

TSX VENTURE EXCHANGE

NOTICE OF HOUSEKEEPING RULE AMENDMENTS

HOUSEKEEPING AMENDMENTS TO THE TSX VENTURE EXCHANGE RULE BOOK

Introduction

TSX Venture Exchange Inc. (“TSXV”) has adopted, and the Alberta Securities Commission and British Columbia Securities Commission have approved, amendments (the “Amendments”) to the TSX Venture Exchange Rule Book (the “TSXV Rulebook”). The Amendments are non-public interest amendments and are not to be considered a significant regulatory instrument.

Reasons for the Amendments

The Amendments are being made to (i) permit trades in a Special Trading Session (as defined in the TSXV Rulebook) where the Last Sale Price (as defined in the TSXV Rulebook) is not a valid price increment (the “Special Trading Amendment”), and (ii) delete the requirement to obtain TSXV approval in respect of ownership of a significant equity interest of a TSXV member (the “Notice Amendment”).

Summary of the Amendments

Special Trading Amendment

Currently, any orders where the Last Sale Price is outside of a permitted price increment cannot be entered into the Special Trading Session. The Special Trading Amendment will allow for otherwise invalid orders by allowing orders to be entered at the Last Sale Price rounded up to the nearest price increment, and would enable market participants to continue executing transactions in the Special Trading Session.

Notice Amendment

Currently, TSXV members are required to obtain TSXV approval prior to an acquisition of 10% or more interest in the TSXV member (the “significant interest transaction”). The proposed Notice Amendment is being introduced to reflect the fact that TSXV members are already required to obtain approval from The Investment Industry Regulatory Organization of Canada, and obtain non-disapproval from the applicable provincial securities commissions before completing a significant interest transaction. The Notice Amendment will change the approval requirement to a notification, which will streamline the process for TSXV members without introducing any risk to the operations of TSXV.

Text of the Amendments

The Amendments are set out as blacklined text at Appendix A.

Timing

The Amendments will become effective July 13, 2020.

APPENDIX A

C.2.54 – Special Trading Session

[...]

(2) Except as otherwise provided, all transactions in the Special Trading Session shall be at the Last Sale Price for each security. In the case where the Last Sale Price for a security is outside of an applicable price increment set out in Rule C.2.07, the price for all transactions in the Special Trading Session in respect of such security shall be the Last Sale Price rounded up to the nearest permitted price increment pursuant to Rule C.2.07.

[...]

Amended April 2, ~~2012 and~~ 2012, November 20, 2015 ~~and [e],~~ 2020

[...]

MONITORING AND APPROVAL OF OWNERSHIP OF MEMBERS

D.1.22 – Shareholdings or Partnership Interest of 10 Percent or More

(1) Subject to clause (3) below, no member, without prior notice to the Exchange ~~approval~~, shall permit an investor, alone or together with associates and affiliates, to own a significant equity interest.

(2) For the purposes of this section and Rule D.1.23, a significant equity interest is defined as the holding of:

(a) voting securities carrying 10 percent or more of the votes carried by all voting securities of the member or holding company of a member, or

(b) 10 percent or more of the outstanding participating securities of the member or holding company of a member, or

(c) an interest of 10 percent or more of the total equity in the member.

(3) The legal representatives of a deceased person who had ~~been approved by~~ provided notice to the Exchange as the owner of a significant equity interest may continue as such registered holder or to have such interest for such period as the Exchange may permit.

(4) Every registered holder of a significant equity interest and every other person having any interest therein (except by way of security only):

(a) shall not be a corporation, except with ~~the approval of~~ prior notice to the Exchange,

(b) shall, in the case where the interest is in a member that is a corporation or its holding company, comply with Rule D.1.14 except to the extent otherwise approved by the Exchange and, in the case where the interest is in a member that is a partnership, comply with Rule D.1.15 except to the extent otherwise approved by the Exchange, and

(c) shall have successfully completed such course or courses of studies as may from time to time be required by the Exchange.

(5) Any notification required under this Rule D.1.22 shall be in such form and contain such information as the Exchange may require from time to time.

Amended [●], 2020