



OSC SME Institute

Venture Issuer Regulation

Amendments to NI 51-102, NI 41-101 and NI 52-110

July 9, 2015

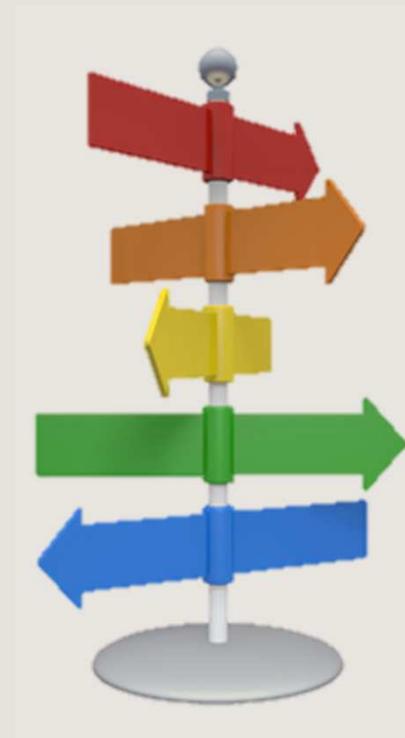
Corporate Finance Branch

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Purpose

- To understand the new disclosure rules for venture issuers
 - Why are the rules changing?
 - What is changing?
 - When?
- Expectations for MD&A Disclosure



Why are the rules changing?

- Targeted changes
- Recognize stage of development
- Reduce burden



What is changing?

- MD&A quarterly highlights
- Business acquisition reporting
- Executive compensation disclosure
- Prospectus disclosure
- Audit committee requirements



MD&A Quarterly Highlights

- Tailored and focused
- Discusses material information
- Only for interim periods
- Optional



Business Acquisition Reporting

- Significance threshold moving from 40% to 100%
- Requirement for pro forma financial statements removed
- Consistent approach among filing types



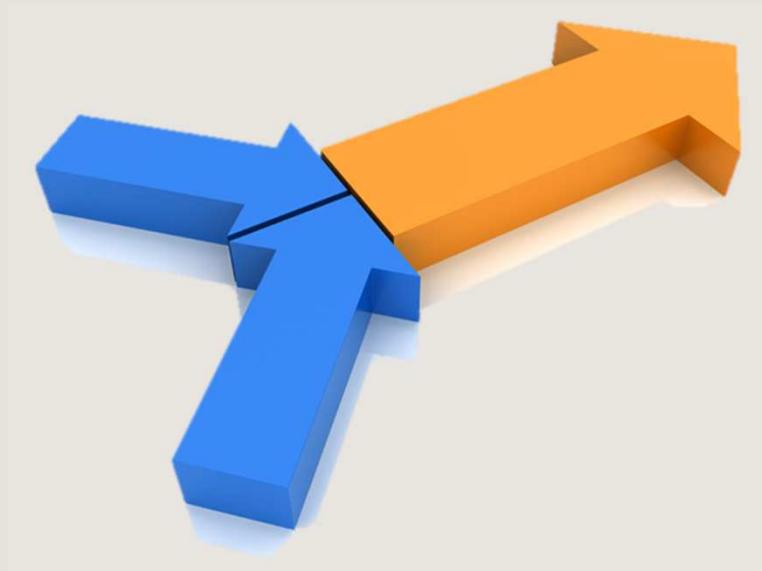
Executive Compensation

- New optional venture issuer form (Form 51-102F6V)
- Disclosure for three NEOs instead of five
- Information covers only two years
- No grant date fair value



Prospectus Changes

- Reduce annual F/S history from three to two years
- Harmonize:
 - MD&A
 - BAR
 - Executive compensation



Audit Committee Changes

- Enhanced Governance Requirements
- Alignment with existing TSXV requirements



Other Changes

- Filing deadlines for executive compensation disclosure
 - Venture: 180 days
 - Non-venture: 140 days
- AIF
 - Conform mining disclosure in AIF to disclosure in NI 43-101



Transitional Timing

- Effective June 30th, 2015:
 - Business acquisition reporting
 - Executive compensation disclosure
 - Most prospectus changes
- Effective dependent on F/Y end:
 - Quarterly highlights
 - F/Y beginning on or after July 1, 2015
 - Audit committee
 - F/Y beginning on or after January 1, 2016
 - Executive compensation filing deadline
 - F/Y beginning on or after July 1, 2015



Expectations for Quarterly Highlights

Where to start?

- Remember the goal of MD&A

Keys to success

- Focus only on material information
- Balanced and accurate
- Narrative



Expectations for Quarterly Highlights

How will success be measured?

- Will investors understand the business?
- Operating milestones
- Liquidity and capital resources



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