current events:

- Geopolitical instability
- Evolving trade policies
- Fluctuating commodity prices
- Business interruptions



Allows investors to assess impact

Discussion of operations (s. 1.2 & 1.4 of Form 51-102F1)

Known trends, demands, commitments, events or uncertainties



Have, or will likely, impact reporting issuer (RI)



Includes current business or global issues



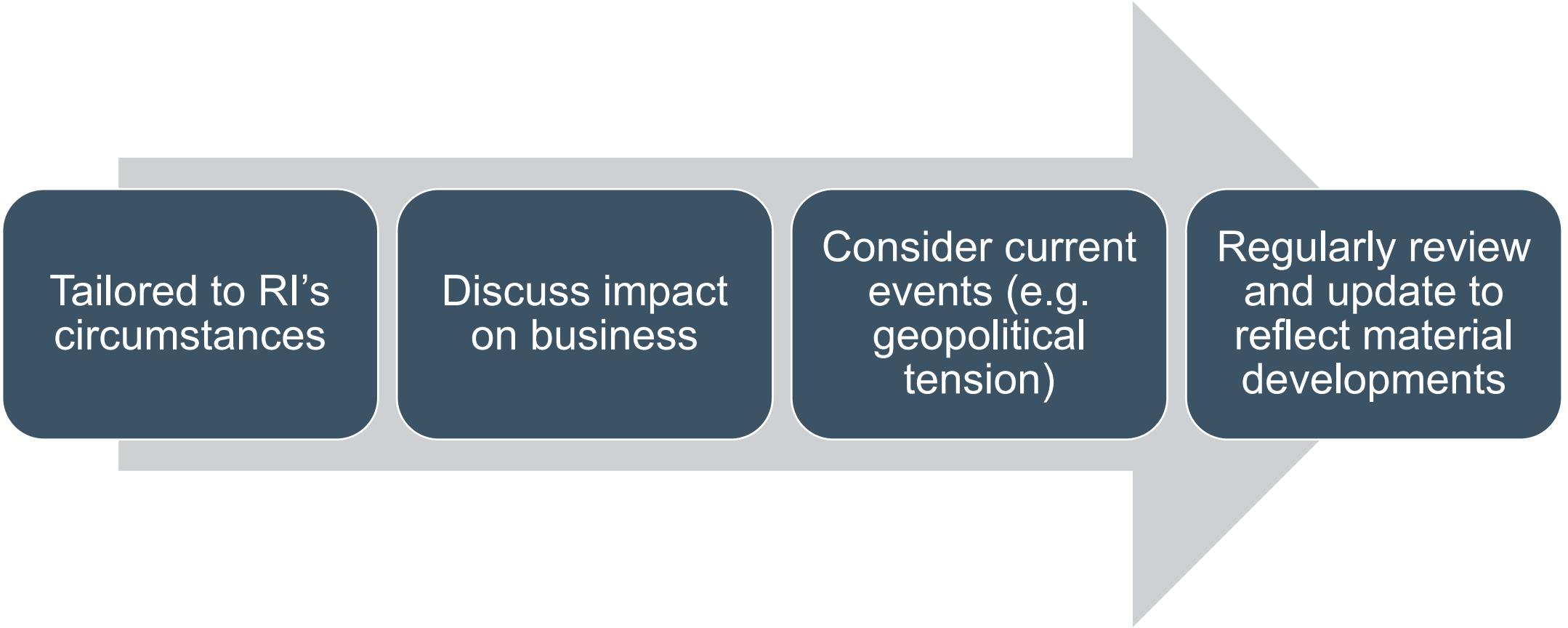
Quantitative and qualitative analysis



Consider all information available to date of document



Risk factors



Tailored to RI's circumstances

Discuss impact on business

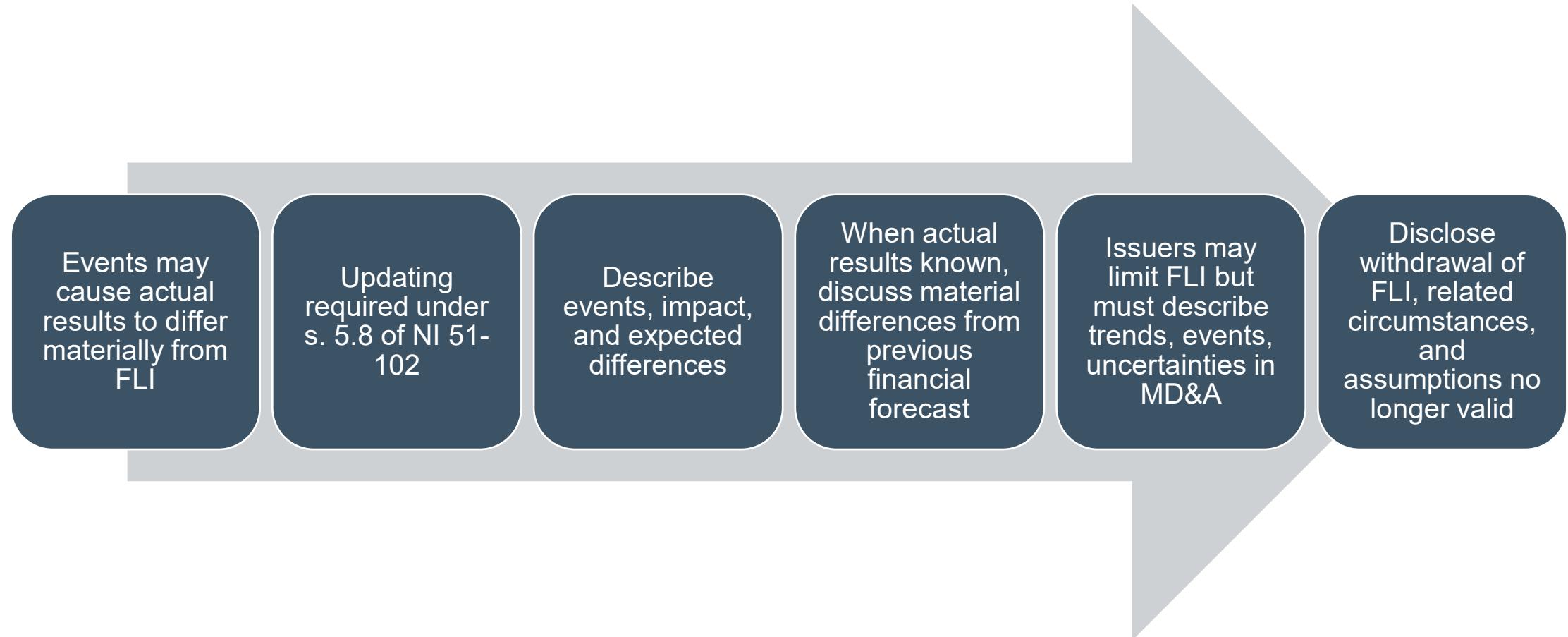
Consider current events (e.g. geopolitical tension)

Regularly review and update to reflect material developments

Liquidity and capital resources (s.1.6 & 1.7 of Form 51-102F1)

- Provide analysis of capital resources & ability to generate cash for operating and growth/development.
- Discuss current trends and their impact.
 - e.g. fluctuating commodity prices
- Address any hedging activities.
- Other examples – altered payment terms, fund transfer restrictions, risk of default.

Forward-looking information (FLI)



Non-GAAP and other financial measures

- Often disclosed to distinguish between permanent and temporary financial impacts.
- Ensure it is not misleading and complies with NI 52-112.
- Do not describe reconciling item as “non-recurring”, “infrequent”, or similar term if has occurred, or likely to occur, within 2 years.
- Not reasonable to remove unfavourable items.
 - e.g. losses must not be removed if gains included in past
- If composition changed, disclose this fact along with explanation.

Critical accounting estimates in MD&A (s.1.12 of Form 51-102F1)

- Discussion required where assumptions are highly uncertain (non-venture issuers).
- How determined, how they might change, and how they impact financial position.
- Methodology, assumptions, sensitivity analysis
 - e.g. recoverable amount determined in impairment test
 - Value in use method – assumptions in cash flow projection, rate of decline/growth, discount rate
- MD&A disclosure should enhance financial statement disclosure.
- Disclose changes to critical accounting estimates in past two years.

Going concern considerations (IAS 1)

Management required to assess going concern assumption

Consider information for at least 12 months beyond end of reporting period

Material uncertainties must be disclosed (e.g. recurring losses, working capital deficit, covenant breaches, significant commodity price declines, tariffs, etc.)

Disclosure warranted if significant judgement

Disclose key judgements and mitigating actions (e.g. waiver for covenant breaches, financing completed, commodity prices forecast to improve, etc.)

Additional disclosure in MD&A to explain management's conclusion (s. 1.2 of Form 51-102F1)

Other items

- Other areas may be impacted by current events and economic uncertainty.
- Additional disclosures may be required.
- Consider issuer specific circumstances.
- Ensure all material matters and impacts are addressed in continuous disclosure.

Material contracts

Section 12 of NI 51-102

Chelsey Holzwarth

Senior Securities Analyst, Corporate Disclosure & Financial Analysis
Corporate Finance



Overview of NI 51-102

- Types of documents required to be filed
- Timing of filings
- Areas of disclosure deficiencies
- Practical tips for compliance



Filing of certain documents

- Section 12.1 – Documents affecting rights of securityholders
- Section 12.2 – Filing of other material contracts

12.2(2) Exemption – contracts entered into in the ordinary course of business

- Section 12.3 – Timing of filings

Reminder

Issuer files an AIF – The material contract must be filed no later than the date the AIF is filed.

Issuer does not file an AIF – The material contract must be filed within 120 days after the end of the financial year.

Areas of disclosure deficiencies



Practical tips for compliance

- Maintain a contract inventory with details and materiality assessments.
- Internal policy or checklist for materiality.
- Quantitative and qualitative factors need to be considered in determination.
- Describe information redacted or omitted.
- File documents on SEDAR+ in a timely manner.

Related party transactions

Chelsey Holzwarth

Senior Securities Analyst, Corporate Disclosure & Financial Analysis
Corporate Finance



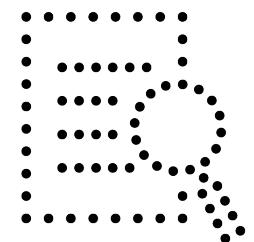
NI 51-102 *Continuous Disclosure Requirements*

- Detailed identity of related party
- Recorded amount of transaction and measurement basis
- Business purpose of the transaction
- Ongoing contractual or other commitments
- Other information necessary to understand economic substance



Common deficiencies

- Transactions not identified as related party transaction
- Lack of disclosure
- Repetitive disclosure in the MD&A
- Missing disclosures required by MI 61-101



Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (MI 61-101)

ASC
Alberta Securities Commission

Purpose: To protect minority security holders from conflicts of interest.

Potential additional requirements

- Provide additional disclosures.
- Obtain a formal independent valuation report.
- Obtain minority security holders approval.
- Have an independent committee of the board consider the transaction.

The definition of a related party under MI 61-101 is different than other definitions of related parties.

Common deficiencies

Material change reports

Does not include a description of every interested party in the transaction and related/associated entities.

Does not include the effect the transaction has on the percentage of securities owned by interested parties.

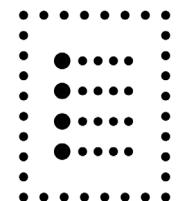
Information circulars

Does not include a description of the background to the transaction.

Material change report and/or information circular does not include a discussion of the review and approval process adopted by the board and special committee.

Practice pointers

- Describe the transaction, including material terms.
- Explain the purpose and business rationale for the transaction.
- Explain the review and approval process and describe any significant opposing views or abstentions by directors.
- Provide details of any cross-ownership.
- Summarize formal valuations, if required.
- Disclose if the issuer has relied on any exemptions.



CPD learning code

Securities

National Policy 12-203 *Management Cease Trade Orders* (MCTO)

Vernon Cooney

Senior Capital Markets Analyst, Reporting Issuer & Insider Compliance
Corporate Finance



MCTO application

An MCTO application may be made by an issuer for an specified default in order to avoid a failure-to-file cease trade order (FFCTO).

The MCTO generally restricts the trading in the issuer's securities by the issuer's CEO and CFO.

The issuer seeking an MCTO will need to file the MCTO application on SEDAR+:

- Two weeks before the specified default is to occur; and
- The issuer must meet the eligibility criteria.

Eligibility criteria

We will consider granting an MCTO if the issuer satisfies all of the following criteria:

- (a) the outstanding filings are expected to be filed as soon as they are available and within 2 months;
- (b) the issuer is generating revenue from its principal business or, if it is in the development stage actively pursuing the development of its products or properties;
- (c) the issuer has the necessary financial and human resources, including a reasonable number of directors and officers in place, to remedy the default in a timely and effective manner and comply with all other continuous disclosure requirements;
- (d) the issuer's securities are listed on a Canadian stock exchange and there is an active, liquid market for those securities; and
- (e) the issuer is not on the defaulting reporting issuer list in any CSA jurisdiction for any reason other than for this specified requirement.

Application contents

In its application filed on SEDAR+ as per item 8 of NP 12-203, should include the following:

- (a) identify the specified default, the reasons for the default and the anticipated duration of the default;
- (b) explain how the issuer satisfies each of the eligibility criteria;
- (c) set out a detailed remediation plan and timetable that explains how the issuer proposes to remedy the default;
- (d) include consents signed by the CEO and the CFO;
- (e) include a default announcement;
- (f) confirm that the issuer will comply with the alternative information guidelines (bi-weekly default status reports);
- (g) include a copy of the undertaking; and
- (h) briefly describe the issuer's blackout policies and other policies and procedures relating to insider trading.

Alternative information guidelines: Default status report

On a bi-weekly basis the issuer is to file on SEDAR+ a default status report containing:

- (a) any changes to the information contained in the default announcement or subsequent default status reports that would reasonably be expected to be material to an investor;
- (b) particulars of any failure by the defaulting reporting issuer in satisfying the provisions of the alternative information guidelines;
- (c) information regarding any (anticipated) specified default subsequent to the default; and
- (d) any other undisclosed material information concerning the affairs of the issuer.

Other considerations

- Common application deficiencies for an MCTO application being filed.
- If the issuer is subject to insolvency proceedings, this alone does not exclude the issuer from applying for a MCTO.
- An MCTO application is made for only one filing period's specified requirements.
- An MCTO application currently requires an application fee of \$750 as per ASC rule 13-501.

Semi-annual reporting for certain venture issuers

Nicole Law

Senior Securities Analyst, Corporate Disclosure & Financial Analysis
Corporate Finance



Semi-annual reporting for certain venture issuers

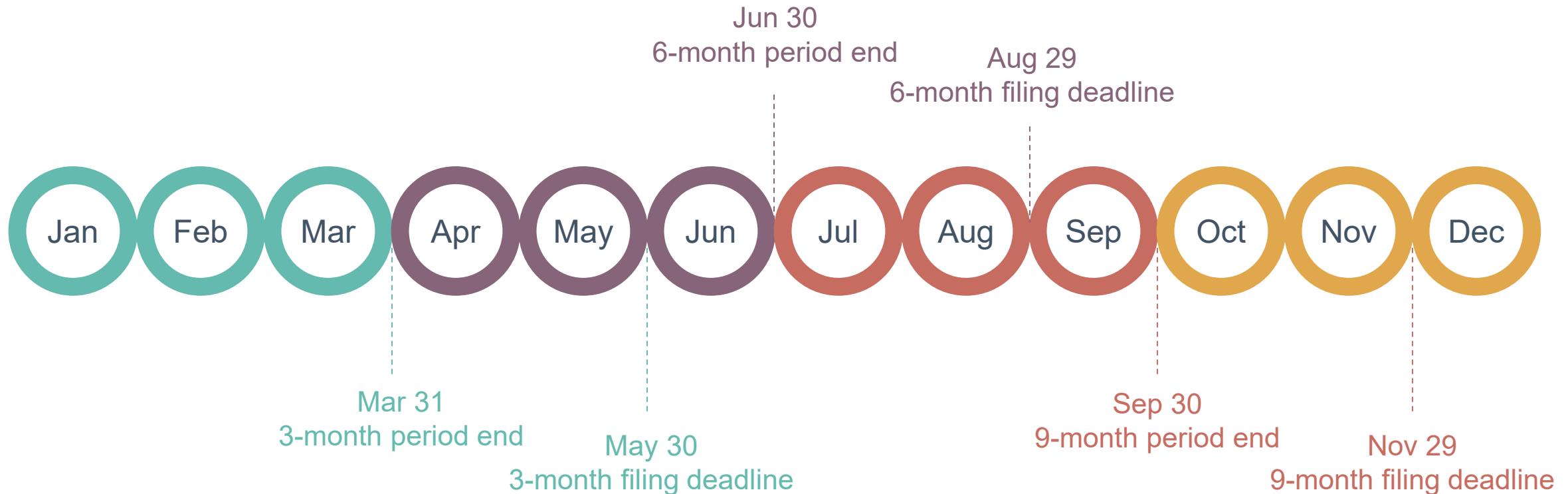


Key discussion items:

- What is semi-annual reporting (SAR)?
- Who would be eligible?
- How an eligible issuer would be able to opt-in to the SAR Pilot?
- When the SAR Pilot would be effective?

Filing deadline for an interim financial report

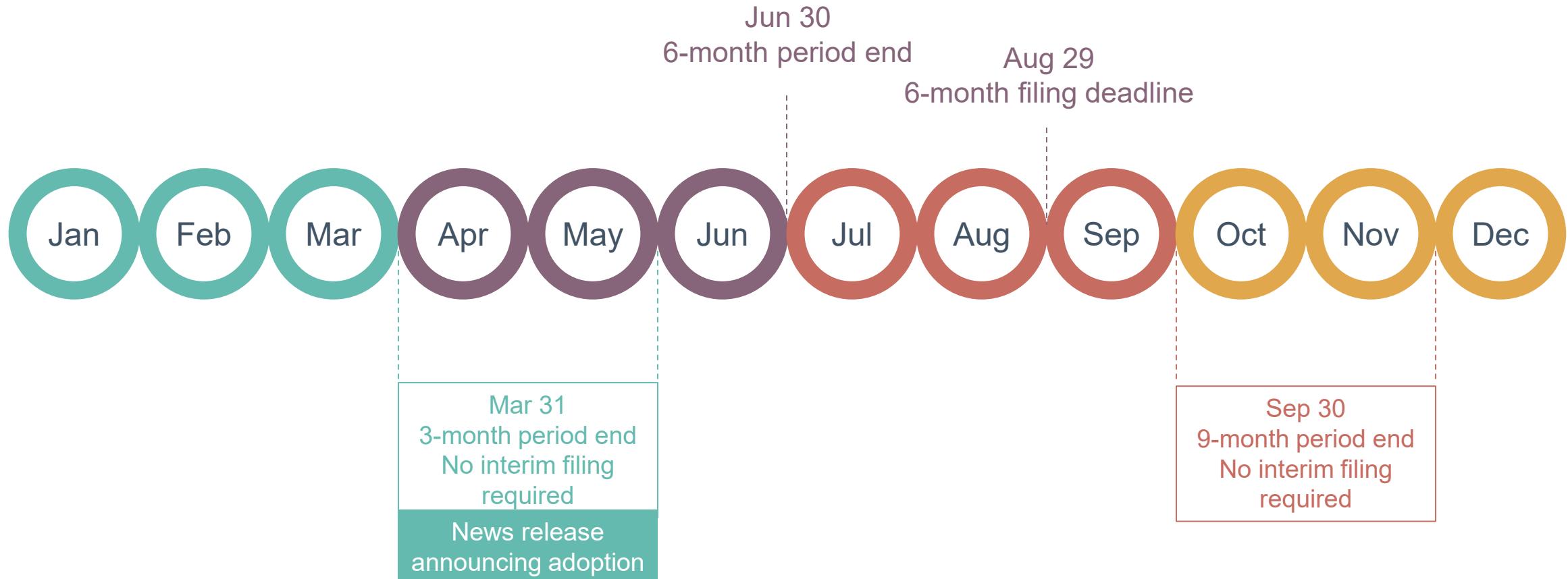
Venture issuers



For more information on filing deadline for an interim financial report see section 4.4 of National Instrument 51-102 *Continuous Disclosure Obligations*

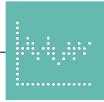
SAR pilot filing deadline for an interim financial report

Eligible venture issuers



For more information on filing deadlines under proposed semi-annual reporting see proposed coordinated Blanket Order 51-933 *Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers*

SAR pilot eligibility criteria



Venture issuer

Securities listed on the TSX Venture Exchange Inc. (TSXV) or the CNSX Markets Inc. (CSE)



Revenue threshold

Annual revenue of no more than \$10 million



12-month record

At least a 12-month continuous disclosure record

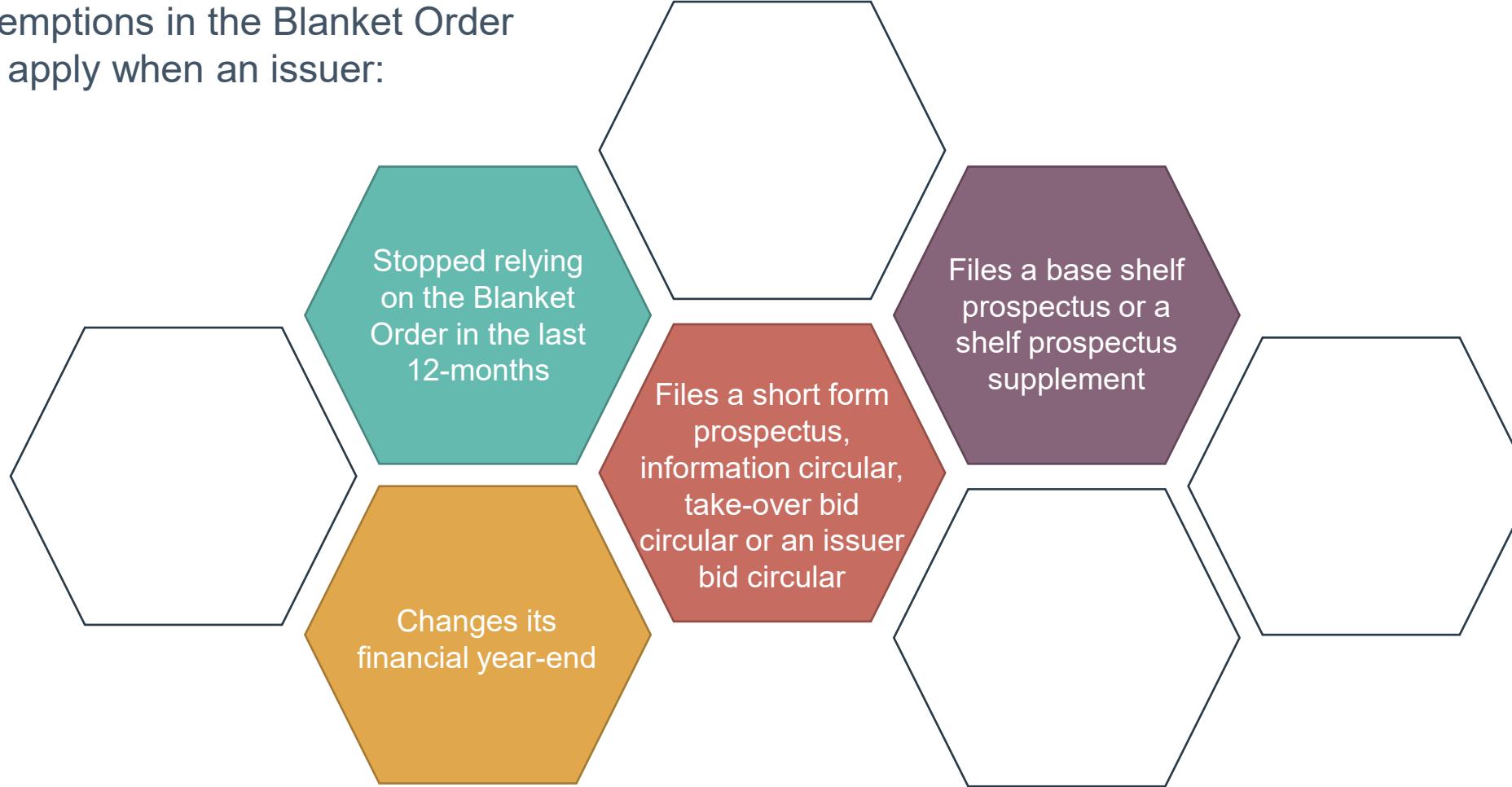


Timely disclosure

Filed all periodic and timely continuous disclosure documents required to be filed

Additional eligibility conditions and restrictions

The exemptions in the Blanket Order
do not apply when an issuer:



Opt-in to the SAR pilot



OPT-IN

File a news release on SEDAR+ as soon as possible after the end of the initial interim period:

- Stating that this news release is being filed pursuant to CSA Coordinated Blanket Order 51-933 *Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers*
- Specifying the initial interim period for which the issuer does not intend to file an interim financial report and related MD&A

Opt-out of the SAR pilot

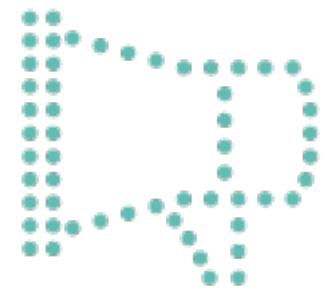
OPT-OUT

File a news release on SEDAR+:

- Stating that the issuer will be opting out of the SAR Pilot
- Specifying the timing of the next expected interim period for which an interim financial report and related MD&A will be filed

Anticipated SAR pilot effective date

Stay tuned for more information to come...



Listed issuer financing exemption

Oliver Luetjen

Securities Analyst, Corporate Disclosure & Financial Analysis
Corporate Finance



What is the listed issuer financing exemption?

What is it?

- The listed issuer financing exemption (“LIFE”) is an efficient tool for smaller issuers to raise capital.
- Adopted by all CSA members and came into effect on November 21, 2022.

Key characteristics of LIFE

- Issuers are limited to raising the greater of \$5,000,000; or 10% of the issuer’s market capitalization to a maximum total dollar amount of \$10,000,000.
- Issuers can distribute freely tradeable listed equity securities to the public (subject to exchange policies).
- Offering document not subject to approval.
- Blanket Order 45-935 provides relief to certain conditions to allow issuers to raise the greater of \$25,000,000; or 20% of the issuer’s market capitalization to a maximum total dollar amount of \$50,000,000.

What are the key conditions of LIFE?

Conditions of LIFE

- Have been a reporting issuer in Canada for at least 12 months prior to the news release announcing the offering;
- Have a class of equity securities listed for trading on a Canadian stock exchange;
- Have filed all periodic and timely disclosure documents;
- Have active business operations and its principal asset is not cash, cash equivalents;
- Exchange listing cannot be a capital pool company;
- Reasonably expect to have available funds to meet all business objectives and liquidity requirements for 12 months after the offering; and
- Be an issuer that is not an investment fund.
- If the issuer wishes to use the blanket order, these conditions still need to be met.

Conditions still apply if issuer elects to use relief under Blanket Order 45-935.

Key Topic - What are the changes under the blanket order?

Blanket Order 45-935

- Increase capital raise limits to the greater of \$25,000,000; or 20% of the issuer's market capitalization to a maximum total dollar amount of \$50,000,000.
- Changes to the timing for calculating dilution limit:
 - No LIFE offerings closed in last 12 months: Use the date of news release announcing offering
 - Completed a LIFE offering in last 12 months: Use the date of the news release that announced the first LIFE offering completed during the 12 month period.
- Only warrants convertible into equity securities of the listed issuer within 60 days of closing the distribution need to be factored into the dilution calculations.
- Distribution using blanket order is not permitted to result in a new control person, or a person or company acquiring beneficial ownership of the issuer's listed equity securities that would result in such person or company being entitled to elect a majority of the directors of the issuer.

Key Topic - Sufficiency of Funds



Requirement: Have sufficient available funds to meet the issuer's business objectives and liquidity requirements for a period of 12 months after the offering closes.

- Minimum offering amount must be sufficient to meet business objectives and liquidity requirements.
- Items 8 and 9 of Form 45-109F19 require the issuer to provide disclosure regarding available funds, significant decline to working capital, and any risks to going concern.
- ASC staff may review continuous disclosure documents to ensure issuer satisfies requirement.

Key Topic - Certification of Form

Requirement: CEO and CFO of the issuer are required to certify the Listed Issuer Financing Document.

- The date included in the certification paragraph of Form 45-109F19 and the date of the completed form will never be the same.

PART 7 DATE AND CERTIFICATE

15. Certificate

Include the following statement in bold with the bracketed information completed:

“This offering document, together with any document filed under Canadian securities legislation on or after [insert the date which is the earlier of the date that is 12 months before the date of this offering document and the date that the issuer’s most recent audited annual financial statements were filed], contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.”

16. Date and signature

Provide the signature, date of the signature, name and position of the chief executive officer and chief financial officer of the issuer.

Filing requirements and issues

What are the documents to be filed?

- A news release announcing the offering and location of the offering document;
- Completed Form 45-106F19 Listed Issuer Financing Document; and
- Form 45-106F1 Report of Exempt Distribution.

Common filing issues

- Reporting issuer's continuous disclosure record is not up to date;
- The certification of Form 45-106F19 is often dated incorrectly; and
- Completed Form 45-106F19 is not made available on issuer's website.

CPD Learning Code

LIFE

Regulatory update

Anthony Potter

Manager, Corporate Disclosure & Financial Analysis
Corporate Finance



Regulatory update

- Well-known seasoned issuer regime
- Consultation on proposed amendments to non-GAAP and other financial measures disclosure requirements
- Reducing regulatory burden initiatives
- Additional initiatives to support market participants
- Climate-related / diversity disclosure

Well-known seasoned issuer (WKSI) regime

Amendments to NI 44-102 *Shelf Distributions* relating to WKSI issuers became effective November 28, 2025.

The amendments revoke the previous applicable blanket order relief, and permit RIIs that satisfy the qualification criteria and certain conditions to:

- File a final base shelf prospectus and be deemed to receive a receipt for that prospectus without first filing a preliminary base shelf prospectus or undergoing any regulatory review;
- Omit certain disclosure from the base shelf prospectus (e.g., the aggregate dollar amount of securities that may be raised under the prospectus); and
- Benefit from receipt effectiveness for a period of 37 months from the date of its deemed issuance, subject to the requirement for the issuer to reassess its qualification to use the WKSI regime annually.

Well-known seasoned issuer (Wksi) regime

Under the amendments:

- The 12-month seasoning period requirement in the blanket order was retained.
- The eligibility regime was expanded to permit successor issuers, credit support issuers and issuers with outstanding asset-backed securities¹, subject to certain conditions.
- New eligibility criteria was introduced regarding not being the subject of any proceeding in respect of a prospectus or distribution, not having been refused receipt for a prospectus and not having filed and recently abandoned a preliminary prospectus.
- During the preceding 3 years neither the issuer, nor any of its subsidiaries (or previous subsidiary), was:
 - Convicted of an offense related to bribery, deceit, fraud, insider trading, misrepresentation, money laundering, theft or any offence that is substantially similar.
 - The subject of any order, decision or settlement agreement that imposes sanctions, conditions, restrictions or requirements as a result of a contravention of the laws of Canada or the United States respecting securities or derivatives.
 - The subject of a cease trade order or order similar to a cease trade order that was in effect for a period of more than 30 consecutive days.
- Personal information forms (PIFS) only have to be delivered as soon as practicable upon request.

¹ A Wksi base shelf prospectus cannot be used to distribute asset-backed securities.

Well-known seasoned issuer (Wksi) regime

The companion policy to NI 44-102 provides important information regarding the Wksi amendments to NI 44-102 including discussion of:

- The annual confirmation requirements.
- The requirement that all requests for relief from any requirements included in Part 9B of NI 44-102 must be filed, and the exemptive relief must be granted, in advance of filing the Wksi base shelf prospectus.
- Prohibitions regarding any advertising and marketing activities.
- Exclusions from the definition of qualifying public debt.
- For MJDS issuers, application for a notification of clearance for the registration statement falls under Part 4 of 71-101 CP *The Multijurisdictional Disclosure System (71-101CP)*.

As part of their 71-101CP procedures, staff may raise comments that require amendments to the Wksi base shelf prospectus.

Consultation on proposed amendments to non-GAAP and other financial measures disclosure requirements

IFRS 18 Presentation and Disclosure in Financial Statements requires disclosure of management-defined performance measures (MPMs) in a note to the financial statements.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

Without the Proposed Amendments, measures which have historically been considered non-GAAP financial measures, would not be subject to the disclosure requirements in NI 52-112 when disclosed outside of the financial statements.

CSA has proposed to allow incorporation of information by reference to the notes to the financial statements if such notes contain the information required by NI 52-112.

Reducing regulatory burden initiatives

Completed

- ✓ Introduction of the LIFE expansion
- ✓ Introduction of WKSI regime
- ✓ Streamlining at-the-market (ATM) distributions
- ✓ Amendments to the primary business financial statements
- ✓ Amendments to business acquisition report requirements

To be completed

- Access equals delivery (for CD documents)
- Streamlining of annual and interim continuous disclosure obligations

Additional initiatives to support market participants

Exemption from certain prospectus requirements

Coordinated Blanket Order 41-930 provides relief from the requirement(s):

- Under Form 41-101F1 to provide third-year historical financial and operating statements in a prospectus as well as circulars and material change reports.
- That all information contained in marketing materials and standard term sheets distributed during the waiting period must be derived from a previously filed preliminary prospectus or an amendment.
- To provide a promoter certificate in certain circumstances.

Additional initiatives to support market participants

Prospectus exemption for new reporting issuers

Coordinated Blanket Order 45-930 conditions include, among others:

- The exemption is for a 12 month period following receipt of the final long form prospectus.
- The maximum amount that can be raised under the exemption is \$100,000,000.
- The offering price per security being distributed cannot be less than the price per security distributed under the IPO prospectus. Must also be the same class of security as distributed under the IPO.
- An offering document must be filed including details of the offering, a description of the issuer's business objectives, recent developments, planned use of proceeds and use of proceeds from the IPO and subsequent financings.
- Proceeds cannot be used for a restructuring transaction or a transaction requiring shareholder approval.
- A venture issuer cannot allocate proceeds to a significant acquisition under Part 8 of NI 51-102 but unlike the LIFE exemption, non-venture issuers can.

Additional initiatives to support market participants

Changes to offering memorandum prospectus exemption

Under Coordinated Blanket Order 45-933 *Re Exemption to Exclude Reinvestment Amounts from the Investment Limit under the Offering Memorandum Prospectus Exemption*, the investment limit in the offering memorandum exemption increases for certain investors to allow for reinvestment of proceeds within a 12-month period:

- (a) in the case of a purchaser that is not an eligible investor, \$10,000;
- (b) in the case of a purchaser that is an eligible investor, \$30,000;
- (c) in the case of a purchaser that is an eligible investor and that received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable, the total of:
 - (i) \$100,000; and
 - (ii) all realizable proceeds of disposition during the preceding 12 months of securities of the same issuer to a maximum of \$100,000.

Climate-related / diversity disclosure

Climate-related disclosure



Paused

The CSA has indicated that it will continue to monitor disclosure practices of RIIs and work to address any misleading disclosure, which can include greenwashing, and will provide information and additional guidance as appropriate.

Diversity disclosure



Paused

Non-venture issuers will continue to be required to provide disclosure regarding the representation of women on their boards and in executive officer positions based on the existing requirements under National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

Investment funds

- New rules became effective March 3, 2025 to:
 - Allow an investment fund in continuous distribution to file a new prospectus every two years rather than annually (no change to when fund facts and exchange-traded fund facts must be filed and delivered).
 - Eliminate the requirement for an investment fund to obtain a final receipt for a prospectus within 90 days of the preliminary receipt.
- CSA has proposed amendments to:
 - Replace the existing annual and interim management report of fund performance (MRFP) with a new annual and interim fund report.
 - Also eliminate some class or series level disclosure from investment fund financial statements that are not required by IFRS.
 - 26 comment letters were received and the CSA is currently working on a response.
- Access model for delivering financial statements and MRFP continues to be evaluated.

Meet Multilateral Instrument 45-111:

A Guide to the Proposed New Self-Certified Investor Prospectus Exemption

Tonya Fleming

Manager, Private Markets & Innovation
Corporate Finance



Tonya Fleming

Tonya leads the Private Markets and Innovation team at the Alberta Securities Commission, Corporate Finance division.

We regulate securities activity in the private market and work with small and scaling businesses to promote compliant capital raises.

For the business looking to raise capital

Prospectus requirement (s. 110 of the *Securities Act*)

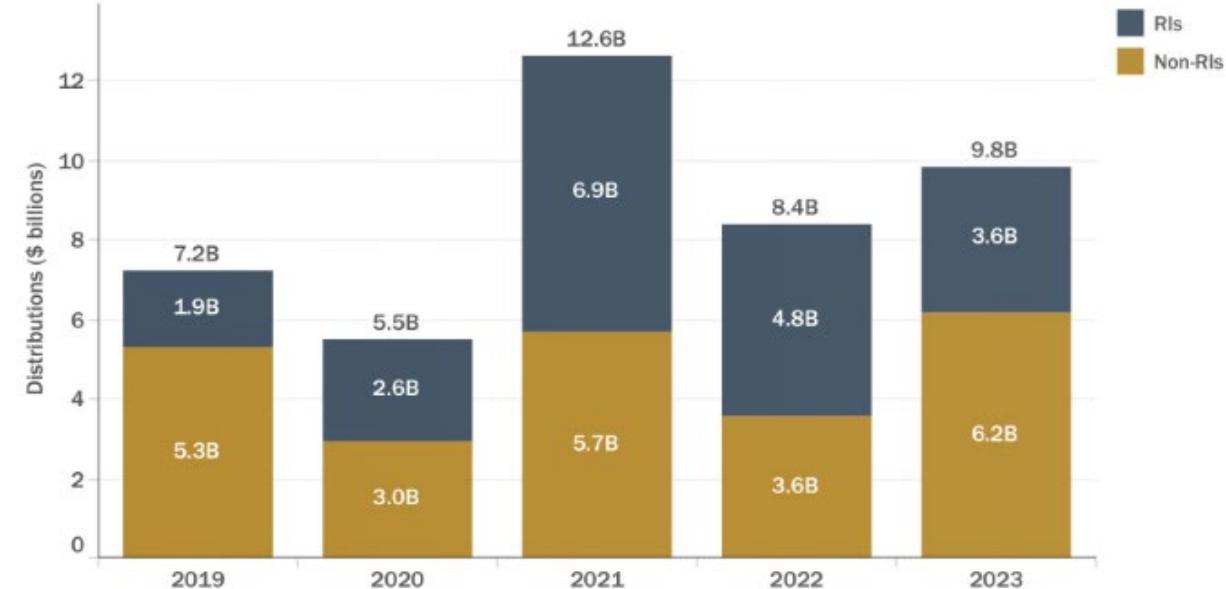
- ✓ Investors must have timely, accurate information on which to base their investment decisions.
- ✓ In order to sell securities to an investor, an issuer needs to file a prospectus and get a receipt **or fit within a prospectus exemption**.
- ✓ A prospectus is a comprehensive disclosure document.
- ✓ Prospectus exemptions allow issuers to raise capital (sometimes with limitations) at much less cost.

Starting point: Need a prospectus to sell securities **or utilize a prospectus exemption**.

Why prospectus exemptions?

- Preparation of a prospectus is expensive and costs may be too high relative to the amount the business needs to raise.
- Prospectus exemptions provide an alternative, balancing investor protection and economic efficiency.
- There are many prospectus exemptions available. Consider the needs of the business and the status of the investors.
- A prospectus-exempt securities offering may be called an “exempt market distribution” or a “private placement.”

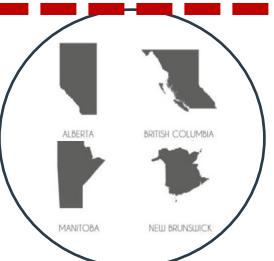
Chart 29: Total raised in the exempt market by Alberta head office issuers, by reporting type



Where are the codified prospectus exemptions?



- Most Canada-wide exemptions are located in one rule:
 - ✓ National Instrument 45-106 *Prospectus Exemptions*.
 - Some Canada-wide exemptions are located in their own rules:
 - ✓ e.g. Crowdfunding, found under National Instrument 45-110 *Start-up Crowdfunding Registration and Prospectus Exemptions*.
- Multilateral exemptions exist that cover multiple provinces and territories, but NOT all provinces and territories.
 - ✓ e.g. Proposed Multilateral Instrument 45-111 *Self-Certified Investor Prospectus Exemption*.
- There are also local Alberta-only (ASC) rules:
 - ✓ e.g. ASC Blanket Order 45-539 *Small Business Financing Exemption* (harmonized with Saskatchewan).



Meet Emily

- Emily Kapszukiewicz works providing investment advisory services re: healthcare startups.
 - ✓ Professional experience includes: strategic initiatives, financial modeling, and business transformation, including identifying over \$300 million in potential patient revenue.
- Bachelor of Arts degree in Economics and a Master of Science degree in Applied Economics.
- Net worth \$850K, annual income \$195K.
- Did not meet the net worth/income thresholds to qualify as an accredited investor in the U.S.
 - ✓ Emily was not qualified to invest in the venture capital fund which she was advising.
- She was named CEO of one of the fund's portfolio companies and then was able to invest directly in that company – but was still barred from investing in the fund.
- Now suing the SEC (*Kapszukiewicz v. SEC*, No. 4:25-cv-975) over these “arbitrary thresholds.”

Self-Certified Investor Prospectus Exemption

- For investors who do not meet the accredited investor financial/other thresholds but demonstrate other relevant knowledge/education.
- Investors must meet one of the Qualifying Criteria.
- The purchaser can be:
 - ✓ A self-certified investor
 - ✓ A permitted designate of a self-certified investor
 - ✓ An SPV (receives investments from accredited and self-certified investors and invests that money collectively as prescribed by the exemption)

Proposed Multilateral Instrument 45-111 Self-Certified Investor Prospectus Exemption

- Harmonized with Alberta, Ontario, Saskatchewan, Nova Scotia, New Brunswick, Newfoundland & Labrador, Northwest Territories, Nunavut, Manitoba, Prince Edward Island, and Yukon.
 - ✓ This means that security purchasers using this exemption could come from any of these provinces.
 - ✓ Would replace ASC Blanket Order 45-538, FCAA General Order 45-538, MSC Blanket Order 45-505 & OSC Interim Class Orders 45-510 and 45-507.
 - ✓ ASC Blanket Order 45-538 still available to use for now.
- There are financial limits of \$50,000 per calendar year (across multiple businesses/investments).
 - ✓ Exception: special purpose vehicle (SPV) as defined in 45-111.
- There is no specified offering document.
- Confirmation of Qualifying Criteria (45-111F1) and Acknowledgement of Risks (45-111F2) will be required.
- MI 45-111 opened for comment on September 25, 2025. This comment period closes on January 5, 2026.

Who is a self-certified investor?

- Check the Qualifying Criteria located in Form 1 (45-111F1).
- There are four key qualifying categories:
 1. Qualifying employment
 2. Qualifying degree
 3. Qualifying designation
 4. Qualifying examination
- The investor must initial next to each applicable qualification criteria.

FORM 45-111F1
CONFIRMATION OF QUALIFYING CRITERIA
(Confidential Purchaser Information)

The information in this schedule will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

Instruction: All capitalized terms used in this confirmation of qualifying criteria but not defined in it have the meaning ascribed to them in National Instrument 45-106 Prospectus Exemptions.

I [insert name of purchaser] am a self-certified investor under Multilateral Instrument 45-111 *Self-Certified Investor Prospectus Exemption*.

I certify that I meet at least one of the qualifying criteria as identified below.

Qualifying employment

- Has qualifying employment experience including:
 - i. Management, engineering, product development, or other relevant operational experience at a business that operates in the **same industry or sector** as the issuer for a minimum of **five years**.
 - ii. In the past five years, been an **employee** of a business that operates a **venture capital fund or a private equity fund**, or a person or company that regularly invests in or provides financing to small or medium sized issuers, and has, in that role participated in the investment decisions of the person or company for at least **one year**.
 - iii. In the past five years, been the **founder** of a business or the director of an early-stage business that had in its most recently completed financial year **annual revenues of at least \$500,000**.

Qualifying degree

- Holds a qualifying degree including:
 - i. A **law degree**, has practiced law in a jurisdiction of Canada for at least **two years** and whose legal practice provides advice in respect of financings involving distributions of securities, or mergers and acquisition transactions.
 - ii. An accredited Master of Business Administration (MBA), Doctor of Business Administration, PhD or master's degree, where the degree specializes in finance or economics, from a university.
 - iii. An accredited **undergraduate degree in finance, business, or commerce** from a university, with a minimum of **three years of relevant employment** experience.
 - iv. An accredited degree from a university with a focus or **specialization that directly relates to the industry or sector** that the issuer operates in, with a **minimum of three years of relevant employment** experience.

Qualifying designation

- Holds a qualifying designation including a:
 - i. Chartered Financial Analyst (CFA) designation.
 - ii. Chartered Investment Manager (CIM) designation.
 - iii. Chartered Business Valuator (CBV) designation.
 - iv. Chartered Professional Accountant (CPA) designation.
 - v. Certified International Wealth Manager (CIWM) designation.
 - vi. Certified Financial Planner (CFP) designation.
 - vii. Financial planner or financial advisor credential, in good standing, from a credentialling body approved by the Financial Services Regulatory Authority of Ontario or from a comparable credentialing body in other participating jurisdictions that permits the individual to use the financial planner or financial advisor title.

Qualifying examination

- Has passed one of the following:
 - i. The Canadian Securities Course Exam administered by the Canadian Securities Institute; or
 - ii. The Exempt Market Products Exam administered by the IFSE Institute Canada; or
 - iii. Both the Series 7 Exam administered by the Financial Industry Regulatory Authority in the United States of America and the New Entrants Course Exam administered by the Canadian Securities Institute.

Join Slido to test your knowledge!

Will this individual qualify as a self-certified investor?

Scenario 1: Natalie

- Has graduated with a Doctor of Dental Surgery degree from the University of Toronto.
- Has lived and worked as a dentist in Brandon, Manitoba since 2020.
- Wants to invest \$45,000 into a dental clinic located in Saskatoon, Saskatchewan.



Yes, Natalie has qualifying employment!

She is investing in an industry she has direct experience in with a minimum of three years of relevant employment experience.

Will this individual qualify as a self-certified investor?

Scenario 2: Anna

- Anna is in the process of completing a Juris Doctor degree from the University of Calgary.
- She entered law school directly after finishing her Bachelor of Commerce from UBC.
- She has lots of work experience! She has worked at many startups over the past four summers.
- She lives and works in Calgary.
- This summer, she interned through Platform Calgary at a legal tech company that uses AI to help lawyers. She wishes to invest about \$10,000 in this start-up.



No, Anna does not qualify!

She does not qualify as a lawyer, as she has not received the degree or worked as a lawyer for two years. While Anna meets a degree requirement with a B.Comm., she does not have enough relevant work experience.

Will this individual qualify as a self-certified investor?

Scenario 3: Krista

- Krista graduated with a Bachelor's of Business Administration from the University of Alberta in 2023.
- After 2.5 years of working for an accounting firm, she just became a Chartered Professional Accountant (CPA) this year!
- She lives and works in Medicine Hat, Alberta.
- She attended a start-up pitch event last week and met the founders of a company looking for investors for their new lightweight wheelchair design.
- The company is based in Lethbridge, Alberta.
- She thinks this is a much-needed innovation and wants to invest \$50,000.



Yes, Krista qualifies! She has a Qualifying designation (CPA).

Will this individual qualify as a self-certified investor?

Scenario 4: George

- George graduated with a Doctor of Medicine degree from Dalhousie University in 2019.
- He has lived and worked as a family doctor in Whitehorse, Yukon since 2019 and has just paid off his student debt (yay).
- He has \$15,000 saved up for a potential investment.
- His best friend's cousin is looking to innovate the dairy industry, and is starting a non-GMO dairy farm operation in rural Ontario.
- He has seen the impact of healthy organic food on his patients.



No, George does not qualify!

He does not hold a qualifying degree or relevant industry experience. Yes, you can be very educated and experienced, but still not have the RELEVANT education or experience.

Responsibility for compliance

- Obligation (and risk) is on the issuer (*seller*) to make sure the exemption is available.
- To rely on 45-111, the issuer/selling security holder must:
 - Ensure that the purchaser represents that the aggregate cost of all securities acquired in a calendar year under 45-111 does not exceed \$50,000.
 - Obtain completed 45-111F1 (Confirmation of Qualifying Criteria) and 45-111F2 (Acknowledgment of Risks) from the purchaser.
 - Provided that the issuer or selling securityholder does not know and would not reasonably be expected to know that the statements made by the purchaser are false or misleading, no further verification is required.
- Still not sure if the exemption should be used?
 - Consult Companion Policy 45-111 Self-Certified Investor Prospectus Exemption.
 - Call the Private Markets & Innovation team.
 - Consult a securities lawyer.



Other jurisdictions

- Must comply with law in each jurisdiction where securities are being distributed.
 - ✓ Alberta-based companies are subject to Alberta securities law *plus* securities law of where purchasers are located.
 - ✓ Consider location of issuer and location of investor.
 - ✓ MI 45-111 is not a national instrument. All investors and companies using MI 45-111 would need to be from a participating jurisdiction.



Thank You!

For more questions, call the ASC and ask for a lawyer on the Private Markets & Innovation team or email me at:

tonya.fleming@asc.ca

CPD learning code

Investor

Questions?

Contact us



Jennifer Pearson
Vernon Cooney
Chelsey Holzwarth
Oliver Luetjen
Anthony Potter
Nicole Law
Tonya Fleming

Jennifer Pearson	Jennifer.Pearson@asc.ca	403.355.4247
Vernon Cooney	Vernon.Cooney@asc.ca	403.355.4165
Chelsey Holzwarth	Chelsey.Holzwarth@asc.ca	403.297.4879
Oliver Luetjen	Oliver.Luetjen@asc.ca	403.297.2210
Anthony Potter	Anthony.Potter@asc.ca	403.437.7964
Nicole Law	Nicole.Law@asc.ca	403.355.4865
Tonya Fleming	Tonya.Fleming@asc.ca	403.650.3353

Resources available



www.asc.ca/news-and-publications/weekly-updates-web-page



[@ASCUpdates](https://www.linkedin.com/company/alberta-securities-commission)
[@AlbertaSecuritiesCommission - LinkedIn](https://www.linkedin.com/company/alberta-securities-commission)



<https://www.asc.ca/-/media/ASC-Documents-part-1/Publications/2023/Reports/2025-Corporate-Finance-Disclosure-Report>

<https://www.asc.ca/en/issuer-regulation/issuer-and-insider-toolkit>

Thank you