

The Ontario Securities Commission

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The Ontario Securities Commission administers the *Securities Act* of Ontario (R.S.O. 1990, c. S.5) and the *Commodity Futures Act* of Ontario (R.S.O. 1990, c. C.20)

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Chapter 1

Notices

1.1 Notices

1.1.1 Notice of Ministerial Approval – Memorandum of Understanding for Information Sharing Between the Ontario Securities Commission and the Financial Transactions and Reports Analysis Centre of Canada

**NOTICE OF MINISTERIAL APPROVAL OF MEMORANDUM OF UNDERSTANDING
FOR INFORMATION SHARING BETWEEN
THE ONTARIO SECURITIES COMMISSION
AND
THE FINANCIAL TRANSACTIONS AND REPORTS ANALYSIS CENTRE OF CANADA**

On January 25, 2021, the Minister of Finance approved, pursuant to section 143.10 of the *Securities Act* (Ontario), a Memorandum of Understanding between the Ontario Securities Commission and the Financial Transactions and Reports Analysis Centre of Canada (the “MOU”).

The MOU provides a framework for information-sharing in order to assist the OSC to meet its mandate and to co-operatively rationalize the compliance burden placed on OSC registrants.

The MOU came into effect on January 25, 2021. The MOU was published in the Bulletin on December 3, 2020 at (2020), 43 OSCB 9037.

Questions may be referred to:

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1.1.2 Notice of Correction – Joseph Debus

File No. 2019-16

NOTICE OF CORRECTION

**IN THE MATTER OF
JOSEPH DEBUS**

(2020), 43 OSCB 4479. Please be advised that the following error has been corrected in the Reasons and Decision in the above matter:

- in paragraph 15 c., the words “personal and health-related issues” is replaced with “personal health-related issues”.

The corrected Reasons and Decision is republished in full in Chapter 3 of this issue.

1.2 Notices of Hearing

1.2.1 Threegold Resources Inc. et al. – ss. 127, 127.1

FILE NO.: 2019-42

IN THE MATTER OF
THREEGOLD RESOURCES INC.,
VICTOR GONCALVES and
JON SNELSON

NOTICE OF HEARING
s. 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5

PROCEEDING TYPE: Enforcement Proceeding

HEARING DATE AND TIME: February 25, 2021 at 10:00 a.m.

LOCATION: By teleconference

PURPOSE

The purpose of this proceeding is to consider whether it is in the public interest for the Commission to make the order(s) requested in the Statement of Allegations filed by Staff of the Commission on January 29, 2021.

The hearing set for the date and time indicated above is the first attendance in this proceeding, as described in subsection 5(1) of the Commission's *Practice Guideline*.

REPRESENTATION

Any party to the proceeding may be represented by a representative at the hearing.

FAILURE TO ATTEND

IF A PARTY DOES NOT ATTEND, THE HEARING MAY PROCEED IN THE PARTY'S ABSENCE AND THE PARTY WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THE PROCEEDING.

FRENCH HEARING

This Notice of Hearing is also available in French on request of a party. Participation may be in either French or English. Participants must notify the Secretary's Office in writing as soon as possible if the participant is requesting a proceeding be conducted wholly or partly in French.

AVIS EN FRANÇAIS

L'avis d'audience est disponible en français sur demande d'une partie, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit dès que possible si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 5th day of February, 2021

"Grace Knakowski"
Secretary to the Commission

For more information

Please visit www.osc.gov.on.ca or contact the Registrar at registrar@osc.gov.on.ca.

1.3 Notices of Hearing with Related Statements of Allegations

1.3.1 Threegold Resources Inc. et al. – ss. 127, 127.1

FILE NO.: 2019-42

IN THE MATTER OF
THREEGOLD RESOURCES INC.,
VICTOR GONCALVES and
JON SNELSON

NOTICE OF HEARING

Section 127 and Section 127.1 of the *Securities Act*, RSO 1990, c S.5

PROCEEDING TYPE: Public Settlement Hearing

HEARING DATE AND TIME: In writing

PURPOSE

The purpose of this hearing is to consider whether it is in the public interest for the Commission to approve the Settlement Agreement dated January 25, 2021, between Staff of the Commission and Victor Goncalves and Jon Snelson in respect of the Statement of Allegations filed by Staff of the Commission dated January 29, 2021.

REPRESENTATION

Any party to the proceeding may be represented by a representative at the hearing.

FAILURE TO PARTICIPATE

IF A PARTY DOES NOT PARTICIPATE, THE HEARING MAY PROCEED IN THE PARTY'S ABSENCE AND THE PARTY WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THE PROCEEDING.

FRENCH HEARING

This Notice of Hearing is also available in French on request of a party. Participation may be in either French or English. Participants must notify the Secretary's Office in writing as soon as possible if the participant is requesting a proceeding be conducted wholly or partly in French.

AVIS EN FRANÇAIS

L'avis d'audience est disponible en français sur demande d'une partie, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit dès que possible si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 4th day of February, 2021

"Grace Knakowski"
Secretary to the Commission

For more information

Please visit www.osc.gov.on.ca or contact the Registrar at registrar@osc.gov.on.ca.

**IN THE MATTER OF
THREEGOLD RESOURCES INC.,
VICTOR GONCALVES AND
JON SNELSON**

STATEMENT OF ALLEGATIONS

(Subsection 127(1) and Section 127.1 of the *Securities Act*, RSO 1990, c S.5)

A. OVERVIEW

1. For there to be fairness and confidence in Ontario's capital markets, it is critical that reporting issuers respect orders issued by the Ontario Securities Commission (the "**Commission**") regarding access to Ontario's capital markets. Investor protection also requires that distributions of securities be qualified by a prospectus, and that those engaged in the business of trading in securities be regulated through registration with the Commission.
2. Between July and November of 2015 (the "**Material Time**"), while the securities of Threegold Resources Inc. ("**Threegold**") were under a cease trade order issued by a Director of the Commission, Threegold, Victor Goncalves ("**Goncalves**") and Jon Snelson ("**Snelson**") (collectively, the "**Respondents**"), engaged in the sale and/or distribution of \$310,000 of Threegold convertible debentures (the "**Threegold Debentures**") to 19 Ontario investors.
3. The majority of the investors were clients of Snelson from his mutual fund business. Most of the investors did not qualify as accredited investors. The Respondents were not registered to trade or advise in the sale of these securities and no exemptions were available.
4. Investors have not received any payments of interest or principal in respect of the Threegold Debentures.
5. By their conduct, the Respondents compromised the integrity and reputation of Ontario's capital markets.

B. FACTS

Staff of the Enforcement Branch of the Commission ("**Enforcement Staff**") make the following allegations of fact:

The Respondents

6. Threegold is a Quebec company. During the Material Time, its registered office was in Val-D'Or, Quebec. Threegold's financial statements indicate that it is a junior mining exploration and development company focussing on gold and precious metals. Threegold is a reporting issuer in all provinces and territories of Canada. As of October 2, 2014, Threegold's listing on the TSX Venture Exchange was transferred to the NEX Exchange. Threegold's securities have since been delisted. Threegold has never been registered with the Commission in any capacity.
7. Goncalves is a resident of Abbotsford, British Columbia. He was the President, Chief Executive Officer ("**CEO**") and a director of Threegold from September 30, 2010 until his resignation on May 17, 2016. Goncalves has never been registered with the Commission or any other securities regulator in any capacity.
8. Snelson is a resident of Oakville, Ontario. Snelson became a director and the Treasurer of Threegold on October 1, 2014. Snelson was appointed as the Chief Financial Officer ("**CFO**") of Threegold on November 27, 2015 and also as the CEO on May 17, 2016. Snelson resigned as the CEO, CFO and director on June 30, 2018. Snelson is 74 years old and is not currently employed.
9. Snelson worked as a mutual fund salesperson for over 20 years until he resigned from employment at his sponsoring firm's request in January of 2016. At times during this period, he was registered in Ontario as a salesperson under the categories of mutual fund dealer and limited market dealer.¹ During the Material Time, Snelson did not have the registration required to engage in the business of trading the Threegold Debentures.
10. On October 18, 2018, the Mutual Fund Dealers Association of Canada ("**MFDA**") approved a settlement agreement between Snelson and the MFDA (the "**MFDA Agreement**") in connection with Snelson's breach of MFDA rules arising from the sale of Threegold Debentures to the 19 investors. In the MFDA Agreement, Snelson agreed that:
 - a. he engaged in an unapproved outside business activity by serving as a director of Threegold;
 - b. by selling Threegold Debentures to the 19 investors he engaged in securities related business that was not carried on for the account of his MFDA member employer or conducted through its facilities; and

¹ On September 28, 2009 when National Instrument 31-103 came into force, Snelson's registration categories were changed to dealing representative under the categories of mutual fund dealer and exempt market dealer.

- c. he failed to provide accurate information to his MFDA member employer regarding his involvement with Threegold.

For these breaches, the MFDA ordered Snelson to pay a \$20,000 fine and \$5,000 in costs and imposed a four-year ban on conducting any securities related business while in the employ of or associated with any MFDA member.

Cease Trade Order

11. On May 20, 2014, as a result of Threegold's failure to make required continuous disclosure filings, a Director of the Commission issued an order requiring that all trading in the securities of Threegold, whether direct or indirect, cease until the order is revoked by the Director (the "CTO"). The CTO remains in effect.
12. Threegold is also presently the subject of cease trade orders issued by the Autorité des marchés financiers, the British Columbia Securities Commission, the Manitoba Securities Commission and the Alberta Securities Commission. All these cease trade orders resulted from Threegold's failure to make required continuous disclosure filings.

Unregistered Trading

13. During the Material Time, the Respondents engaged in the sale and/or distribution of \$310,000 of Threegold Debentures to 19 Ontario residents (the "**Debenture Holders**"). Fifteen of the Debenture Holders were mutual fund clients of Snelson at the time of the sales.
14. The terms of the Threegold Debentures were set out in a "Loan Agreement" and accompanying use of proceeds document (collectively, the "**Debenture Documents**"). Pursuant to the Debenture Documents, the Threegold Debentures: (a) included a share conversion feature; (b) provided for the repayment of principal by the maturity date of November 16, 2015 (unless an earlier event of default occurred); (c) provided for the payment of interest at the rate of 5% for the period of the loan; and (d) were guaranteed against Threegold's accounts receivable of \$225,000 due on or before the end of the calendar year 2015.
15. Goncalves prepared the Debenture Documents, which he forwarded to Snelson. Snelson introduced investors to the Threegold Debentures and signed the Debenture Documents on behalf of Threegold.
16. The Threegold Debentures are securities as defined in subsection 1(1) of the *Securities Act*, RSO 1990, c S.5 (the "**Act**").
17. None of the Respondents was registered with the Commission to trade in the Threegold Debentures during the Material Time. No exemptions from the registration requirement were available to the Respondents under Ontario securities law.
18. By engaging in the conduct described above, the Respondents engaged in, or held themselves out as engaging in, the business of trading in securities without the necessary registration or an applicable exemption from the registration requirement, contrary to subsection 25(1) of the Act and in a manner contrary to the public interest.

Distribution Without Prospectus

19. The sales of the Threegold Debentures were trades in securities not previously issued and were, therefore, distributions.
20. No preliminary prospectus or prospectus was filed for the distribution of the Threegold Debentures. Threegold has never filed reports of exempt distributions with the Commission.
21. The majority of the Debenture Holders were not "accredited investors" and there were no other applicable exemptions from the prospectus requirements in respect of any of the Debenture Holders.
22. By engaging in the conduct described above, the Respondents engaged in a distribution of securities without filing a preliminary prospectus or prospectus or an applicable exemption from the prospectus requirement, contrary to section 53 of the Act and in a manner contrary to the public interest.

Breach of the Cease Trade Order

23. During the Material Time, the CTO prohibited any trading in the securities of Threegold. By engaging in the conduct described above, the Respondents breached the terms of the CTO and thereby contravened Ontario securities law and acted contrary to the public interest.

Authorizing, Permitting and Acquiescing in Breaches of Ontario Securities Law

24. Goncalves and Snelson, as officers and directors of Threegold during the Material Time, authorized, permitted or acquiesced in the conduct of Threegold which constituted the breaches of Ontario securities laws described above.

25. As a result, Goncalves and Snelson are deemed to have not complied with Ontario securities law pursuant to section 129.2 of the Act.

C. NON-COMPLIANCE WITH ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

26. Enforcement Staff allege the following breaches of Ontario securities law and conduct contrary to the public interest:

- (a) The Respondents engaged in, or held themselves out as engaging in, the business of trading in securities without the necessary registration or an applicable exemption from the registration requirement, contrary to subsection 25(1) of the Act;
- (b) The Respondents engaged in a distribution of securities without filing a preliminary prospectus or prospectus or an applicable exemption from the prospectus requirement, contrary to section 53 of the Act;
- (c) The Respondents engaged in a trade of securities of Threegold and, as a result, breached the terms of the CTO, thereby contravening Ontario securities law;
- (d) Goncalves and Snelson authorized, permitted or acquiesced in Threegold's non-compliance with Ontario securities law, contrary to section 129.2 of the Act; and
- (e) The Respondents' conduct was contrary to the public interest.

D. ORDER SOUGHT

27. Enforcement Staff request that the Commission make the following orders:

- (a) that trading in the securities of Threegold cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the Act;
- (b) that trading in any securities or derivatives by the Respondents cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the Act;
- (c) that the acquisition of any securities by the Respondents is prohibited permanently or for such period as is specified by the Commission, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
- (d) that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of subsection 127(1) of the Act;
- (e) that the Respondents be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
- (f) that the individual Respondents resign any position that they hold as a director or officer of an issuer or a registrant, pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act;
- (g) that the individual Respondents be prohibited from becoming or acting as a director or officer of any issuer or a registrant permanently or for such period as is specified by the Commission, pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act;
- (h) that the individual Respondents be prohibited from becoming or acting as a registrant or as a promoter permanently or for such period as is specified by the Commission, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
- (i) that the Respondents each pay an administrative penalty of not more than \$1 million for each failure by the Respondents to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;
- (j) that the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;
- (k) that the Respondents pay the costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and
- (l) such other orders as the Commission considers appropriate in the public interest.

28. Enforcement Staff reserve the right to amend these allegations and to make further and other allegations as Enforcement Staff may advise and the Commission may permit.

DATED this 29th day of January, 2021

Alexandra Matushenko
Litigation Counsel
Enforcement Branch

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1.4 Notices from the Office of the Secretary

**1.4.1 VRK Forex & Investments Inc. and
Radhakrishna Namburi**

**FOR IMMEDIATE RELEASE
February 4, 2021**

**VRK FOREX & INVESTMENTS INC. AND
RADHAKRISHNA NAMBURI,
File No. 2019-40**

TORONTO – Take notice that the hearing in the above named matter scheduled to be heard on February 8, 2021 will not proceed as scheduled.

OFFICE OF THE SECRETARY
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SECRETARY TO THE COMMISSION

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1.4.2 Threegold Resources Inc. et al.

**FOR IMMEDIATE RELEASE
February 4, 2021**

**THREEGOLD RESOURCES INC.,
VICTOR GONCALVES and
JON SNELSON,
File No. 2019-42**

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a Settlement Agreement entered into by Staff of the Commission and Victor Goncalves and Jon Snelson in the above named matter.

A copy of the Notice of Hearing dated February 4, 2021 and Statement of Allegations dated January 29, 2021 are available at www.osc.gov.on.ca.

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1.4.3 Threegold Resources Inc. et al.

FOR IMMEDIATE RELEASE
February 5, 2021

**THREEGOLD RESOURCES INC.,
VICTOR GONCALVES and
JON SNELSON,
File No. 2019-42**

TORONTO – The Office of the Secretary issued a Notice of Hearing on February 5, 2021 setting the matter down to be heard on February 25, 2021 at 10:00 a.m. as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated February 5, 2021 are available at www.osc.gov.on.ca.

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1.4.4 Threegold Resources Inc. et al.

FOR IMMEDIATE RELEASE
February 8, 2021

**THREEGOLD RESOURCES INC.,
VICTOR GONCALVES and
JON SNELSON,
File No. 2019-42**

TORONTO – Following a written hearing, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Victor Goncalves and Jon Snelson.

A copy of the Order dated February 8, 2021, Settlement Agreement dated January 25, 2021, and Reasons and Decision for Approval of a Settlement dated February 8, 2021 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Tobias Lütke

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from the prospectus requirement for trades by a control person of an issuer under automatic securities disposition plans – Applicant intends to annually establish an automatic securities disposition plan (ASDP) in accordance with the guidance provided under OSC Staff Notice 55-701 Automatic Securities Disposition Plans and Automatic Securities Purchase Plan or any successor notice relating to ASDPs in effective at the time of establishing an ASDP and make orderly sales of securities of the issuer under the ASDP – Trades by the applicant as a control person under the ASDP deemed to be a distribution attracting the prospectus requirement – Applicant cannot rely on the prospectus exemption for a trade by a control person in s.2.8 of NI 45-102 because the seven-day waiting period requirement in paragraph 2.8(3)(b) and the 30-day expiry provision in paragraph 2.8(4)(a) of NI 45-102 would prevent continued or successive dispositions under the ASDP by requiring the applicant to refile a Form 45-102F1 every 30 days and wait at least seven days before making the first trade after each filing of a Form 45-102F1 – Compliance with all conditions of s.2.8 of NI 45-102 would impede applicant’s ability to establish, and effect orderly trades under, an ASDP – Relief granted from the prospectus requirement for trades effected by the control person under the ASDP subject to conditions consistent with the policy rationale underlying section 2.8 of NI 45-102 – Relief granted to maintain confidentiality of application and decision for a period of up to 60 days – Relief expires on January 1, 2022.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53(1), 74(1) and 147.
National Instrument 45-102 Resale of Securities, s. 2.8.

December 1, 2020

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
TOBIAS LÜTKE
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the “**Application**”) from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the “**Legislation**”) granting an exemption from the prospectus requirement under the Legislation in connection with the sale of Class A Shares (as defined below) of Shopify Inc. (the **Issuer**) by the Filer under a Filer ASDP (as defined below) (the **Exemption Sought**).

Furthermore, the principal regulator in the Jurisdiction has also received a request from the Filer for a decision that the Application and this decision be kept confidential and not be made public until the earlier of (i) the public disclosure by the Filer of the establishment of a new Filer ASDP, and (ii) 60 days from the date of this decision (the “**Confidentiality Relief**”).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Northwest Territories, Yukon and Nunavut (together with the Jurisdiction, the “**Jurisdictions**”).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Issuer is a corporation incorporated under the *Canada Business Corporations Act*.
2. The Issuer’s authorized share capital consists of: (i) an unlimited number of Class A subordinate voting shares (the “**Class A Shares**”), (ii) an unlimited number of Class B multiple voting shares (the “**Class B Shares**”, and together with the Class A Shares, the “**Shares**”), and (iii) an unlimited number of preferred shares, issuable in series (the “**Preferred Shares**”).
3. Holders of Class A Shares have one vote for every Class A Share. Holders of Class B Shares have ten votes for every Class B Share. The Class B Shares are convertible into Class A Shares on a one-for-one basis at any time at the option of the holders thereof and automatically in certain other circumstances.
4. As of September 30, 2020, 110,044,179 Class A Shares, 11,868,020 Class B Shares and no Preferred Shares were issued and outstanding. The Class A Shares represented 48.11% of the aggregate voting rights attached to all of the Issuer’s outstanding Shares and the Class B Shares represented 51.89% of the aggregate voting rights attached to all of the Issuer’s outstanding Shares.
5. The Class A Shares are listed on the New York Stock Exchange and on the Toronto Stock Exchange under the symbol “SHOP”.
6. The Issuer issued US\$920,000,000 aggregate principal amount of 0.125% senior convertible notes (the “**Senior Notes**”) in each of the provinces and territories in Canada, other than Quebec, by way of prospectus supplement dated September 15, 2020 to the Issuer’s short form base shelf prospectus dated August 6, 2020. The Senior Notes are convertible into Class A Shares, at an initial conversion rate of 0.6944 Class A Shares per \$1,000 aggregate principal amount of Senior Notes and mature on November 1, 2025 unless redeemed, repurchased, or converted prior to maturity.
7. The Issuer is a reporting issuer in each of the Jurisdictions and is not in default of the securities legislation in any Jurisdiction.
8. The Filer is the Chief Executive Officer and Chair of the Board of the Issuer.
9. On August 26, 2015, the Filer established an automatic securities disposition plan (the “**Filer’s Original ASDP**”) which terminated on December 31, 2016.
10. Pursuant to a decision of the OSC dated November 15, 2016 (the “**Original Exemption for Tobias Lütke**”), the Filer was granted exemptive relief to establish new automatic securities disposition plans, annually, in order to continue to allow the Filer to make orderly sales of Class A Shares from the Filer’s holdings over time (each, a “**Annual Filer ASDP**”) following termination of the Filer’s Original ASDP on December 31, 2016, and subsequently once each Annual Filer ASDP terminated, on December 31 of each year. The Original Exemption for Tobias Lütke expired on January 1, 2020.
11. Pursuant to a decision of the OSC dated December 6, 2019 (the “**2019 Exemption for Tobias Lütke**”), the Filer was granted exemptive relief to establish an Annual Filer ASDP following termination of the Filer’s Original ASDP on December 31, 2016. The 2019 Exemption for Tobias Lütke expires on December 31, 2020.
12. The Filer intends to continue to annually establish automatic securities disposition plans (“**ASDPs**”) in order to be able to continue to make orderly sales of Class A Shares from the Filer’s holdings from time-to-time (each a “**Filer ASDP**”), once the Filer’s current ASDP terminates on December 31, 2020, and subsequently once each Filer ASDP is terminated, as is currently intended, on December 31 of each year.

13. As of September 30, 2020, the Filer directly or indirectly owned, in aggregate, 80,103 Class A Shares (the “**Filer Class A Shares**”) and 7,648,504 Class B Shares (the “**Filer Class B Shares**”). The Filer Class A Shares represent approximately 0.07% of the outstanding Class A Shares, the Filer Class B Shares represent approximately 64.45% of the outstanding Class B Shares, and together, the Filer Class A Shares and Filer Class B Shares represent, in the aggregate, approximately 33.47% of the votes attaching to all of the Issuer’s outstanding Shares. In addition, the Filer has been granted 10,916 restricted stock units (“**RSUs**”), that entitle the Filer to 10,916 Class A Shares upon vesting, subject to the conditions thereof.
14. The Filer may currently be deemed to be a control person of the Issuer under the Legislation and the securities legislation of the other Jurisdictions in which the Issuer is a reporting issuer.
15. A Filer ASDP will be established in accordance with the law and guidance in effect at the relevant time that the Filer enters into any Filer ASDP, specifically,
 - (a) the requirements of the applicable securities legislation of the Jurisdictions including the insider trading legislation, and
 - (b) the guidance and (other) best practices set out in the securities regulatory staff guidance; specifically, OSC Staff Notice 55-701 *Automatic Securities Disposition Plans and Automatic Securities Purchase Plans* (“**Staff Notice 55-701**”), or any successor notice relating to ASDPs, including that:
 - i. a Filer ASDP will include written trading parameters and other instructions in the form of a written plan document;
 - ii. a Filer ASDP will include meaningful restrictions on the ability of the Filer to vary, suspend, or terminate such Filer ASDP;
 - iii. a Filer ASDP will include provisions restricting a broker from consulting with the Filer regarding any sales under the Filer ASDP and the Filer from disclosing information to the broker concerning the Issuer that might influence the execution of the Filer ASDP;
 - iv. at the time the Filer enters into a Filer ASDP, the Filer will not possess any knowledge of a material fact or material change with respect to the Issuer that has not been generally disclosed (“**Material Undisclosed Information**”); and
 - v. a Filer ASDP will be entered into in good faith.
16. It is anticipated that pursuant to the terms of a Filer ASDP, among other things:
 - i. all sales of Class A Shares will be conducted by a broker on behalf of the Filer;
 - ii. all sales of Class A Shares will be conducted over a period (the “**Sales Period**”) that is specified in the corresponding Form 45-102F1 *Notice of Intention to Distribute Securities under Section 2.8 of NI 45-102 Resale of Securities* (a “**Form 45-102F1**”) filed when the Filer ASDP is entered into; and
 - iii. all sales of Class A Shares will be made by a broker with no participation by or direction or advice from the Filer.
17. It is the intention of the Filer and the Issuer that all sales under any Filer ASDP be exempt from the insider trading restriction and related liability under the Legislation in reliance on the available exemption in the Legislation and corresponding law and regulation in the Jurisdictions for trades conducted under automatic plans.
18. Under the Filer ASDP intended to be effective January 1, 2021, it is currently the intention of the Filer to sell up to approximately 371,346 Class A Shares, which may include Class A Shares currently, directly or indirectly, held by Filer, Class A Shares issued to the Filer upon conversion of Class B Shares, Class A Shares issued to the Filer upon the vesting of RSUs of the Issuer, and/or Class A Shares owned by holding entities or charitable foundations over which the Filer may be considered to have, or share in the exercise of, control or direction.
19. If the Filer is deemed to be a control person of the Issuer, any sale of the Filer Class A Shares would be considered a “control distribution” (as such term is defined in NI 45-102 *Resale of Securities* (**NI 45-102**)), and would either have to comply with the prospectus requirement or satisfy the conditions of the exemption from the prospectus requirement for trades by a control person in section 2.8 of NI 45-102 (the **Prospectus Exemption for Control Trades**).
20. The Filer’s compliance with each of the conditions of the Prospectus Exemption for Control Trades would impede the implementation and operation of a Filer ASDP because the seven-day waiting period requirement in paragraph 2.8(3)(b) and the 30-day expiry provision in paragraph 2.8(4)(a) of NI 45-102 would prevent continued or successive dispositions

under the Filer ASDP by requiring that the Filer refile a Form 45-102F1 respecting the proposed sales of Class A Shares every 30 days over the course of the duration of a Filer ASDP and that the Filer wait at least seven days before making the first trade after each filing of a Form 45-102F1. Compliance with these requirements would effectively limit the Filer's trades under a Filer ASDP to successive 23-day windows, separated by seven-day waiting periods, which would reduce the number of trading days and have a detrimental impact on the Filer's ability to implement a Filer ASDP.

21. In absence of the Filer's compliance with each of the conditions of the Prospectus Exemption for Control Trades, the Filer requests the Exemption Sought in order to relieve the Filer from the prospectus requirement in connection with each disposition of Filer Class A Shares under a Filer ASDP and enable the establishment of a Filer ASDP in accordance with Staff Notice 55-701, or any successor notice relating to ASDPs applicable at the time of entering into any Filer ASDP, while still providing timely and meaningful public disclosure of the intended and completed sales by the Filer of Class A Shares consistent with the policy rationale underlying section 2.8 of NI 45-102.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

- (a) each Filer ASDP includes meaningful restrictions on the ability of the Filer to vary, suspend, or terminate the Filer ASDP;
- (b) all sales of Class A Shares under a Filer ASDP are conducted by a broker with no participation by or direction or advice from the Filer;
- (c) at the time the Filer enters into a Filer ASDP, the Filer does not possess any Material Undisclosed Information;
- (d) the total number of the Class A Shares sold under a Filer ASDP in any calendar year does not exceed 2% of the total number of outstanding Class A Shares as of the commencement of the Filer ASDP under which Class A Shares are first sold during the calendar year;
- (e) the Filer files or causes to be filed one completed and signed notice (a "**Notice**") in the form of Form 45-102F1 at least seven days prior to the first trade of Class A Shares under any Filer ASDP that discloses the aggregate number of Class A Shares intended to be sold under the Filer ASDP, and the Sales Period for the sale of Class A Shares under the Filer ASDP;
- (f) the Filer files, or causes to be filed, insider reports within three days of the completion of each sale under a Filer ASDP in accordance with the insider reporting obligation applicable to trades by a control person in paragraph 2.8(3)(c) of NI 45-102;
- (g) the Sales Period under any Filer ASDP does not exceed one calendar year;
- (h) the Notice for a Filer ASDP is signed no earlier than one business day before it is filed;
- (i) the Notice filed in connection with trades under any Filer ASDP expires on the earlier of:
 - i. the end of the applicable Sales Period; and
 - ii. the date that the Filer files the last of the insider reports reflecting the sale of all Class A Shares referred to in the Notice;
- (j) the Filer does not conduct further sales of Class A Shares under a Filer ASDP following the expiry of the Notice for that Filer ASDP;
- (k) the Filer does not conduct sales of Class A Shares under a Filer ASDP prior to the expiry of the Notice for any previously commenced Filer ASDP;
- (l) the Issuer is and has been a reporting issuer in the jurisdiction of Canada for the four months immediately preceding each trade under any Filer ASDP;
- (m) the Filer has held any Class A Shares, or securities that were converted into such Class A Shares, sold under a Filer ASDP for at least four months prior to the trade of such Class A Shares;
- (n) no unusual effort is made to prepare the market or to create a demand for the Class A Shares;

Decisions, Orders and Rulings

- (o) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and
- (p) the Filer has no reasonable grounds to believe that the Issuer is in default of securities legislation; and
- (q) the Exemption Sought shall terminate on January 1, 2022.

Furthermore, the decision of the principal regulator in the Jurisdiction is that the Confidentiality Relief is granted.

“Garnet Fenn”
Commissioner
Ontario Securities Commission

“Cathy Singer”
Commissioner
Ontario Securities Commission

2.1.2 Franklin Templeton Investments Corp. and Franklin Global Aggregate Bond Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to fund for extension of the lapse date of prospectus – Filer to incorporate offering of the funds under the same offering documents when they are renewed – Extension of lapse date will not affect the currency or accuracy of the information contained in the prospectuses.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S. 5, as am., ss. 62(5).

February 3, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
FRANKLIN TEMPLETON INVESTMENTS CORP.
(the Filer)

AND

IN THE MATTER OF
FRANKLIN GLOBAL AGGREGATE BOND FUND
(the Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Fund for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the time limits for the renewal of the simplified prospectus of the Fund dated April 27, 2020 (the **Current Prospectus**) be extended to the time limits that would apply if the lapse date of the Current Prospectus was June 26, 2021 (the **Requested Relief**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, the **Canadian Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 – *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation governed by the laws of Ontario with its head office in Toronto, Ontario.
2. The Filer is registered as: (i) an investment fund manager in Ontario, Quebec, Alberta, British Columbia, Manitoba, Nova Scotia and Newfoundland and Labrador; (ii) as a mutual fund dealer, portfolio manager and exempt market dealer in each province of Canada and the Yukon territory, and (iii) as a commodity trading manager in Ontario.

3. The Filer is the trustee and investment fund manager of the Fund and the trustee and investment fund manager of 43 other mutual funds as listed in Schedule A (the **Franklin Templeton Funds**).
4. Neither the Filer nor the Fund are in default of securities legislation in any of the Canadian Jurisdictions.
5. The Fund is an open-ended mutual fund trust established under the laws of Ontario. The Fund is a reporting issuer in each of the Canadian Jurisdictions.
6. Securities of the Fund are currently qualified for distribution in each of the Canadian Jurisdictions under the Current Prospectus.
7. The lapse date for the Current Prospectus is April 27, 2021 (the **Current Lapse Date**). Accordingly, under the Legislation, the distribution of securities of the Fund would have to cease on its applicable Current Lapse Date unless: (i) the Fund files a *pro forma* simplified prospectus at least 30 days prior to its Current Lapse Date; (ii) the final simplified prospectus is filed no later than 10 days after its Current Lapse Date; and (iii) a receipt for the final simplified prospectus is obtained within 20 days after its Current Lapse Date.
8. The Filer wishes to combine the Current Prospectus with the Franklin Templeton Funds' simplified prospectus dated June 26, 2020 (the **Main Prospectus**), to reduce renewal, printing, and related costs. Offering the Fund under the same renewal simplified prospectus and annual information form of the Franklin Templeton Funds (the **Consolidated Prospectus Documents**) would facilitate the distribution of the Fund in the Canadian Jurisdictions under the same prospectus and will ensure that the Filer can make the operational and administrative features of the Fund consistent with all the other Franklin Templeton Funds, if necessary.
9. The Filer wishes to extend the lapse date of the Current Prospectus to move the renewal timeframe to a more administratively beneficial date. The Filer believes that June 26, 2021 is an administratively beneficial lapse date, as it allows the Filer to create a more optimal and consistent workload for its personnel in respect of the work required to prepare and file the prospectus (and related documents) and the continuous disclosure materials of the Fund.
10. Establishing a uniform disclosure timeline for the Fund will enable the Filer to streamline operations and disclosure across the Filer's fund platform. The Fund and the Franklin Templeton Funds share many common operational and administrative features and combining them in the same simplified prospectuses will allow investors to compare the features of the funds more easily.
11. Given that the Current Lapse Date is at the end of April 2021, an extension of the Current Lapse Date to June 26, 2021 is minimal and is not disadvantageous to the Fund's investors.
12. If the Requested Relief is not granted, it will be necessary to renew the Fund's prospectus documents twice within a short period of time to consolidate the prospectus documents and establish a uniform filing timeline for the Fund, and it would be unreasonable for the Filer to incur the costs and expenses associated therewith, given investors would not be prejudiced by the Requested Relief.
13. There have been no material changes in the affairs of the Fund since the date of the Current Prospectus. Accordingly, the Current Prospectus and current fund facts document(s) for the Fund, continue to provide accurate information regarding the Fund.
14. Given the disclosure obligations of the Filer and the Fund, should any material change in the business, operations or affairs of the Fund occur, the Current Prospectus and current fund facts document(s) of the Fund will be amended as required under the Legislation.
15. New investors of the Fund will receive delivery of the most recently filed fund facts document(s) of the Fund. The Current Prospectus will remain available to investors upon request.
16. The Requested Relief will not affect the accuracy of the information contained in the Current Prospectus or the respective fund facts document(s) of the Fund and will therefore not be prejudicial to the public interest.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Requested Relief is granted.

"Darren McKall"

Manager, Investment Funds and Structured Products Branch

Schedule A

Franklin ActiveQuant Canadian Fund
Franklin ActiveQuant U.S. Fund
Franklin Bissett Canada Plus Equity Fund
Franklin Bissett Canadian Balanced Fund
Franklin Bissett Canadian Bond Fund
Franklin Bissett Canadian Dividend Fund
Franklin Bissett Canadian Equity Fund
Franklin Bissett Canadian Government Bond Fund
Franklin Bissett Core Plus Bond Fund
Franklin Bissett Corporate Bond Fund
Franklin Bissett Dividend Income Fund
Franklin Bissett Money Market Fund
Franklin Bissett Monthly Income and Growth Fund
Franklin Bissett Short Duration Bond Fund
Franklin Bissett Small Cap Fund
Franklin Canadian Core Equity Fund
Franklin Conservative Income ETF Portfolio
Franklin Core ETF Portfolio
Franklin Emerging Markets Core Equity Fund
Franklin Global Growth Fund
Franklin Growth ETF Portfolio
Franklin High Income Fund
Franklin International Core Equity Fund
Franklin Mutual Global Discovery Fund
Franklin Quotential Balanced Growth Portfolio
Franklin Quotential Balanced Income Portfolio
Franklin Quotential Diversified Equity Portfolio
Franklin Quotential Diversified Income Portfolio
Franklin Quotential Growth Portfolio
Franklin Strategic Income Fund
Franklin U.S. Core Equity Fund
Franklin U.S. Monthly Income Fund
Franklin U.S. Opportunities Fund
Franklin U.S. Rising Dividends Fund
FT Balanced Growth Private Wealth Pool
FT Balanced Income Private Wealth Pool
FT Growth Private Wealth Pool
Templeton Emerging Markets Fund
Templeton Global Balanced Fund
Templeton Global Bond Fund
Templeton Global Bond Fund (Hedged)
Templeton Global Smaller Companies Fund
Templeton International Stock Fund

2.1.3 Ninepoint Partners LP and Ninepoint Concentrated Canadian Equity Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – approval of investment fund merger – approval required because the merger does not meet all the pre-approval criteria in National Instrument 81-102 Investment Funds – merger is not a “qualifying exchange” – continuing fund and terminating fund do not have substantially similar investment objectives and fee structures – securityholders of the terminating fund provided timely and adequate disclosure regarding the merger.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(b), 5.6(1), 5.7(1)(b).

February 3, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
NINEPOINT PARTNERS LP
(the Filer)

AND

NINEPOINT CONCENTRATED CANADIAN EQUITY FUND
(the Terminating Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Terminating Fund for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for approval of the proposed merger (the **Merger**) of the Terminating Fund into Ninepoint Convertible Securities Fund (the **Continuing Fund**, and together with the Terminating Fund, the **Funds**) under paragraph 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) (the **Approval Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, the **Canadian Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a limited partnership under the laws of the Province of Ontario with its head office located in Toronto, Ontario.

2. The Filer is registered under the securities legislation: (i) in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador as an adviser in the category of portfolio manager; (ii) in Ontario, Newfoundland and Labrador and Quebec as an investment fund manager; and (iii) in British Columbia, Alberta, Quebec, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador as a dealer in the category of exempt market dealer. The Filer is also registered in Ontario as a commodity trading manager.
3. The Filer is the investment fund manager of the Funds.
4. The Filer is not in default of any requirement of securities legislation in any of the Canadian Jurisdictions.

The Funds

5. The Funds are open-ended mutual fund trusts established under the laws of Ontario.
6. Units of the Terminating Fund are currently qualified for sale under an amended and restated simplified prospectus, annual information form and fund facts dated October 28, 2020, and units of the Continuing Fund are currently qualified for sale under a simplified prospectus, annual information form and fund facts dated January 20, 2021 (the **Continuing Fund Offering Documents**).
7. Each Fund is a reporting issuer under the applicable securities legislation of the Canadian Jurisdictions.
8. The Funds are not in default of any requirement of securities legislation in any of the Canadian Jurisdictions.
9. Other than circumstances in which the securities regulatory authority of a province or territory of Canada has expressly exempted a Fund therefrom, each Fund follows the standard investment restrictions and practices established under NI 81-102.
10. The net asset value for each series of the Funds is calculated on a daily basis in accordance with the Funds' valuation policy and as described in the offering documents of each Fund.
11. The Continuing Fund has the same risk rating as the Terminating Fund.

Reason for Approval Sought

12. The Approval Sought is required because the Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102. The pre-approval criteria are not satisfied in the following ways:
 - (a) the fundamental investment objectives of the Continuing Fund are not, or may be considered not to be, "substantially similar" to the investment objectives of the Terminating Fund;
 - (b) the fee structure of the Continuing Fund is not, or may be considered not to be "substantially similar" to the fee structure of the Terminating Fund; and
 - (c) the Merger will not be completed as a "qualifying exchange" under the *Income Tax Act* (Canada) (the **Tax Act**).
13. The investment objectives of the Terminating Fund and the Continuing Fund are as follows:

Terminating Fund	Continuing Fund
The investment objective of Ninepoint Concentrated Canadian Equity Fund is to seek to provide unitholders with long-term capital appreciation by investing primarily in a concentrated portfolio of Canadian equity securities.	The investment objective of Ninepoint Convertible Securities Fund is to seek to provide unitholders with income and long-term capital appreciation by investing primarily in a portfolio of convertible securities.

14. As a result of the Merger, Series F unitholders of the Terminating Fund will receive units of the Continuing Fund with a management fee that is 0.5% higher than the management fee charged in respect of their units of the Terminating Fund, and all unitholders of the Terminating Fund will receive units of the Continuing Fund that pays an incentive fee.
15. The Merger will be effected on a taxable basis. The Filer has determined that only 1% of unitholders of the Terminating Fund are expected to be in an unrealized gain position at the time of the Merger.
16. Except as described in this decision, the proposed Merger complies with all of the other criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102.

The Proposed Merger

17. The Filer intends to reorganize by merging the Terminating Fund into the Continuing Fund such that unitholders of the Terminating Fund will become unitholders of the Continuing Fund.
18. Unitholders of the Terminating Fund will continue to have the right to redeem units of the Terminating Fund at any time up to the close of business on the business day immediately before the effective date of the Merger.
19. No sales charges will be payable by unitholders of the Terminating Fund in connection with the Merger.
20. Units of the Funds are, and are expected to continue to be at all material times, “qualified investments” under the Tax Act for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax free savings accounts.
21. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, an Independent Review Committee (the **IRC**) has been appointed for the Funds. The Filer presented the potential conflict of interest matters related to the proposed Merger to the IRC for a decision. The IRC reviewed the potential conflict of interest matters related to the proposed Merger and on January 13, 2021, provided its positive recommendation for the Merger, after determining that the proposed Merger, if implemented, would achieve a fair and reasonable result for each Fund.
22. In accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*, a press release announcing the proposed Merger was issued and filed by the Terminating Fund via SEDAR on January 20, 2021. A material change report with respect to the proposed Merger was filed via SEDAR on January 20, 2021.
23. The Merger is being treated as a material change for the Continuing Fund for securities regulatory purposes because it is anticipated that at the time of the Merger, the Terminating Fund will be larger in size than the Continuing Fund. Disclosure of the Merger was included in the Continuing Fund Offering Documents.
24. A notice of meeting, a management information circular, a proxy and fund facts documents for the Continuing Fund in connection with special meetings of unitholders are expected to be mailed to unitholders of the Terminating Fund on or about February 16, 2021 and concurrently filed via SEDAR.
25. Unitholders of the Terminating Fund will be asked to approve the Merger at a special meeting to be held on or about March 12, 2021. Unitholders of the Terminating Fund holding Series F units will be asked to approve the Merger separately as a series at the special meeting because following the Merger such holders will receive units of the Continuing Fund that have a higher management fee.
26. The Filer will pay for the costs of the Merger. These costs consist mainly of brokerage charges associated with the merger-related trades that occur both before and after the effective date of the Merger, and legal, proxy solicitation, printing, mailing and regulatory fees.
27. If all required approvals for the Merger are obtained, it is intended that the Merger will occur on or about the close of business on March 19, 2021 (the **Effective Date**). The Filer therefore anticipates that each unitholder of the Terminating Fund will become a unitholder of the Continuing Fund after the close of business on the Effective Date. The Continuing Fund will continue as a publicly offered open-end mutual fund.
28. The Terminating Fund will be wound up as soon as reasonably possible following the Merger, and in any event within 60 days.
29. The tax implications of the Merger, the differences between the investment objectives and the fee structures of the Funds, and the IRC’s recommendation of the Merger are described in the management information circular so that the unitholders of the Terminating Fund can consider this information before voting on the Merger. The meeting materials also describe the various ways in which investors can obtain a copy of the simplified prospectus, annual information form and fund facts for the Continuing Fund.
30. In light of the disclosure in the management information circular, unitholders of the Terminating Fund have all the information necessary to determine whether the proposed Merger is appropriate for them.

Merger Steps

31. The proposed merger of the Terminating Fund into the Continuing Fund will be structured as follows:
 - (a) Prior to effecting the Merger, the Terminating Fund will liquidate the securities in its portfolio. As a result, the portfolio of the Terminating Fund will temporarily hold cash or money market instruments and will not be fully invested in accordance with its investment objectives for a brief period of time prior to the Merger being effected.

- (b) The Terminating Fund will use the cash it holds in its portfolio to subscribe for units of the Continuing Fund and the units of the Continuing Fund will be issued at the applicable series net asset value per unit as of the close of business on the business day prior to the Effective Date of the Merger.
- (c) The Continuing Fund will not assume any liabilities of the Terminating Fund and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the Effective Date of the Merger.
- (d) The Terminating Fund will distribute a sufficient amount of its net income and net realized capital gains, if any, to unitholders to ensure that it will not be subject to tax for its current tax year.
- (e) Immediately thereafter, units of the Continuing Fund received by the Terminating Fund will be distributed to unitholders of the Terminating Fund in exchange for their units in the Terminating Fund on a dollar-for-dollar basis, as applicable. In exchange for their current units, unitholders of each series of the Terminating Fund will receive units of the equivalent series of the Continuing Fund.
- (f) As soon as reasonably possible following the Merger, and in any case within 60 days following the Effective Date of the Merger, the Terminating Fund will be wound up.

Benefits of the Merger

32. The Filer believes that the Merger is beneficial to unitholders of each Fund for the following reasons:
- (a) the Merger will result in a more streamlined and simplified product line-up that is easier for investors to understand;
 - (b) the Merger will eliminate the administrative and regulatory costs of operating each Terminating Fund and Continuing Fund as separate funds;
 - (c) following the Merger, the Continuing Fund will have a portfolio of greater value, which may allow for increased portfolio diversification opportunities if desired;
 - (d) the Continuing Fund, as a result of its greater size, may benefit from its larger profile in the marketplace; and
 - (e) the Merger provides unitholders of the Terminating Fund with options to (a) switch to another investment, (b) redeem their investment, and (c) maintain an investment with the Filer in the Continuing Fund without having to initiate a switch with the advisor, which provides the unitholders of the Terminating Fund with flexibility, convenience and potential cost savings.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Approval Sought is granted with respect to the Merger, provided that the Filer obtains the prior approval of the unitholders of the Terminating Fund for the Merger at a special meeting held for that purpose.

“Darren McKall”
Manager, Investment Funds and Structured Products
Ontario Securities Commission

2.1.4 ENMAX Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Filer granted exemption from the prospectus requirement in connection with trades of commercial paper/short term debt instruments that do not meet the rating threshold condition requirement of the short-term debt exemption in section 2.35 of National Instrument 45-106 Prospectus and Registration Exemptions – Relief granted subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.A., 2000, c. S-4, s. 144.

Citation: *Re ENMAX Corporation*, 2021 ABASC 12

February 2, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
ENMAX CORPORATION
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**), in respect of certain negotiable promissory notes or commercial paper maturing not more than one year from the date of issue (**Notes**), that distributions of Notes issued by the Filer and offered for sale in Canada are exempt from the prospectus requirement under the Legislation (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the Alberta Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in respect of the Exemption Sought in each of British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; and
- (c) this decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* or MI 11-102 have the same meaning if used in this decision, unless otherwise defined herein.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation governed by the *Business Corporations Act* (Alberta) with its head and registered office located in Calgary, Alberta.

Decisions, Orders and Rulings

2. The Filer is not a reporting issuer in any jurisdiction, and is not in default of any requirement of the securities legislation in any jurisdiction.
3. All of the shares of the Filer are owned by the City of Calgary.
4. The Filer has implemented a commercial paper program that involves the sale, from time to time, of Notes issued by the Filer to purchasers located in Canada.
5. The offering and sale of Notes issued by the Filer are subject to the prospectus requirement under the Legislation.
6. Sections 2.35(1)(b) and (c) of National Instrument 45-106 *Prospectus Exemptions (NI 45-106)* provides that an exemption from the prospectus requirement of the Legislation for short-term debt (the **CP Exemption**) is only available where such short-term debt: (a) "has a credit rating from a designated rating organization ... that is at or above" certain prescribed short-term ratings, and (b) "has no credit rating from a designated rating organization ... that is below" certain prescribed short-term ratings.
7. Prior to March 25, 2020 the Notes had a designated rating of "R-1 (low)" from DBRS Limited (**DBRS**), which satisfied the rating categories prescribed in the CP Exemption under sections 2.35(1)(b) and (c) of NI 45-106.
8. Accordingly, prior to March 25, 2020, the Notes were offered and sold in Canada pursuant to, and in accordance with, the CP Exemption.
9. On March 25, 2020, DBRS issued a news release indicating, among other things, that it had downgraded the Notes by one ratings notch to "R-2 (high)" (the **Downgrade**) with a stable trend, which is a lower rating than that required by the CP Exemption. The Downgrade was in response to the Filer's increased debt from the Filer borrowing to finance its acquisition of Versant Power (formerly Emera Maine), a regulated electricity transmission and distribution company, in March 2020.
10. As a result of the Downgrade, the Filer is no longer able to rely on the CP Exemption for the distribution of Notes, and the Filer ceased distributions of Notes following the Downgrade.
11. All Notes will have a maturity not exceeding 365 days from the date of issuance, and will be sold in denominations of not less than \$250,000.
12. The Notes will be offered and sold in Canada only:
 - (a) through investment dealers registered, or exempt from the requirement to register, under applicable securities legislation in Canada (**Canadian Dealers**); and
 - (b) to persons or companies (**Canadian Qualified Purchasers**) that are "accredited investors" as defined in NI 45-106, other than those that are any of the following:
 - (i) an individual referred to in any of paragraphs (j), (j.1), (k) and (l) of that definition;
 - (ii) a person or company referred to in paragraph (t) of that definition in respect of which any owner of an interest, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, is an individual referred to in any of paragraphs (j), (j.1), (k) and (l); and
 - (iii) a trust referred to in paragraph (w) of that definition.
13. The Filer will require each Canadian Dealer to apply procedures to ensure that sales of Notes by such Canadian Dealer, as well as any subsequent resales of previously issued Notes by such Canadian Dealer, are made only to Canadian Qualified Purchasers in accordance with paragraph 12 of this decision.

Decision

Each of the Decision Makers is satisfied that the decision concerning the Exemption Sought meets the test set out in the Legislation to make the decision.

1. The decision of the Decision Makers is that the Exemption Sought is granted in respect of the distribution of Notes, provided that:
 - (a) each Note:
 - (i) is not convertible or exchangeable into, or accompanied by a right to purchase, another security other than a Note;

- (ii) is not a "securitized product", as defined in NI 45-106;
- (iii) is of a class of Notes that has a rating issued by a "designated rating organization" or a "DRO affiliate", both as defined in NI 45-106, at or above one of the following rating categories:

Designated Rating Organization	Rating
DBRS Limited	R-2 (high)
Fitch Ratings, Inc.	F1
Moody's Canada Inc.	P-1
S&P Global Ratings Canada	A-1 (Low) (Canada national scale)

and has no rating below:

Designated Rating Organization	Rating
DBRS Limited	R-2 (high)
Fitch Ratings, Inc.	F1
Moody's Canada Inc.	P-1
S&P Global Ratings Canada	A-1 (Low) (Canada national scale) or A-2 (global scale)

- (b) each distribution of Notes is made:
 - (i) to a purchaser that is purchasing as a principal and is a Canadian Qualified Purchaser; and
 - (ii) through a Canadian Dealer;
- (c) each Canadian Dealer has agreed to apply the procedures referred to in paragraph 13 of this decision; and
- (d) for each jurisdiction of Canada, the Exemption Sought will terminate on December 31, 2025.

For the Commission:

"Tom Cotter"
Vice-Chair

"Kari Horn"
Vice-Chair

2.1.5 Northview Canadian High Yield Residential Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from provisions in section 8.4 of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) permitting the issuer to include alternative financial disclosure in a business acquisition report (BAR) pursuant to section 13.1 of NI 51-102 – the issuer acquired properties for which it cannot obtain certain historical financial information – the financial statements that will be included in the BAR will be adequate to allow investors to understand the impact of the acquisitions on the issuer’s financial condition and financial performance.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.4 and 13.1.

January 15, 2021

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the Decision Maker (the **Legislation**) for a decision pursuant to Section 13.1 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) that the Filer be exempt from the requirement under section 8.4 of NI 51-102 and Item 3 of Form 51-102F4 *Business Acquisition Report* to include financial statement disclosure for significant acquisitions, provided that the Filer include or incorporate by reference the Alternative Acquisition Financial Disclosures (as defined herein) of the Filer relating to the Acquisition Transaction (as defined herein) in the business acquisition report (**BAR**) (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, the Northwest Territories and Nunavut (collectively, together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The head and registered office of the Filer is located at 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario M8X 2X3.

2. The Filer is a “closed-end” unincorporated trust established under the laws of the Province of Ontario and established pursuant to a declaration of trust dated as of April 14, 2020, as amended and restated as of September 29, 2020, as may be further amended and/or amended and restated from time to time thereafter (the **Declaration of Trust**).
3. The Filer is a reporting issuer or the equivalent thereof in each Jurisdiction and is not in default of any requirement of Canadian securities legislation.
4. The Filer was established for the primary purpose of indirectly acquiring, owning and operating a geographically diversified portfolio comprising income-producing multi-residential suites, commercial real estate and executives located primarily in secondary markets within British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories and Nunavut, or such other provinces and territories as the Filer may determine from time to time (collectively, the **Acquisition Properties**).
5. The Acquisition Properties consist of (i) 363 properties which Northview Apartment Real Estate Investment Trust (**NV1**) acquired or developed on or before January 1, 2019 (the **Full Period Properties**), (ii) 2 properties (the **Recently Developed Properties**) developed by NV1 on a date subsequent to January 1, 2019 (the **Development Date**), (iii) 10 properties consisting of vacant and excess land for development (the **Excess Land**), and (iv) 3 properties (the **Recently Acquired Properties**) which NV1 acquired on June 30, 2018, July 1, 2018 and September 30, 2019, respectively (each, an **Acquisition Date**).
6. With respect to the Excess Land, no operating financial information was or is available and no financial statements were included in the Prospectus (as defined below). As these properties have not completed development, the Excess Land does not constitute a business.
7. The Filer is asset managed by Starlight Investments CDN AM Group LP, an affiliate of Starlight Group Property Holdings Inc. (the **Promoter**), which has been engaged by the Filer to, among other things, maintain ongoing relations with the Filer’s lenders, conduct continuous analysis of market conditions to monitor the Filer’s investment in properties, advise the Filer with recapitalization events or any alternative liquidity events and provide investor communication and reporting services.
8. The ownership interests in the Filer are divided into three classes of trust units (**Units**): class A trust units (**Class A Units**), class C trust units (**Class C Units**) and class F trust units.
9. The Filer is authorized to issue an unlimited number of Units of each class and, as at the closing of the IPO (as defined below), there are 34,400,000 Units outstanding. However, as a “closed-end” issuer, subsequent to its IPO, the Filer is generally prohibited from issuing any new Units to the public (other than upon conversion of outstanding Units, in accordance with the Declaration of Trust).
10. The Class A Units are listed on the Toronto Stock Exchange under the symbol “NHF.UN”.
11. On September 30, 2020, the principal regulator issued a receipt in respect of the final prospectus of the Filer (the **Prospectus**) relating to the initial public offering (the **IPO**) of the Units, qualifying for distribution up to \$430,000,000 of Units.
12. On November 2, 2020 (the **IPO Closing Date**), the Filer completed the distribution of \$430,000,000 of Units through a combination of the IPO, together with concurrent private placements of Class C Units, as well as Class C Units issued to former unitholders of NV1 pursuant to the Acquisition Transaction (as defined below).
13. On the IPO Closing Date, the Filer also completed its indirect acquisition of the Acquisition Properties from NV1 through the Filer’s acquisition of certain subsidiaries of NV1 in accordance with the steps set forth in NV1’s plan of arrangement as contemplated in the arrangement agreement dated February 19, 2020 among Galaxy Real Estate Core Fund LP, Galaxy Value Add Fund LP, D.D. Acquisitions Partnership, an affiliate of the Promoter and KingSett Real Estate Growth LP No. 7 and KingSett Canadian Real Estate Income Fund LP, as amended pursuant to amending agreements dated April 3, 2020, April 24, 2020, May 25, 2020, September 29, 2020 and October 30, 2020 (collectively, as potentially connected transactions, the **Acquisition Transaction**).
14. No exemption is required with respect to the financial information to be included in the BAR with respect to the Full Period Properties. The Exemption Sought is only required with respect to the Recently Acquired Properties.
15. The fiscal year end for each of the Acquisition Properties is December 31.
16. The Acquisition Transaction is a “significant acquisition” for purposes of NI 51-102 and the Filer must file a BAR in respect of the Acquisition Transaction on or before January 16, 2021.

17. Unless otherwise exempted pursuant to Section 13.1 of NI 51-102, the BAR must include or incorporate by reference the financial statements set out in Section 8.4 of NI 51-102 relating to the Filer and the Acquisition Properties, respectively, which are as follows:
- (a) In respect of the Filer: (i) an audited statement of changes in unitholder's equity and cash flows for the period from April 14, 2020 (date of formation) to July 31, 2020; (ii) an audited statement of financial position as at July 31, 2020; (iii) an unaudited pro forma consolidated statement of financial position of the Filer as at June 30, 2020 (giving effect to the IPO including the acquisition of the Acquisition Properties by the Filer as if such events occurred on June 30, 2020); and (iv) unaudited pro forma consolidated statements of net income (loss) and comprehensive income (loss) for the six-months ended June 30, 2020 and the year ended December 31, 2019 (in each case giving effect to the IPO including the acquisition of the Acquisitions Properties by the Filer as if such events occurred on January 1, 2019); and
 - (b) In respect of the Acquisition Properties: (i) audited combined carve-out statements of net income and comprehensive income, changes in equity and statements of cash flows for the year ended December 31, 2019 and combined carve-out statements of net income and comprehensive income, changes in equity and statements of cash flows for the year ended December 31, 2018 (which may be unaudited); (ii) audited combined carve-out statements of financial position as at December 31, 2019 and combined carve-out statements of financial position as at December 31, 2018 (which may be unaudited); (iii) unaudited condensed combined carve-out statements of net income and comprehensive income for the three and six months ended June 30, 2020, together with comparative financial information for the three and six months ended June 30, 2019; (iv) unaudited condensed combined carve-out statements of changes in equity and cash flows for the six months ended June 30, 2020, together with comparative financial information for the six months ended June 30, 2019; and (v) an unaudited condensed combined carve-out statements of financial position as at June 30, 2020 and December 31, 2019.
18. The Recently Acquired Properties were indirectly acquired by the Filer via the acquisition of certain subsidiaries of NV1 pursuant to the Acquisition Transaction. NV1 acquired the Recently Acquired Properties from arm's length third parties, which were small unsophisticated family businesses, on their respective Acquisition Date, which were subsequent to January 1, 2018.
19. NV1 had access to, and provided the Fund with, the financial information and records necessary for the Fund to prepare combined carve-out audited financial statements for the Acquisition Properties that included financial information with respect to the Recently Acquired Properties for the period from the respective Acquisition Date through June 30, 2020.
20. NV1 did and does not possess, nor had or has access to, nor is entitled to obtain access to, financial information in respect of the Recently Acquired Properties for any period prior to their respective Acquisition Date. NV1 requested historical accounting records and supporting information at the time of acquisition of the Recently Acquired Properties as part of the due diligence review; however, the information received is insufficient to form the basis of audited financial statements.
21. The Filer submits that the financial statements for the Recently Acquired Properties that are missing from the BAR are not material. The missing financial information of the Recently Acquired Properties represents an insignificant amount of the overall (a) aggregate fair market value, (b) revenue and (c) net operating income, of the Acquisition Properties. The missing financial information of the Recently Acquired Properties will not be significant or otherwise material (individually or in the aggregate) to the Filer having regard to the overall size and value of the Filer's business and operations.
22. The required financial information for each of the Recently Acquired Properties for the period from January 1, 2018 to the first availability of financial statements following its respective Acquisition Date was not available for the Prospectus.
23. The Filer shall include (or incorporate by reference) the following financial information (collectively, the **Alternative Acquisition Financial Disclosures**) in the BAR:
- (a) in respect of the Filer, the following financial statements, each prepared in accordance with International Financial Reporting Standards (**IFRS**) and each of which was included in the Prospectus:
 - (i) an audited statement of changes in unitholder's equity and cash flows for the period from April 14, 2020 (date of formation) to July 31, 2020;
 - (ii) an audited statement of financial position as at July 31, 2020;
 - (iii) an unaudited pro forma consolidated statement of financial position of the Filer as at June 30, 2020 (giving effect to the IPO including the acquisition of the Acquisition Properties by the Filer as if such events occurred on June 30, 2020);

- (iv) unaudited pro forma consolidated statements of net income (loss) and comprehensive income (loss) for the six-months ended June 30, 2020 and the year ended December 31, 2019 (in each case giving effect to the IPO including the acquisition of the Acquisitions Properties by the Filer as if such events occurred on January 1, 2019)

together with accompanying notes, prepared using the same accounting policies of the statements described above;

- (b) in respect of the Acquisition Properties, including the financial results of each of the Recently Acquired Properties for only the period from its respective Acquisition Date and of each of the Recently Developed Properties for only the period from its respective Development Date, each prepared in accordance with IFRS, the following from within the financial statements included in the Prospectus:

- (i) audited combined carve-out statements of net income and comprehensive income, changes in equity and statements of cash flows for the years ended December 31, 2019 and December 31, 2018;
- (ii) audited combined carve-out statements of financial position as at December 31, 2019 and December 31, 2018;
- (iii) unaudited condensed combined carve-out statements of net income and comprehensive income for the three and six months ended June 30, 2020, together with comparative financial information for the three and six months ended June 30, 2019;
- (iv) unaudited condensed combined carve-out statements of changes in equity and statements of cash flows for the six months ended June 30, 2020, together with comparative financial information for the six months ended June 30, 2019; and
- (v) an unaudited condensed combined carve-out statements of financial position as at June 30, 2020 and December 31, 2019;

together with accompanying notes, prepared using the same accounting policies of the statements described above; and

- (c) summary information of an independent estimate of the fair market value of the Acquisition Properties as a portfolio as at May 1, 2020, such appraisal having been filed on SEDAR.

Decision

The Decision Maker is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Maker under the Legislation is that the Exemption Sought is granted with respect to the BAR provided that the Filer includes the Alternative Acquisition Financial Disclosures in the BAR in respect of the Acquisition Transaction.

“Marie-France Bourret”
Manager, Corporate Finance
Ontario Securities Commission

2.2 Orders

2.2.1 Cequence Energy Ltd.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Application for an order than the issuer is not a reporting issuer under applicable securities laws – The issuer is not an OTC reporting issuer; the outstanding securities of the issuer are beneficially owned by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide; no securities of the issuer are traded on a marketplace in Canada or another country; the issuer is not in default of securities legislation except it has not filed certain continuous disclosure documents – relief granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss.1(10)(a)(ii).

Citation: *Re Cequence Energy Ltd.*, 2020 ABASC 174

January 4, 2021

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
CEQUENCE ENERGY LTD.
(the Filer)

ORDER

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the Alberta Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick,

Prince Edward Island, Nova Scotia, Newfoundland and Labrador, Yukon, Northwest Territories, and Nunavut; and

- (c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

This order is based on the following facts represented by the Filer:

1. The Filer is a corporation amalgamated under the *Business Corporations Act* (Alberta).
2. The Filer's head office is located in Calgary, Alberta.
3. The Filer is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories, and Nunavut (collectively, the **Reporting Jurisdictions**).
4. The Filer is applying for an order that the Filer has ceased to be a reporting issuer in the Reporting Jurisdictions.
5. On May 29, 2020, the Filer obtained an order from the Court of Queen's Bench of Alberta (the **Court**), as amended and restated by further order of the Court on June 10, 2020, granting the Filer protection under the *Companies' Creditors Arrangement Act* (Canada) (the **CCAA**) and allowing the Filer, upon further order of the Court, to file with the Court a plan of compromise or arrangement pursuant to the CCAA (collectively, the **CCAA Proceedings**).
6. Prior to the commencement of the CCAA Proceedings, the Filer's common shares (the **Common Shares**) were listed for trading on the Toronto Stock Exchange (the **TSX**). Following the commencement of the CCAA Proceedings, the TSX de-listed the Common Shares on July 8, 2020 in accordance with its standard procedures for listed issuers going through proceedings under the CCAA.
7. On August 24, 2020, the Filer filed a plan of compromise and arrangement pursuant to the CCAA (the **CCAA Plan**) with the Court and obtained an order authorizing the Filer to convene a meeting of creditors for the purposes of voting on the CCAA Plan (the **Meeting**). On the same day, the Filer issued a press release announcing the

- Meeting and summarizing the key aspects of the CCAA Plan.
8. On September 15, 2020 the Filer convened the Meeting, at which over 90% of the creditors of the Filer eligible to attend and vote at the Meeting voted to approve the CCAA Plan.
 9. On September 17, 2020, the Court granted an order sanctioning the CCAA Plan. On September 18, 2020, the Filer issued a press release announcing the approval and sanction of the CCAA Plan by the Filer's creditors and the Court, respectively, and the Filer's intention to become a privately held corporation following the implementation of the CCAA Plan.
 10. The CCAA Plan was implemented on September 28, 2020 (the **Implementation Date**) in accordance with its terms, at which time the Filer issued a press release announcing that the CCAA Plan had been implemented, that the Filer would be immediately submitting an application to cease to be a reporting issuer in the Reporting Jurisdictions, and that upon the issuance of an order to that effect, the Filer would no longer be a reporting issuer in the Reporting Jurisdictions.
 11. Among other things, the CCAA Plan provided that all of the equity securities of the Filer issued and outstanding immediately prior to the Implementation Date, including the Common Shares and all securities exercisable or convertible into, or to be satisfied through the issuance of, Common Shares, be cancelled and extinguished for no consideration, and that a new class of common shares be created and issued to new shareholders of the Filer.
 12. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide.
 13. The Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*.
 14. No securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
 15. The Filer has no current intention to seek public financing by way of an offering of its securities in Canada.
 16. The Filer is not in default of any of its obligations as a reporting issuer under the securities legislation of the Reporting Jurisdictions, except in Alberta, Saskatchewan, Ontario and New Brunswick for the failure to file (the **Defaults**) (i) interim unaudited financial statements and related management's discussion and analysis for the interim period ended June 30, 2020, as required by National Instrument 51-102 *Continuous Disclosure Obligations*, and (ii) the related certification of such interim filings, as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Second Quarter Financials**), which were required to be filed no later than September 28, 2020 in accordance with: (A) in Alberta, ASC Blanket Order 51-519 *Temporary Exemption from Certain Corporate Finance Requirements with Deadlines during the Period from June 2 to August 31, 2020*; (B) in Saskatchewan, General Order 51-503 *Temporary Exemption from Certain Corporate Finance Requirements with Deadlines during the Period from June 2 to August 31, 2020*; (C) in Ontario, Blanket Order 51-505 *Temporary Exemption from Certain Corporate Finance Requirements with Deadlines during the Period from June 2 to August 31, 2020*; and (D) in New Brunswick, Blanket Order 51-509 *Temporary Exemption from Certain Corporate Finance Requirements with Deadlines during the Period from June 2 to August 31, 2020*.
 17. Accordingly, the Second Quarter Financials were not required to be filed until the Implementation Date of the CCAA Plan, being the same date the Filer filed the application. The Filer did not file the Second Quarter Financials prior to such date because the CCAA Proceedings were commenced on May 29, 2020, and as a result the Second Quarter Financials would have had to be prepared on a liquidation basis, rather than a going concern basis, until the completion of the CCAA Proceedings. In the months leading up to the Implementation Date, the Filer was working towards exiting the CCAA Proceedings as a going concern, and therefore determined that the Second Quarter Financials, if prepared on a liquidation basis, would not have been an accurate representation of the Filer. The Filer was not able to prepare the Second Quarter Financials on a going concern basis for filing on the Implementation Date as a result of the significant work load required to complete the CCAA Proceedings and implement the CCAA Plan. In addition, on the Implementation Date the Filer became a privately held corporation with fewer than 15 securityholders.
 18. The Filer is not eligible to use the simplified procedure set out in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* because of the Defaults.
 19. The Filer, upon granting of the Order Sought, will no longer be a reporting issuer in any of the Reporting Jurisdictions.

Decision

Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

“Timothy Robson”
Manager, Legal
Corporate Finance
Alberta Securities Commission

2.2.2 Pivot Technology Solutions, Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

November 10, 2020

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS**

AND

**IN THE MATTER OF
PIVOT TECHNOLOGY SOLUTIONS, INC.
(the Filer)**

ORDER

Background

The principal regulator in the Jurisdiction (the Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdiction (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in each of British Columbia and Alberta.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

This order is based on the following facts represented by the Filer:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 security holders in total worldwide;
3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of security where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

Order

The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

“Michael Balter”
Manager, Corporate Finance
Ontario Securities Commission

2.2.3 Eastmain Resources Inc. – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering securities to the public under the Business Corporations Act (Ontario).

Applicable Legislative Provisions

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 1(6).

**IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, c. B.16, AS AMENDED
(the OBCA)**

AND

**IN THE MATTER OF
EASTMAIN RESOURCES INC.
(the Applicant)**

**ORDER
(Subsection 1(6) of the OBCA)**

UPON the application of the Applicant to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an “offering corporation” as defined in subsection 1(1) of the OBCA.
2. The Applicant has no intention to seek public financing by way of an offering of securities.
3. On December 16, 2020, the Applicant was granted an order (the Reporting Issuer Order) pursuant to subclause 1(10)(a)(ii) of the *Securities Act* (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or the equivalent in any other jurisdiction of Canada in accordance with National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*. The representations set out in the Reporting Issuer Order continue to be true other than (a) the location of the Applicant’s head office, which has been changed to #900-34 King Street East, Toronto, Ontario, M5C 2X8, and (b) the number of issued and outstanding warrants and the number of holders of such warrants, following a purchase of common shares of the Applicant by an existing warrant holder.

AND UPON the Commission being satisfied to do so would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission pursuant to subsection 1(6) of the OBCA that the Applicant is deemed to have ceased to be offering its securities to the public for the purpose of the OBCA.

DATED at Toronto on this 21st day of January 2021

“Frances Kordyback”
Commissioner
Ontario Securities Commission

“Lawrence Haber”
Commissioner
Ontario Securities Commission

2.2.4 Terrace Global Inc. – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering securities to the public under the Business Corporations Act (Ontario).

Applicable Legislative Provisions

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 1(6).

February 5, 2021

**IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, c. B.16, AS AMENDED
(the OBCA)**

AND

**IN THE MATTER OF
TERRACE GLOBAL INC.
(the Applicant)**

**ORDER
(Subsection 1(6) of the OBCA)**

UPON the application of the Applicant to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission that:

- The Applicant is an “offering corporation” as defined in the OBCA.
- The Applicant has no intention to seek public financing by way of an offering of securities.
- On January 18, 2021 the Applicant was granted an order (the **Reporting Issuer Order**) pursuant to subclause 1(10)(a)(ii) of the *Securities Act* (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or the equivalent in any other jurisdiction in Canada in accordance with the simplified procedure set out in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*. The representations set out in the Reporting Issuer Order continue to be true.

AND UPON the Commission being satisfied to do so would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission pursuant to subsection 1(6) of the OBCA that the Applicant be deemed to have ceased to be offering its securities to the public for the purpose of the OBCA.

“Mary Anne Whelan”
Commissioner
Ontario Securities Commission

“Ray Kindiak”
Commissioner
Ontario Securities Commission

2.3 Orders with Related Settlement Agreements

2.3.1 Threegold Resources Inc. et al. – ss. 127, 127.1

File No. 2019-42

IN THE MATTER OF
THREEGOLD RESOURCES INC.,
VICTOR GONCALVES AND
JON SNELSON

Timothy Moseley, Vice-Chair and Chair of the Panel
Raymond Kindiak, Commissioner
Heather Zordel, Commissioner

February 8, 2021

ORDER
(Sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5)

WHEREAS the Ontario Securities Commission held a hearing in writing, to consider the approval of a settlement agreement dated January 25, 2021 (the **Settlement Agreement**) between Staff of the Commission and the Respondents Victor Goncalves and Jon Snelson (collectively, the **Settling Respondents**);

ON READING the Statement of Allegations dated January 29, 2021, and the Settlement Agreement and on receiving the submissions of Staff and the Settling Respondents;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;
2. pursuant to paragraph 2 of subsection 127(1) of the Act:
 - (a) Goncalves is prohibited from trading in any securities or derivatives for a period of four years commencing on the date of this Order; and
 - (b) Snelson is prohibited from trading in any securities or derivatives for a period commencing on the date of this Order and ending on the date that is the later of: (A) four years from the date of this Order; and (B) the date on which the amounts owed by Snelson under paragraphs 8 and 9 below are paid in full;

except that: (A) each of the Settling Respondents shall be permitted to trade in mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, registered education savings plans, tax-free savings accounts and self-directed retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which the respective Settling Respondent has sole legal and beneficial ownership, (B) Snelson shall be permitted to sell any shares of AM Resources Corp. that he holds either solely or jointly with his spouse as of the date of this Order, and (C) Goncalves shall be permitted to sell any shares of DGTL Holdings Inc. held in escrow as of the date of this Order that are released to him after the date of this Order, provided that any such trading under (A),(B) or (C) is carried out through a registered dealer in Canada to whom the respective Settling Respondent has given a copy of this Order at the time he opens any permitted account or carries out any permitted transaction as described in this paragraph;

3. pursuant to paragraph 2.1 of subsection 127(1) of the Act:
 - (a) Goncalves is prohibited from acquiring any securities for a period of four years commencing on the date of this Order; and
 - (b) Snelson is prohibited from acquiring any securities for a period commencing on the date of this Order and ending on the date that is the later of (A) four years from the date of this Order; and (B) the date on which the amounts owed by Snelson under paragraphs 8 and 9 below are paid in full;

except that each of the Settling Respondents shall be permitted to acquire mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, registered education savings plans, tax-free savings accounts and self-directed retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which the respective Settling Respondent has sole legal and beneficial ownership, provided that such acquisition is carried out through a registered dealer in Canada to whom the respective Settling Respondent has given a copy of this Order at the time he opens or carries out transactions in these accounts;

4. pursuant to paragraph 3 of subsection 127(1) of the Act:
 - (a) any exemptions contained in Ontario securities law shall not apply to Goncalves for a period of four years commencing on the date of this Order; and
 - (b) any exemptions contained in Ontario securities law shall not apply to Snelson for a period commencing on the date of this Order and ending on the date that is the later of (A) four years from the date of this Order; and (B) the date on which the amounts owed by Snelson under paragraphs 8 and 9 below are paid in full;
5. on the date of this Order, the Settling Respondents resign any position held as a director or officer of any issuer or registrant, pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act;
6. pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act:
 - (a) Goncalves is prohibited from becoming or acting as a director or officer of any issuer or registrant for a period of four years commencing on the date of this Order; and
 - (b) Snelson is prohibited from becoming or acting as a director or officer of any issuer or registrant for a period commencing on the date of this Order and ending on the date that is the later of: (A) four years from the date of this Order; and (B) the date on which the amounts owed by Snelson under paragraphs 8 and 9 below are paid in full;
7. pursuant to paragraph 8.5 of subsection 127(1) of the Act:
 - (a) Goncalves is prohibited from becoming or acting as a registrant or promoter for a period of four years commencing on the date of this Order; and
 - (b) Snelson is prohibited from becoming or acting as a registrant or promoter for a period commencing on the date of this Order and ending on the date that is the later of: (A) four years from the date of this Order; and (B) the date on which the amounts owed by Snelson under paragraphs 8 and 9 below are paid in full;
8. each of the Settling Respondents pay to the Commission an administrative penalty in the amount of \$30,000, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;
9. each of the Settling Respondents pay to the Commission costs in the amount of \$10,000, pursuant to section 127.1 of the Act; and
10. pursuant to section 2(2) of the *Tribunal Adjudicative Records Act, 2019*, SO 2019, c 7, Sch 60 and Rule 22(4) of the Commission's *Rules of Procedure* (2019), 42 OSCB 9714, the Statement of Financial Condition referred to in paragraph 31 of the Settlement Agreement shall be kept confidential.

"Timothy Moseley"

"Raymond Kindiak"

"Heather Zordel"

**IN THE MATTER OF
THREEGOLD RESOURCES INC.,
VICTOR GONCALVES AND
JON SNELSON**

**SETTLEMENT AGREEMENT
BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
AND
THE RESPONDENTS VICTOR GONCALVES AND JON SNELSON**

PART I – INTRODUCTION

1. For there to be fairness and confidence in Ontario's capital markets, it is critical that reporting issuers respect orders issued by the Ontario Securities Commission (the "**Commission**") regarding access to Ontario's capital markets. Investor protection also requires that distributions of securities be qualified by a prospectus, and that those engaged in the business of trading in securities be regulated through registration with the Commission.
2. Between July and November of 2015 (the "**Material Time**"), while the securities of Threegold Resources Inc. ("**Threegold**") were under a cease trade order issued by a Director of the Commission, Threegold, Victor Goncalves ("**Goncalves**") and Jon Snelson ("**Snelson**") engaged in the sale and/or distribution of \$310,000 of Threegold convertible debentures (the "**Threegold Debentures**") to 19 Ontario investors.
3. The majority of the investors were clients of Snelson from his mutual fund business. Most of the investors did not qualify as accredited investors. Threegold, Goncalves and Snelson were not registered to trade or advise in the sale of these securities and no exemptions were available.
4. Investors have not received any payments of interest or principal in respect of the Threegold Debentures.
5. By their conduct, Threegold, Goncalves and Snelson compromised the integrity and reputation of Ontario's capital markets.
6. The parties will jointly file a request that the Commission issue a Notice of Hearing (the "**Notice of Hearing**") to announce that it will hold a hearing (the "**Settlement Hearing**") to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5 as amended (the "**Act**"), it is in the public interest for the Commission to make certain orders against Goncalves and Snelson (collectively, the "**Settling Respondents**").

PART II – JOINT SETTLEMENT RECOMMENDATION

7. Staff of the Commission ("**Staff**") recommend settlement of the proceeding (the "**Proceeding**") against the Settling Respondents commenced by the Notice of Hearing in accordance with the terms and conditions set out in 01 of this Settlement Agreement. The Settling Respondents consent to the making of an order (the "**Order**") substantially in the form attached as Schedule "A" to this Settlement Agreement based on the facts set out herein.
8. For the purposes of the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Settling Respondents agree with the facts set out in 0 of this Settlement Agreement and the conclusion in 0 of this Settlement Agreement.

PART III – AGREED FACTS

A. Threegold and the Settling Respondents

9. Threegold is a Quebec company. During the Material Time, its registered office was in Val-D'Or, Quebec. Threegold's financial statements indicate that it is a junior mining exploration and development company focussing on gold and precious metals. Threegold is a reporting issuer in all provinces and territories of Canada. As of October 2, 2014, Threegold's listing on the TSX Venture Exchange was transferred to the NEX Exchange. Effective April 1, 2020, Threegold was delisted. Threegold has never been registered with the Commission in any capacity.
10. Goncalves is a resident of Abbotsford, British Columbia. He was the President, Chief Executive Officer ("**CEO**") and a director of Threegold from September 30, 2010 until his resignation on May 17, 2016. Goncalves has never been registered with the Commission or any other securities regulator in any capacity.

11. Snelson is a resident of Oakville, Ontario. Snelson became a director and the Treasurer of Threegold on October 1, 2014. Snelson was appointed as the Chief Financial Officer (“**CFO**”) of Threegold on November 27, 2015 and also as the CEO on May 17, 2016. Snelson resigned as the CEO, CFO and director on June 30, 2018. Snelson is 73 years old and is not currently employed.
12. Snelson worked as a mutual fund salesperson for over 20 years until he resigned from employment at his sponsoring firm’s request in January of 2016. At times during this period, he was registered in Ontario as a salesperson under the categories of mutual fund dealer and limited market dealer.¹ During the Material Time, Snelson did not have the registration required to engage in the business of trading the Threegold Debentures.
13. On October 18, 2018, the Mutual Fund Dealers Association of Canada (“**MFDA**”) approved a settlement agreement between Snelson and the MFDA (the “**MFDA Agreement**”) in connection with Snelson’s breach of MFDA rules arising from the sale of Threegold Debentures to the 19 investors. In the MFDA Agreement, Snelson agreed that:
 - a. he engaged in an unapproved outside business activity by serving as a director of Threegold;
 - b. by selling Threegold Debentures to the 19 investors he engaged in securities related business that was not carried on for the account of his MFDA member employer or conducted through its facilities; and
 - c. he failed to provide accurate information to his MFDA member employer regarding his involvement with Threegold.

For these breaches, the MFDA ordered Snelson to pay a \$20,000 fine and \$5,000 in costs and imposed a four-year ban on conducting any securities related business while in the employ of or associated with any MFDA member.

B. Cease Trade Order

14. On May 20, 2014, as a result of Threegold’s failure to make required continuous disclosure filings, a Director of the Commission issued an order requiring that all trading in the securities of Threegold, whether direct or indirect, cease until the order is revoked by the Director (the “**CTO**”). The CTO remains in effect.
15. Threegold is also presently the subject of cease trade orders issued by the Autorité des marchés financiers, the British Columbia Securities Commission, the Manitoba Securities Commission and the Alberta Securities Commission. All these cease trade orders resulted from Threegold’s failure to make required continuous disclosure filings.

C. Unregistered Trading

16. During the Material Time, the Settling Respondents engaged in the sale and/or distribution of \$310,000 of Threegold Debentures to 19 Ontario residents (the “**Debenture Holders**”). Fifteen of the Debenture Holders were mutual fund clients of Snelson at the time of the sales.
17. The terms of the Threegold Debentures were set out in a “Loan Agreement” and accompanying use of proceeds document (collectively, the “**Debenture Documents**”). Pursuant to the Debenture Documents, the Threegold Debentures: (a) included a share conversion feature; (b) provided for the repayment of principal by the maturity date of November 16, 2015 (unless an earlier event of default occurred); (c) provided for the payment of interest at the rate of 5% for the period of the loan; and (d) were guaranteed against Threegold’s accounts receivable of \$225,000 due on or before the end of the calendar year 2015.
18. Goncalves prepared the Debenture Documents, which he forwarded to Snelson. Snelson introduced investors to the Threegold Debentures and signed the Debenture Documents on behalf of Threegold.
19. The Threegold Debentures are securities as defined in subsection 1(1) of the Act.
20. Neither of the Settling Respondents was registered with the Commission to trade in the Threegold Debentures during the Material Time. No exemptions from the registration requirement were available to the Settling Respondents under Ontario securities law.
21. By engaging in the conduct described above, the Settling Respondents engaged in, or held themselves out as engaging in, the business of trading in securities without the necessary registration, or an applicable exemption from the registration requirement, contrary to subsection 25(1) of the Act and in a manner contrary to the public interest.

¹ On September 28, 2009 when National Instrument 31-103 came into force, Snelson’s registration categories were changed to dealing representative under the categories of mutual fund dealer and exempt market dealer.

D. Distribution Without Prospectus

22. The sales of the Threegold Debentures were trades in securities not previously issued and were, therefore, distributions.
23. No preliminary prospectus or prospectus was filed for the distribution of the Threegold Debentures. Threegold has never filed reports of exempt distributions with the Commission.
24. The majority of the Debenture Holders were not “accredited investors” and there were no other applicable exemptions from the prospectus requirements in respect of any of the Debenture Holders.
25. By engaging in the conduct described above, the Settling Respondents engaged in a distribution of securities without filing a preliminary prospectus or prospectus or an applicable exemption from the prospectus requirement, contrary to section 53 of the Act and in a manner contrary to the public interest.

E. Breach of the Cease Trade Order

26. During the Material Time, the CTO prohibited any trading in the securities of Threegold. By engaging in the conduct described above, the Settling Respondents breached the terms of the CTO and thereby contravened Ontario securities law and acted contrary to the public interest.

F. Authorizing Breaches of Ontario Securities Law

27. The Settling Respondents, as officers and directors of Threegold during the Material Time, authorized the conduct of Threegold which constituted the breaches of Ontario securities laws described above.
28. As a result, the Settling Respondents are deemed to have not complied with Ontario securities law pursuant to section 129.2 of the Act.

PART IV - NON-COMPLIANCE WITH ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

29. The Settling Respondents acknowledge and admit that during the Material Time they:
 - a. engaged in, or held themselves out as engaging in, the business of trading in securities without the necessary registration or an applicable exemption from the registration requirement, contrary to subsection 25(1) of the Act;
 - b. engaged in a distribution of securities without filing a preliminary prospectus or prospectus or an applicable exemption from the prospectus requirement, contrary to section 53 of the Act;
 - c. engaged in a trade of securities of Threegold and, as a result, breached the terms of the CTO, thereby contravening Ontario securities law;
 - d. as officers and directors of Threegold, authorized the breaches of Ontario securities laws by Threegold described in subparagraphs (a) through (c) above, contrary to section 129.2 of the Act; and
 - e. through the conduct set out in subparagraphs (a) through (d) above, acted contrary to the public interest.

PART V – SETTLING RESPONDENTS’ POSITION

30. The Settling Respondents represent, and Staff do not object, that the proceeds of the sale of the Threegold Debentures were used to:
 - a. pay business expenses incurred by Threegold and reimburse the Settling Respondents for expenses they incurred on behalf of Threegold; and
 - b. compensate Goncalves in the amount of \$19,000 and compensate Snelson in an amount between \$15,000 and \$20,000 for services they provided to Threegold as employees.
31. Snelson represents that he is currently unable to pay the agreed financial sanctions and has provided Staff with a sworn Statement of Financial Condition which indicates that he is in a situation of financial hardship. This Statement of Financial Condition will be provided to the Commission in connection with the Settlement Hearing but, pursuant to section 2(2) of the *Tribunal Adjudicative Records Act, 2019*, SO 2019, c 7 and Rule 22(4) of the Commission’s *Rules of Procedure* (2019), 42 O.S.C.B. 9714, it will not be made public.

PART VI – TERMS OF SETTLEMENT

32. The Settling Respondents agree to the terms of settlement set out below and consent to an Order substantially in the form attached hereto as Schedule “A”, which provides that:

- a. this Settlement Agreement is approved;
- b. the Settling Respondents are reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
- c. pursuant to paragraph 2 of subsection 127(1) of the Act:
 - i. Goncalves is prohibited from trading in any securities or derivatives for a period of four years commencing on the date of the Order; and
 - ii. Snelson is prohibited from trading in any securities or derivatives for a period commencing on the date of the Order and ending on the date that is the later of: (A) four years from the date of the Order; and (B) the date on which the amounts owed by Snelson under subparagraphs (i) and (j) below are paid in full;

except that: (A) each of the Settling Respondents shall be permitted to trade in mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, registered education savings plans, tax-free savings accounts and self-directed retirement savings plans (as defined in the Income Tax Act (Canada)) in which the respective Settling Respondent has sole legal and beneficial ownership; (B) Snelson shall be permitted to sell any shares of AM Resources Corp. that he holds either solely or jointly with his spouse as of the date of the Order; and (C) Goncalves shall be permitted to sell any shares of DGTL Holdings Inc. held in escrow as of the date of this Order that are released to him after the date of this Order, provided that any such trading under (A),(B) or (C) is carried out through a registered dealer in Canada to whom the respective Settling Respondent has given a copy of the Order at the time he opens any permitted account or carries out any permitted transaction as described in this subparagraph;

- d. pursuant to paragraph 2.1 of subsection 127(1) of the Act:
 - i. Goncalves is prohibited from acquiring any securities for a period of four years commencing on the date of the Order; and
 - ii. Snelson is prohibited from acquiring any securities for a period commencing on the date of the Order and ending on the date that is the later of (A) four years from the date of the Order; and (B) the date on which the amounts owed by Snelson under subparagraphs (i) and (j) below are paid in full;

except that each of the Settling Respondents shall be permitted to acquire mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, registered education savings plans, tax-free savings accounts and self-directed retirement savings plans (as defined in the Income Tax Act (Canada)) in which the respective Settling Respondent has sole legal and beneficial ownership, provided that such acquisition is carried out through a registered dealer in Canada to whom the respective Settling Respondent has given a copy of the Order at the time he opens or carries out transactions in these accounts;

- e. pursuant to paragraph 3 of subsection 127(1) of the Act:
 - i. any exemptions contained in Ontario securities law shall not apply to Goncalves for a period of four years commencing on the date of the Order; and
 - ii. any exemptions contained in Ontario securities law shall not apply to Snelson for a period commencing on the date of the Order and ending on the date that is the later of (A) four years from the date of the Order; and (B) the date on which the amounts owed by Snelson under subparagraphs (i) and (j) below are paid in full;
- f. on the date of the Order, the Settling Respondents resign any position held as a director or officer of any issuer or registrant, pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act;
- g. pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act:
 - i. Goncalves is prohibited from becoming or acting as a director or officer of any issuer or registrant for a period of four years commencing on the date of the Order; and

- ii. Snelson is prohibited from becoming or acting as a director or officer of any issuer or registrant for a period commencing on the date of the Order and ending on the date that is the later of: (A) four years from the date of the Order; and (B) the date on which the amounts owed by Snelson under subparagraphs (i) and (j) below are paid in full;
 - h. pursuant to paragraph 8.5 of subsection 127(1) of the Act:
 - i. Goncalves is prohibited from becoming or acting as a registrant or promoter for a period of four years commencing on the date of the Order; and
 - ii. Snelson is prohibited from becoming or acting as a registrant or promoter for a period commencing on the date of the Order and ending on the date that is the later of: (A) four years from the date of the Order; and (B) the date on which the amounts owed by Snelson under subparagraphs (i) and (j) below are paid in full;
 - i. each of the Settling Respondents pay to the Commission an administrative penalty in the amount of \$30,000, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;
 - j. each of the Settling Respondents pay to the Commission costs in the amount of \$10,000, pursuant to section 127.1 of the Act; and
 - k. pursuant to section 2(2) of the *Tribunal Adjudicative Records Act, 2019*, SO 2019, c 7 and Rule 22(4) of the Commission's *Rules of Procedure* (2019), 42 O.S.C.B. 9714, the Statement of Financial Condition referred to in paragraph 31 of the Settlement Agreement shall be kept confidential.
33. Goncalves shall pay the amounts set out in subparagraphs 32(i) and 32(j) by wire transfer to the Commission before the commencement of the Settlement Hearing.
34. To the extent the full amount of financial sanctions for which Snelson is responsible set out in subparagraphs 32(i) and 32(j) above remains unpaid, Snelson agrees to provide Staff, on an annual basis, with an updated sworn Statement of Financial Condition by July 1 of each year setting out his financial condition as of March 31 of that year. In any event, Staff or the Commission are entitled at any time to bring any proceedings necessary to recover any amounts owing under subparagraphs 32(i) and 32(j) above.
35. The Settling Respondents will cooperate with Staff in its investigations, including testifying as witnesses for Staff in any proceedings commenced or continued by Staff relating directly or indirectly to matters set out herein or Threegold and meeting with Staff in advance of any such proceeding to prepare for that testimony.
36. The Settling Respondents consent to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in subparagraphs 32(b) through 32(h). These sanctions may be modified to reflect the provisions of the relevant provincial or territorial securities law.
37. The Settling Respondents acknowledge that this Settlement Agreement and the Order may form the basis for orders of parallel effect in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Settling Respondents. The Settling Respondents should contact the securities regulator of any other jurisdiction in which the Settling Respondents intend to engage in any securities- or derivatives-related activities, prior to undertaking such activities.

PART VII – FURTHER PROCEEDINGS

38. If the Commission approves this Settlement Agreement, Staff will not commence or continue any proceeding against the Settling Respondents under Ontario securities law based on the misconduct described in 0 of this Settlement Agreement, unless a Settling Respondent fails to comply with any term in this Settlement Agreement, in which case Staff may bring proceedings under Ontario securities law against that Settling Respondent that may be based on, among other things, the facts set out in 0 of this Settlement Agreement as well as the breach of this Settlement Agreement.
39. The Settling Respondents acknowledge that, if the Commission approves this Settlement Agreement and a Settling Respondent fails to comply with any term in it, Staff or the Commission are entitled to bring any proceedings necessary to enforce compliance with the terms of the Settlement Agreement.
40. The Settling Respondents waive any defences to a proceeding referenced in paragraph 38 or 39 that are based on the limitation period in the Act, provided that no such proceeding shall be commenced later than six years from the date of the occurrence of the last failure to comply with this Settlement Agreement.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

- 41. The parties will seek approval of this Settlement Agreement at the Settlement Hearing before the Commission, which shall be held in accordance with this Settlement Agreement and the Commission’s *Rules of Procedure* (2019), 42 O.S.C.B. 9714.
- 42. The parties have consented to proceeding in writing for the Settlement Hearing.
- 43. The parties confirm that this Settlement Agreement sets forth all of the agreed facts that will be submitted at the Settlement Hearing, unless the parties agree that additional facts should be submitted at the Settlement Hearing.
- 44. If the Commission approves this Settlement Agreement:
 - a. the Settling Respondents irrevocably waive all rights to a full hearing, judicial review or appeal of this matter under the Act; and
 - b. no party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the Settlement Hearing.
- 45. Whether or not the Commission approves this Settlement Agreement, the Settling Respondents will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission’s jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may be available.

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

- 46. If the Commission does not make the Order:
 - a. this Settlement Agreement and all discussions and negotiations between Staff and the Settling Respondents before the Settlement Hearing will be without prejudice to Staff and the Settling Respondents; and
 - b. Staff and the Settling Respondents will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations contained in the Statement of Allegations in respect of the Proceeding. Any such proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.
- 47. The parties will keep the terms of this Settlement Agreement confidential until the Settlement Hearing, unless they agree in writing not to do so or unless otherwise required by law.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

- 48. This Settlement Agreement may be signed in one or more counterparts which together constitute a binding agreement.
- 49. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

DATED at Abbotsford , British Columbia, this 18th day of January, 2021.

“Robin Goncalves” _____ Witness: (print name): Robin Goncalves	“Victor Goncalves” _____ Victor Goncalves
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DATED at Oakville , Ontario, this 12th day of January, 2021.

“Sherry Snelson” _____ Witness: (print name): Sherry Snelson	“Jon Snelson” _____ Jon Snelson
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DATED at Toronto, Ontario, this 25th day of January, 2021.

ONTARIO SECURITIES COMMISSION

By: “Jeff Kehoe”
Title: Director, Enforcement Branch

SCHEDULE "A"

File No. ____

IN THE MATTER OF
THREEGOLD RESOURCES INC.,
VICTOR GONCALVES AND
JON SNELSON

[Names of panelists comprising the panel]

[Day and date order made]

ORDER
(Sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5)

WHEREAS the Ontario Securities Commission (the "**Commission**") held a hearing in writing to consider the approval of a settlement agreement dated ____, 2021 (the "**Settlement Agreement**") between Staff of the Commission and the Respondents Victor Goncalves and Jon Snelson (collectively, the "**Settling Respondents**");

ON READING the Statement of Allegations dated ____, 2021, and the Settlement Agreement and on receiving the submissions of the representatives of Staff and the Settling Respondents;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;
2. the Settling Respondents are reprimanded, pursuant to paragraph 6 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the "**Act**");
3. pursuant to paragraph 2 of subsection 127(1) of the Act:
 - (a) Goncalves is prohibited from trading in any securities or derivatives for a period of four years commencing on the date of this Order; and
 - (b) Snelson is prohibited from trading in any securities or derivatives for a period commencing on the date of this Order and ending on the date that is the later of: (A) four years from the date of this Order; and (B) the date on which the amounts owed by Snelson under paragraphs 9 and 10 below are paid in full;

except that: (A) each of the Settling Respondents shall be permitted to trade in mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, registered education savings plans, tax-free savings accounts and self-directed retirement savings plans (as defined in the Income Tax Act (Canada)) in which the respective Settling Respondent has sole legal and beneficial ownership, (B) Snelson shall be permitted to sell any shares of AM Resources Corp. that he holds either solely or jointly with his spouse as of the date of this Order, and (C) Goncalves shall be permitted to sell any shares of DGTL Holdings Inc. held in escrow as of the date of this Order that are released to him after the date of this Order, provided that any such trading under (A),(B) or (C) is carried out through a registered dealer in Canada to whom the respective Settling Respondent has given a copy of this Order at the time he opens any permitted account or carries out any permitted transaction as described in this paragraph;

4. pursuant to paragraph 2.1 of subsection 127(1) of the Act:
 - (a) Goncalves is prohibited from acquiring any securities for a period of four years commencing on the date of this Order; and
 - (b) Snelson is prohibited from acquiring any securities for a period commencing on the date of this Order and ending on the date that is the later of (A) four years from the date of this Order; and (B) the date on which the amounts owed by Snelson under paragraphs 9 and 10 below are paid in full;

except that each of the Settling Respondents shall be permitted to acquire mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, registered education savings plans, tax-free savings accounts and self-directed retirement savings plans (as defined in the Income Tax Act (Canada)) in which the respective Settling Respondent has sole legal and beneficial ownership, provided that such acquisition is carried out through a registered dealer in Canada to whom the respective Settling Respondent has given a copy of this Order at the time he opens or carries out transactions in these accounts;

5. pursuant to paragraph 3 of subsection 127(1) of the Act:
 - (a) any exemptions contained in Ontario securities law shall not apply to Goncalves for a period of four years commencing on the date of this Order; and
 - (b) any exemptions contained in Ontario securities law shall not apply to Snelson for a period commencing on the date of this Order and ending on the date that is the later of (A) four years from the date of this Order; and (B) the date on which the amounts owed by Snelson under paragraphs 9 and 10 below are paid in full;
6. on the date of this Order, the Settling Respondents resign any position held as a director or officer of any issuer or registrant, pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act;
7. pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act:
 - (a) Goncalves is prohibited from becoming or acting as a director or officer of any issuer or registrant for a period of four years commencing on the date of this Order; and
 - (b) Snelson is prohibited from becoming or acting as a director or officer of any issuer or registrant for a period commencing on the date of this Order and ending on the date that is the later of: (A) four years from the date of this Order; and (B) the date on which the amounts owed by Snelson under paragraphs 9 and 10 below are paid in full;
8. pursuant to paragraph 8.5 of subsection 127(1) of the Act:
 - (a) Goncalves is prohibited from becoming or acting as a registrant or promoter for a period of four years commencing on the date of this Order; and
 - (b) Snelson is prohibited from becoming or acting as a registrant or promoter for a period commencing on the date of this Order and ending on the date that is the later of: (A) four years from the date of this Order; and (B) the date on which the amounts owed by Snelson under paragraphs 9 and 10 below are paid in full;
9. each of the Settling Respondents pay to the Commission an administrative penalty in the amount of \$30,000, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;
10. each of the Settling Respondents pay to the Commission costs in the amount of \$10,000, pursuant to section 127.1 of the Act; and
11. pursuant to section 2(2) of the *Tribunal Adjudicative Records Act, 2019*, SO 2019, c 7 and Rule 22(4) of the Commission's *Rules of Procedure* (2019), 42 O.S.C.B. 9714, the Statement of Financial Condition referred to in paragraph 31 of the Settlement Agreement shall be kept confidential.

[Commissioner]

[Commissioner]

[Commissioner]

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Threegold Resources Inc. et al. – ss. 127, 127.1

Citation: *Threegold Resources Inc. (Re)*, 2021 ONSEC 5

Date: 2021-02-08

File No. 2019-42

**IN THE MATTER OF
THREEGOLD RESOURCES INC.,
VICTOR GONCALVES and
JON SNELSON**

**REASONS AND DECISION FOR APPROVAL OF A SETTLEMENT
(Sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5)**

Hearing:	In writing	
Decision:	February 8, 2021	
Panel:	Timothy Moseley Raymond Kindiak Heather Zordel	Vice-Chair and Chair of the Panel Commissioner Commissioner
Appearances:	Alexandra Matushenko Patrick J. Sullivan Sara J. Erskine No one appearing for Threegold Resources Inc.	For Staff of the Commission For Victor Goncalves For Jon Snelson

REASONS AND DECISION

- [1] Threegold Resources Inc. is a reporting issuer in all provinces and territories in Canada. At the relevant time, Victor Goncalves was the president, CEO and a director of Threegold, and Jon Snelson was the treasurer and a director of Threegold. Mr. Snelson was also at various times a registered salesperson or dealing representative under the categories of mutual fund dealer and limited market dealer.
- [2] Staff of the Ontario Securities Commission alleges that Threegold, and Messrs. Goncalves and Snelson, contravened Ontario securities law by issuing securities of Threegold; specifically, convertible debentures. Staff, Mr. Goncalves and Mr. Snelson have entered into a settlement agreement regarding those allegations, and they jointly submit that it would be in the public interest for the Commission to approve that settlement. We agree.
- [3] The facts, which are set out in detail in the settlement agreement, include the following:
- a. in May 2014, the Commission issued an order cease trading all securities of Threegold, because Threegold had failed to make required continuous disclosure filings;
 - b. that cease trade order remains in effect;
 - c. despite the cease trade order being in effect, Mr. Goncalves and Mr. Snelson engaged in the sale and/or distribution of \$310,000 of the Threegold debentures to 19 Ontario residents, 15 of whom were Mr. Snelson's mutual fund clients; and
 - d. neither Mr. Goncalves nor Mr. Snelson was registered under Ontario securities law to engage in that activity.

- [4] Mr. Goncalves and Mr. Snelson have agreed that by engaging in this conduct, they contravened Ontario securities law by:
- a. breaching the cease trade order;
 - b. engaging in the business of trading in securities without being registered to do so, and without an available exemption under Ontario securities law; and
 - c. distributing the Threegold debentures without a prospectus, again without an available exemption.
- [5] Mr. Goncalves and Mr. Snelson also admit that as officers and directors of Threegold, they authorized Threegold to commit these same contraventions, and that, as a result, they are deemed to have not complied with Ontario securities law.
- [6] The investors who contributed the \$310,000 have neither had their principal returned to them, nor received any interest payments on the debentures. Mr. Goncalves and Mr. Snelson assert, and Staff does not object, that the funds were used to pay Threegold's expenses and to compensate Mr. Goncalves and Mr. Snelson for services they provided to Threegold as employees.
- [7] The parties to this settlement have agreed to various sanctions.
- [8] Both Mr. Goncalves and Mr. Snelson are required to pay to the Commission a \$30,000 administrative penalty and \$10,000 in costs. Mr. Goncalves has already paid the required amount. Mr. Snelson represents that he is currently unable to pay the agreed-upon financial sanctions, and in that regard he has filed a sworn Statement of Financial Condition. That sworn statement indicates that he is in a situation of financial hardship. We have taken this statement into account in reaching our decision, but we order that the statement remain confidential, pursuant to s. 2(2) of the *Tribunal Adjudicative Records Act, 2019*, SO 2019, c 7, Sch 60 and Rule 22(4) of the Commission's *Rules of Procedure and Forms*, (2019), 42 OSCB 9714.
- [9] In addition, both Mr. Goncalves and Mr. Snelson are banned from the capital markets (subject to limited carve-outs) for a period of four years. In the case of Mr. Snelson, if he has not fully paid the financial sanctions by the end of that four-year period, the bans are to be extended until such time as he has.
- [10] The Commission's role at a settlement hearing is to determine whether the negotiated result falls within a range of reasonable outcomes, and whether it would be in the public interest to approve the settlement. The Commission respects the negotiation process and accords significant deference to the resolution reached by the parties.
- [11] In our view, this settlement does fall within a range of reasonable outcomes. In reaching that conclusion, we do not lose sight of the fact that Mr. Snelson has considerable experience as a registrant, and Mr. Goncalves does not. This Commission has repeatedly held that when it comes to determining appropriate sanctions, a respondent's present or historical registration status is an important consideration. If all other things were equal, we would expect to see more severe sanctions for Mr. Snelson than for Mr. Goncalves.
- [12] All other things are not equal, however. As is reflected in more detail in the settlement agreement, Mr. Snelson has already been subject to other sanctions relating to the conduct at issue here. In a settlement before the Mutual Fund Dealers Association of Canada in late 2018, Mr. Snelson agreed to pay a fine of \$20,000 and costs of \$5,000, and to be subject to a four-year ban on conducting any securities-related business while in the employ of or associated with any MFDA member. That four-year ban has been running for almost two and a half years at this point. As a result, the sanctions agreed to here will extend the time period during which Mr. Snelson cannot carry on the business for which he had previously been registered, to at least six and a half years.
- [13] In all the circumstances, we conclude that the sanctions in this proceeding are appropriate for both Mr. Goncalves and Mr. Snelson, and that it would be in the public interest for us to approve the settlement. We shall therefore issue an order substantially in the form of the draft attached to the settlement agreement. The proceeding continues as against Threegold, which is not a party to the settlement agreement.
- [14] Mr. Goncalves and Mr. Snelson have agreed to a reprimand. That permits us to reinforce the importance of compliance with Ontario securities law. They are hereby reprimanded.

Dated at Toronto this 8th day of February, 2021.

"Timothy Moseley"

"Raymond Kindiak"

"Heather Zordel"

3.1.2 Joseph Debus

Citation: *Debus (Re)*, 2020 ONSEC 13

Date: 2020-05-21

File No. 2019-16

IN THE MATTER OF JOSEPH DEBUS

REASONS AND DECISION

Hearing:	In writing	
Decision:	May 21, 2020	
Panel:	M. Cecilia Williams	Commissioner and Chair of the Panel
Submissions received from:	Stephen Chiu Mark Persaud	For Joseph Debus
	Kathryn Andrews Sally Kwon	For Staff of the Investment Industry Regulatory Organization of Canada
	Katrina Gustafson	For Staff of the Ontario Securities Commission

REASONS AND DECISION

I. OVERVIEW

- [1] These are the reasons for decision for an Order issued on May 8, 2020.
- [2] Joseph Debus has applied for a hearing and review of an Investment Industry Regulatory Organization of Canada (**IIROC**) decision, in which an IIROC panel found that Debus breached IIROC's business conduct, supervision of accounts, and suitability determination rules and imposed sanctions on him.¹ There have been several appearances before the Ontario Securities Commission (the **Commission**) to determine the date of the hearing and for the exchange of materials by the parties in advance of the hearing.
- [3] Debus is represented by the Persaud Law Group, principally by two lawyers of that firm, Mark Persaud and Stephen Chiu. Unfortunately, their ability to represent Debus was hampered by Persaud's health issues and the fact that as of May 15, 2020, Chiu would no longer be available to assist with this matter.
- [4] Debus was to have served his hearing brief, witness summaries, if any, and written submissions (**Materials**) by April 23, 2020. He failed to do so.
- [5] Debus now seeks the following:
- a 60-day extension of the time to serve his Materials to June 29, 2020;
 - a similar extension to the relevant deadlines for IIROC and OSC Staff hearing briefs, witness summaries, if any, and written submissions, and Debus' reply submissions; and
 - an adjournment of the hearing to a date to be set in September, 2020.
- [6] In an Order dated May 8, 2020, I granted an extension of the filing deadlines and set a new date for the hearing. These are the reasons for my decision.

II. BACKGROUND FACTS

- [7] IIROC provided Debus's counsel with an electronic copy of the transcripts and exhibits of the IIROC hearings that are the subject of the hearing and review (the **Record**) on August 23, 2019, September 4, 2019 and February 11, 2020. IIROC also delivered an electronic copy of the Record to Debus personally on September 4, 2019.
- [8] On August 21, 2019, I scheduled the hearing for March 23 and 24, 2020, and ordered Debus to serve and file his Materials by January 17, 2020.

¹ *Debus (Re)*, 2019 IIROC 05; *Debus (Re)*, 2019 IIROC 18

- [9] On January 14, 2020, Debus requested a four-week extension to file his Materials due to Persaud's health issues. I granted an extension, on consent of the parties, to February 14, 2020.
- [10] At an attendance on February 24, 2020, Debus requested that I issue a summons to a third party for the delivery of certain documents. I asked the parties to provide written submissions with respect to that request.
- [11] Because of the need for submissions on the summons issue, I extended the deadline for Debus to deliver his Materials to April 23, 2020, and adjourned the hearing to May 21 and 22, 2020.
- [12] On April 9, 2020, having reviewed the parties' submissions regarding Debus's request for a summons, I communicated my decision to deny that request, for reasons that would follow and that would be included in my reasons following the hearing on the merits of Debus's principal application.
- [13] On April 24, 2020, IIROC Staff asked Debus's counsel by email about the status of Debus's Materials, which had not been delivered the previous day as ordered. Debus's counsel replied that they had inadvertently missed the date due to the firm having to work remotely and requested the extension of timelines and the adjournment now under consideration.
- [14] Debus's counsel also advised that they were awaiting my decision about the summons, so that they would know what additional material they might receive.
- [15] Debus cites the following reasons for adjournment:
- a. Debus's counsel have not been able to attend their office due to COVID-19 restrictions and therefore have not had access to the voluminous paper materials in this matter, which have been marked with notes and post-its;
 - b. Debus and his counsel have not been able to work collaboratively on the Materials; and
 - c. Persaud continues to experience personal health-related issues.
- [16] Chiu has also advised that he will no longer be available to work on this matter as of May 15, 2020, and that Persaud may not be able to return to work in May.
- [17] Debus also submits that:
- a. given his financial situation, he is unable to retain alternate counsel at this time; and
 - b. there are no valid public protection issues as he is under strict supervision and there have been no concerns expressed about his conduct since the IIROC hearing.
- [18] IIROC opposes Debus's request for the following reasons:
- a. IIROC provided counsel for Debus and Debus with an electronic copy of the Record on at least three occasions;
 - b. previous extensions and adjournments have been granted and Debus has failed to meet those new deadlines;
 - c. the closure of non-essential businesses by the Province of Ontario on March 24, 2020, has not required legal services to be discontinued;
 - d. IIROC believes Debus has had more than sufficient time to complete his materials; and
 - e. it is not in the public interest to leave this matter open indefinitely.
- [19] Staff of the Commission also opposes Debus's request for an adjournment.

III. ANALYSIS

- [20] Rule 29(1) of the Commission's *Rules of Procedures and Forms*² provides that every merits hearing shall proceed on the scheduled date unless the party requesting an adjournment "satisfies the Panel that there are exceptional circumstances requiring an adjournment."
- [21] I must therefore decide whether Debus's counsel's unavailability constitutes exceptional circumstances justifying an adjournment of the hearing.

² (2019) 42 OSCB 9714

- [22] The Commission has ruled that the standard set out in Rule 29(1) is a “high bar” that reflects the important objective set out in Rule 1, that Commission proceedings be conducted in a “just, expeditious and cost-effective manner”.³ This objective must be balanced against parties’ ability to participate meaningfully in the hearing and present their case.⁴
- [23] The balancing of these objectives is necessarily fact-based and must take into account the circumstances of the parties and the manner in which they have conducted themselves in the proceeding.⁵
- [24] Prior to this request, I granted two extensions of the filing timelines in this matter and one adjournment. On January 14, 2020, I ordered the first extension due to Persaud’s health issues. I consider the timing issues associated with this first extension a negative factor in my analysis of this request.
- [25] When Debus requested the first extension he had had more than four months to prepare for the hearing, which was scheduled to occur in just over two months. I expect that significant progress on Debus’s Materials would have already been made by the date of the request, given that timing.
- [26] I ordered the second extension and the hearing adjournment to accommodate my request for written submissions on the summons issue and the timing for delivery of those submissions. I therefore consider the second extension and first hearing adjournment to be a neutral factor in my analysis.
- [27] One of Debus’s reasons for this extension is that he was waiting for the decision on the summons issue to understand what additional material, if any, he might be able to access. While I acknowledge that any additional documentation could have had an impact on Debus’s Materials, I do not accept that the core of Debus’s Materials could not have been prepared in the original timeframes and modified, if required, after the decision. Had he been successful on the summons issue, Debus could have then sought an adjournment to consider the additional material and make appropriate changes to his Materials.
- [28] The restrictions introduced because of COVID-19 have presented unique challenges. However, they have not prevented the courts and tribunals, the Commission included, from continuing to operate, albeit on a remote basis to ensure adherence to public health guidance on social distancing.
- [29] Also, while many offices are closed under the COVID-19 guidelines they do not prohibit people from accessing their offices to obtain critical information or tools to support remote working arrangements. Technology has also proven critical to fostering and enabling remote collaboration.
- [30] Although Debus remains under strict supervision, this is not a full answer on the question of protecting the public interest. In the first place, several of the breaches IIROC found Debus to have committed occurred while Debus was under close or strict supervision. More particularly, there is a public interest in ensuring that proceedings before the Commission proceed in a timely manner. In instances such as these there is a public interest in persons found to have breached IIROC rules to be held accountable by requiring them to comply with the ordered sanctions on a timely basis, subject to exercising any rights for a hearing before the Commission.
- [31] Despite the above, I do find that the following combination of circumstances does meet the level of “exceptional” for the purposes of a further adjournment:
- a. Persaud’s continuing health issues and the potential timing of his return to work;
 - b. Chiu’s unavailability as of May 15, 2020; and
 - c. Debus’s being unable to seek alternate counsel at this time.
- [32] While I find the exceptional circumstances warrant an adjournment, they do not support a delay of the hearing for approximately three and a half months to a date in September, 2020.
- [33] Allowing an adjournment for the delivery of the Materials for 60 days as requested by Debus but ensuring that the hearing proceeds within what would be a normal timeframe thereafter effectively balances the objectives of ensuring that Debus is able to participate meaningfully in the proceeding and present his case and ensuring that this matter proceeds in a just, expeditious and cost-effective manner.

³ *Pro-Financial Asset Management Inc (Re)*, 2018 ONSEC 18, (2018) 41 OSCB 3512 at para 28

⁴ *Money Gate Mortgage Investment Corporation (Re)*, 2019 ONSEC 40, (2020) 43 OSCB 35 (*Money Gate*) at para 54

⁵ *Money Gate* at para 54

IV. CONCLUSION

- [34] Therefore, I grant an extension of time for the delivery of Debus's Materials to June 22, 2020, being 60 days from April 23, 2020, the date originally ordered for delivery of his Materials in the February 24, 2020, order.
- [35] IIROC shall serve and file its hearing brief, witness summaries, if any, and responding written submissions by July 8, 2020.
- [36] Staff of the Commission shall serve and file any responding written submissions by July 15, 2020.
- [37] Debus shall serve and file any reply written submissions by July 22, 2020.
- [38] The hearing is scheduled for July 29 and 30, 2020, commencing at 10:00 a.m. on each scheduled day, or on such other dates or times as may be agreed to by the parties and set by the Office of the Secretary.

Dated at Toronto this 21st day of May, 2020.

"M. Cecilia Williams"

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK.				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Affinor Growers Inc.	February 4, 2021	
CanaFarma Hemp Products Corp.	January 12, 2021	February 5, 2021
Invictus MD Strategies Corp.	February 4, 2021	
PepCap Resources, Inc.	February 3, 2021	February 8, 2021
PPX Mining Corp.	February 3, 2021	
Sire Bioscience Inc.	February 3, 2021	
SouthGobi Resources Ltd.	June 19, 2020	February 5, 2021
Wildflower Brands Inc.	February 3, 2021	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Greenbank Capital Inc.	December 1, 2020	February 2, 2021

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Greenbank Capital Inc.	December 1, 2020	February 2, 2021
Nutritional High International Inc.	December 1, 2020	

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

Global Equity Pool
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Feb 4, 2021
NP 11-202 Preliminary Receipt dated Feb 4, 2021

Offering Price and Description:

Series IT8 units, Series I units, Series A units, Series W units, Series E units, Series FT8 units, Series ET8 units, Series OF units and Series F units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3169722

Issuer Name:

NewGen Alternative Income Fund
Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Simplified Prospectus dated Feb 2, 2021
NP 11-202 Final Receipt dated Feb 3, 2021

Offering Price and Description:

Class F (USD) Units, Class G Units, Class I Units, Class G (USD) Units and Class F Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3155148

Issuer Name:

NewGen Focussed Alpha Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Feb 2, 2021
NP 11-202 Final Receipt dated Feb 3, 2021

Offering Price and Description:

Class C Founders Units, Class G Units, Class I Units and Class F Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3161346

Issuer Name:

Accelerate Bitcoin ETF
Principal Regulator – Alberta (ASC)

Type and Date:

Preliminary Long Form Prospectus dated Feb 2, 2021
NP 11-202 Preliminary Receipt dated Feb 2, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3168977

Issuer Name:

Mackenzie CL Canadian Dividend LP
Mackenzie CL Canadian Growth LP
Mackenzie CL Ivy Foreign Equity LP
Mackenzie CL Ivy Global Balanced (Fixed Income) LP
Mackenzie CL Ivy Global Balanced LP
Mackenzie CL Strategic Income (Fixed Income) LP
Mackenzie CL Strategic Income LP
Mackenzie CL US All Cap Growth LP
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Feb 5, 2021
NP 11-202 Preliminary Receipt dated Feb 8, 2021

Offering Price and Description:

Limited Partnership Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3170378

Issuer Name:

Desjardins Global Government Bond Index Fund
Desjardins Global Managed Bond Fund
Desjardins International Equity Value Fund
Principal Regulator – Quebec

Type and Date:

Combined Preliminary and Pro Forma Simplified
Prospectus dated Jan 29, 2021
NP 11-202 Preliminary Receipt dated Feb 3, 2021

Offering Price and Description:

I-Class Units and W-Class Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3167530

Issuer Name:

Dynamic International Discovery Fund
Dynamic Power Growth & Dividend Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Feb 3, 2021
NP 11-202 Final Receipt dated Feb 4, 2021

Offering Price and Description:

Series I Units, Series F Units, Series IP Units, Series OP
Units, Series FT Units, Series A Units, Series T Units and
Series O Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3155697

Issuer Name:

Arxnovum Ether ETF
Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated Feb 5, 2021
NP 11-202 Preliminary Receipt dated Feb 5, 2021

Offering Price and Description:

USD Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3170194

Issuer Name:

Canada Life Canadian Dividend Fund
Canada Life Canadian Focused Growth Fund
Canada Life Floating Rate Income Fund
Canada Life Foreign Equity Fund
Canada Life Global Balanced Fund
Canada Life Strategic Income Fund
Canada Life US All Cap Growth Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Feb 2, 2021
NP 11-202 Preliminary Receipt dated Feb 2, 2021

Offering Price and Description:

QF5 series units, QFW series units, N series units, N8
series units, Q series units, I series units, HW series units,
L8 series units, H5 series units, L series units, D8 series
units, HW5 series units, N5 series units, HW8 series units,
QF series units, QFW5 series units, L5 series units, H
series units, H8 series units and D5 series units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3168783

Issuer Name:

Horizons Active Emerging Markets Dividend ETF
Horizons Active US Dividend ETF
Principal Regulator - Ontario

Type and Date:

Amendment #4 to Final Long Form Prospectus dated
January 29, 2021

NP 11-202 Final Receipt dated Feb 2, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #31005535

Issuer Name:

CI First Asset Canadian Buyback Index ETF
CI First Asset Energy Giants Covered Call ETF
CI First Asset European Bank ETF
CI First Asset Gold+ Giants Covered Call ETF (formerly, CI
First Asset Can-Materials Covered Call
ETF)
CI First Asset Health Care Giants Covered Call ETF
CI First Asset Long Duration Fixed Income ETF
CI First Asset Morningstar Canada Dividend Target 30
Index ETF
CI First Asset Morningstar US Dividend Target 50 Index
ETF
CI First Asset Tech Giants Covered Call ETF
CI First Asset U.S. Buyback Index ETF
Principal Regulator - Ontario

Type and Date:

Amendment #4 to Final Long Form Prospectus dated
February 3, 2021
NP 11-202 Final Receipt dated Feb 8, 2021

Offering Price and Description:

Common Units and Unhedged Common Units)

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3030682

Issuer Name:

Mackenzie China A-Shares CSI 300 Index ETF
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated
January 29, 2021
NP 11-202 Final Receipt dated Feb 2, 2021

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3079126

Issuer Name:

Fidelity Canadian Value Index ETF
Fidelity U.S. Value Index ETF
Fidelity U.S. Value Currency Neutral Index ETF
Fidelity Canadian Momentum Index ETF
Fidelity U.S. Momentum Index ETF
Fidelity U.S. Momentum Currency Neutral Index ETF
Fidelity International Momentum Index ETF
Fidelity Canadian Monthly High Income ETF
Fidelity Global Monthly High Income ETF
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated
February 5, 2021
NP 11-202 Final Receipt dated Feb 8, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3083512

NON-INVESTMENT FUNDS

Issuer Name:

1262803 B.C. Ltd.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated February 2, 2021
NP 11-202 Preliminary Receipt dated February 3, 2021

Offering Price and Description:

500,000 Common Shares at a price of \$0.17 per Common Share and 11,764,706 Common Shares on the Automatic Exercise of 11,764,706 Special Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3169062

Issuer Name:

Algernon Pharmaceuticals Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated February 4, 2021
Received on February 5, 2021

Offering Price and Description:

\$50,000,000.00 - Common Shares Warrants Subscription Receipts Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3170328

Issuer Name:

Altius Renewable Royalties Corp.
Principal Regulator - Ontario

Type and Date:

Amendment dated February 4, 2021 to Preliminary Long Form Prospectus dated January 18, 2021
NP 11-202 Preliminary Receipt dated February 4, 2021

Offering Price and Description:

C\$100,000,000.00 - * Common Shares
Price: C\$* per Common Share

Underwriter(s) or Distributor(s):

TD SECURITIES INC.
SCOTIA CAPITAL INC.
RAYMOND JAMES LTD.
CORMARK SECURITIES INC.
CANACCORD GENUITY CORP.
LAURENTIAN BANK SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
HAYWOOD SECURITIES INC.

Promoter(s):

ALTIUS MINERALS CORPORATION

Project #3161398

Issuer Name:

Apolo IV Acquisition Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated February 5, 2021
NP 11-202 Preliminary Receipt dated February 8, 2021

Offering Price and Description:

Minimum Offering: \$750,000.00 or 7,500,000 Common Shares

Maximum Offering: \$1,000,000.00 or 10,000,000 Common Shares \$0.10 per Common Share

Underwriter(s) or Distributor(s):

CANACCORD GENUITY CORP.

Promoter(s):

-

Project #3170351

Issuer Name:

Blackrock Gold Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated February 4, 2021
NP 11-202 Preliminary Receipt dated February 5, 2021

Offering Price and Description:

\$9,000,000.00 - 12,500,000 Units \$0.72 per Unit

Underwriter(s) or Distributor(s):

RED CLOUD SECURITIES INC.
CANACCORD GENUITY CORP.
MACKIE RESEARCH CAPITAL CORPORATION
PI FINANCIAL CORP.

Promoter(s):

-

Project #3169841

Issuer Name:

Defence Therapeutics Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated January 29, 2021
NP 11-202 Preliminary Receipt dated February 2, 2021

Offering Price and Description:

6,137,000 Common Shares and 6,137,000 Common Share Purchase Warrants issuable on deemed exercise of 6,137,000 Special Warrants at a price of \$0.60 per Special Warrant

Underwriter(s) or Distributor(s):

-

Promoter(s):

Sébastien Plouffe

Project #3167103

Issuer Name:

EQ Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated February 3, 2021
NP 11-202 Preliminary Receipt dated February 3, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.
Echelon Wealth Partners Inc.
Eight Capital
Desjardins Securities Inc.

Promoter(s):

-

Project #3169243

Issuer Name:

EQ Inc.
Principal Regulator - Ontario

Type and Date:

Amendment dated February 4, 2021 to Preliminary Short Form Prospectus dated February 3, 2021
NP 11-202 Preliminary Receipt dated February 5, 2021

Offering Price and Description:

\$10,000,000.00 - 6,250,000 Common Shares
Price: \$1.60 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.
Echelon Wealth Partners Inc.
Eight Capital
Desjardins Securities Inc.

Promoter(s):

-

Project #3169243

Issuer Name:

FansUnite Entertainment Inc. (formerly, HIC Horizon Investments Capital Ltd.)
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated February 4, 2021
NP 11-202 Preliminary Receipt dated February 4, 2021

Offering Price and Description:

21,420,992 Units Issuable upon Exercise of 21,420,992 Special Warrants
Price: \$0.625 per Unit

Underwriter(s) or Distributor(s):

GRAVITAS SECURITIES INC.
HAYWOOD SECURITIES INC.
MACKIE RESEARCH CAPITAL CORPORATION

Promoter(s):

-

Project #3169812

Issuer Name:

Fédération des caisses Desjardins du Québec
Principal Regulator - Quebec

Type and Date:

Preliminary Shelf Prospectus dated February 3, 2021
NP 11-202 Preliminary Receipt dated February 4, 2021

Offering Price and Description:

\$2,000,000,000.00 - Medium Term Notes (Principal at Risk Notes)

Underwriter(s) or Distributor(s):

DESJARDINS SECURITIES INC.
iA PRIVATE WEALTH INC.
LAURENTIAN BANK SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
BMO NESBITT BURNS INC
ALIGNED CAPITAL PARTNERS INC

Promoter(s):

-

Project #3169516

Issuer Name:

Great Bear Royalties Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated February 5, 2021
NP 11-202 Preliminary Receipt dated February 5, 2021

Offering Price and Description:

0.00

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3170182

Issuer Name:

Heritage Cannabis Holdings Corp. (formerly Umbral Energy Corp.)
Principal Regulator - Ontario

Type and Date:

Amendment dated February 2, 2021 to Preliminary Short Form Prospectus dated February 1, 2021

NP 11-202 Preliminary Receipt dated February 3, 2021

Offering Price and Description:

Up to \$12,040,000.00 - Up to 86,000,000 Units
\$0.14 per Unit

Underwriter(s) or Distributor(s):

CANTOR FITZGERALD CANADA CORPORATION
CORMARK SECURITIES INC.
CANACCORD GENUITY CORP.

Promoter(s):

-

Project #3168182

Issuer Name:

High Tide Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated February 5, 2021
NP 11-202 Preliminary Receipt dated February 5, 2021

Offering Price and Description:

\$20,000,000.00 - 41,666,666 Units
\$0.48 per Unit

Underwriter(s) or Distributor(s):

ATB CAPITAL MARKETS INC.
ECHELON WEALTH PARTNERS INC.
BEACON SECURITIES LIMITED
DESJARDINS SECURITIES INC.

Promoter(s):

-

Project #3168350

Issuer Name:

Loop Energy Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated February 5, 2021
NP 11-202 Preliminary Receipt dated February 5, 2021

Offering Price and Description:

[*] COMMON SHARES
\$100,000,000.00

Underwriter(s) or Distributor(s):

NATIONAL BANK FINANCIAL INC.
CIBC WORLD MARKETS INC.
RAYMOND JAMES LTD.
CANACCORD GENUITY CORP.
CORMARK SECURITIES INC.

Promoter(s):

-

Project #3170145

Issuer Name:

MediPharm Labs Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated February 2, 2021
NP 11-202 Preliminary Receipt dated February 3, 2021

Offering Price and Description:

\$100,000,000 Common Shares Warrants Options
Subscription Receipts Debt Securities Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3168928

Issuer Name:

Momentous Capital Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated February 2, 2021
NP 11-202 Preliminary Receipt dated February 3, 2021

Offering Price and Description:

\$230,000.00 - (2,300,000 Common Shares) Price: \$0.10
per Common Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3168978

Issuer Name:

Payfare Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated February 8, 2021
NP 11-202 Preliminary Receipt dated February 8, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

STIFEL NICOLAUS CANADA INC.

Promoter(s):

Marco Margiotta
Ryan Deslippe
Project #3170567

Issuer Name:

Premier Health of America Inc. (formerly known as
Physinorth Acquisition Corporation Inc.)
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated February 5, 2021
NP 11-202 Preliminary Receipt dated February 5, 2021

Offering Price and Description:

\$6,510,000.00 - 6,200,000 Common Shares
\$1.05 per Common Share

Underwriter(s) or Distributor(s):

Acumen Capital Finance Partners Limited

Promoter(s):

-

Project #3168320

Issuer Name:

QYOU Media Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated February 8, 2021
NP 11-202 Preliminary Receipt dated February 8, 2021

Offering Price and Description:

\$10,000,032.00 - 35,714,400 Units
\$0.28

Underwriter(s) or Distributor(s):

CLARUS SECURITIES INC.
CANACCORD GENUITY CORP.
GRAVITAS SECURITIES INC.

Promoter(s):

-

Project #3168988

Issuer Name:

Royal Gold, Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus - MJDS dated February 4, 2021
NP 11-202 Preliminary Receipt dated February 4, 2021

Offering Price and Description:

Debt Securities
Preferred Stock
Common Stock
Warrants
Depositary Shares
Purchase Contracts
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3169847

Issuer Name:

The Empire Life Insurance Company
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated February 2, 2021
NP 11-202 Preliminary Receipt dated February 2, 2021

Offering Price and Description:

\$●●% Limited Recourse Capital Notes, Series 1
(Subordinated Indebtedness) \$●● Non-Cumulative 5-Year
Fixed Rate Reset Preferred Shares, Series 5

Underwriter(s) or Distributor(s):

SCOTIA CAPITAL INC.
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
TD SECURITIES INC.

Promoter(s):

-

Project #3168746

Issuer Name:

Titan Medical Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated February 8, 2021
NP 11-202 Preliminary Receipt dated February 8, 2021

Offering Price and Description:

US \$20,004,000 (8,335,000 Units)
Price: US \$2.40 per Unit

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3169357

Issuer Name:

Trojan Gold Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated February 3, 2021
NP 11-202 Preliminary Receipt dated February 4, 2021

Offering Price and Description:

0.00

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3169476

Issuer Name:

Argonaut Gold Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated February 5, 2021
NP 11-202 Receipt dated February 5, 2021

Offering Price and Description:

\$23,000,202.00 - 8,156,100 FLOW-THROUGH SHARES
Price: \$2.82 per Flow-Through Share

Underwriter(s) or Distributor(s):

CORMARK SECURITIES INC.
CANACCORD GENUITY CORP.
ECHELON WEALTH PARTNERS INC.
LAURENTIAN BANK SECURITIES INC.
PARADIGM CAPITAL INC.
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
STIFEL NICOLAUS CANADA INC.

Promoter(s):

-

Project #3163879

Issuer Name:

Aumento Capital VIII Corp.
Principal Regulator - Ontario

Type and Date:

CPC Prospectus dated February 4, 2021
NP 11-202 Receipt dated February 8, 2021

Offering Price and Description:

\$500,000.00 - 1,000,000 Common Shares Price: \$0.50 per
Common Share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.

Promoter(s):

-

Project #3161907

Issuer Name:

Auxly Cannabis Group Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated February 1, 2021
NP 11-202 Receipt dated February 2, 2021

Offering Price and Description:

\$17,501,000.00 - 47,300,000 Units
\$0.37 per Unit

Underwriter(s) or Distributor(s):

ATB CAPITAL MARKETS INC.
CANTOR FITZGERALD CANADA CORPORATION
MACKIE RESEARCH CAPITAL CORPORATION
DESJARDINS SECURITIES INC.
RAYMOND JAMES LTD.

Promoter(s):

-

Project #3162987

Issuer Name:

Empress Royalty Corp.
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated February 4, 2021
NP 11-202 Receipt dated February 4, 2021

Offering Price and Description:

\$200,000,000.00 - COMMON SHARES SUBSCRIPTION
RECEIPTS WARRANTS DEBT SECURITIES UNITS

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3159337

Issuer Name:

Enthusiast Gaming Holdings Inc. (formerly J55 Capital
Corp.)

Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated February 5, 2021
NP 11-202 Receipt dated February 5, 2021

Offering Price and Description:

\$51,002,500.00 - 8,870,000 Common Shares
Price: \$5.75 per Common Share

Underwriter(s) or Distributor(s):

CANACCORD GENUITY CORP.
PARADIGM CAPITAL INC.
RBC DOMINION SECURITIES INC
CORMARK SECURITIES INC.
HAYWOOD SECURITIES INC.

Promoter(s):

-

Project #3162164

Issuer Name:

Frontenac Mortgage Investment Corporation
Principal Regulator - Ontario

Type and Date:

Amendment #8 dated January 29, 2021 to Final Long Form
Prospectus dated May 26, 2020
NP 11-202 Receipt dated February 2, 2021

Offering Price and Description:

Unlimited Number of Common Shares
Price: \$30.00 per Common Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

W.A. ROBINSON ASSET MANAGEMENT LTD.

Project #3055756

Issuer Name:

Millennial Lithium Corp.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated February 4, 2021
NP 11-202 Receipt dated February 4, 2021

Offering Price and Description:

\$30,000,000.00 - 7,500,000 UNITS PRICE: \$4.00 PER
UNIT

Underwriter(s) or Distributor(s):

CANTOR FITZGERALD CANADA CORPORATION
SPROTT CAPITAL PARTNERS
MACKIE RESEARCH CAPITAL CORPORATION

Promoter(s):

-

Project #3164084

Issuer Name:

Mind Cure Health Inc.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated February 3, 2021
NP 11-202 Receipt dated February 3, 2021

Offering Price and Description:

\$20,000,400.00 - 33,334,000 Units
\$0.60 per Unit

Underwriter(s) or Distributor(s):

CANACCORD GENUITY CORP.
STIFEL NICOLAUS CANADA INC.

Promoter(s):

Philip Tapley

Project #3164260

Issuer Name:

NanoXplore Inc.
Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus dated February 5, 2021
NP 11-202 Receipt dated February 5, 2021

Offering Price and Description:

\$40,000,000.00 - 10,000,000 Common Shares
\$4.00 per Common Share

Underwriter(s) or Distributor(s):

ECHELON WEALTH PARTNERS INC.
NATIONAL BANK FINANCIAL INC.
PARADIGM CAPITAL INC.
RAYMOND JAMES LTD.
STIFEL GMP
BEACON SECURITIES LIMITED
CORMARK SECURITIES INC.

Promoter(s):

-

Project #3165839

Issuer Name:

Neo Performance Materials Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated February 5, 2021
NP 11-202 Receipt dated February 5, 2021

Offering Price and Description:

C\$70,875,000.00 - 4,500,000 Common Shares
Offering Price: C\$15.75 per Common Share

Underwriter(s) or Distributor(s):

PARADIGM CAPITAL INC.
CANACCORD GENUITY CORP.
CORMARK SECURITIES INC.
RBC DOMINION SECURITIES INC.
STIFEL NICOLAUS CANADA INC.
CIBC WORLD MARKETS INC.
RAYMOND JAMES LTD.
SCOTIA CAPITAL INC.

Promoter(s):

-

Project #3164007

Issuer Name:

Royal Gold, Inc.
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated February 4, 2021
NP 11-202 Receipt dated February 5, 2021

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3169847

Issuer Name:

TELUS International (Cda) Inc.
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated February 2, 2021
NP 11-202 Receipt dated February 2, 2021

Offering Price and Description:

US\$ 33,333,333 Subordinate Voting Shares

Underwriter(s) or Distributor(s):

J.P. MORGAN SECURITIES CANADA INC.
MORGAN STANLEY CANADA LIMITED
BARCLAYS CAPITAL CANADA INC.
MERRILL LYNCH CANADA INC.
CIBC WORLD MARKETS INC.
CITIGROUP GLOBAL MARKETS CANADA INC.
CREDIT SUISSE SECURITIES (CANADA), INC.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
WELLS FARGO SECURITIES CANADA, LTD.
MUFG SECURITIES (CANADA),
LTD. NATIONAL BANK FINANCIAL INC

Promoter(s):

-

Project #3159020

Issuer Name:

VEXT Science, Inc.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated February 2, 2021
NP 11-202 Receipt dated February 2, 2021

Offering Price and Description:

\$18,032,000.00 - 16,100,000 Units
Price: \$1.12 per Unit

Underwriter(s) or Distributor(s):

BEACON SECURITIES LIMITED
CANACCORD GENUITY CORP.
EIGHT CAPITAL

Promoter(s):

-

Project #3159980

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Suspended (Regulatory Action)	Capital Street Group Investment Services, Inc.	Exempt Market Dealer	February 2, 2021
Amalgamation	Stylus Asset Management Inc. and First Avenue Investment Counsel Inc. To form: First Avenue Investment Counsel Inc.	Portfolio Manager, Exempt Market Dealer and Investment Fund Manager	December 31, 2020

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 Canadian Investor Protection Fund (CIPF) – Housekeeping Amendments to the CIPF Claims Procedures – Notice of Commission Deemed Approval

NOTICE OF COMMISSION DEEMED APPROVAL

CANADIAN INVESTOR PROTECTION FUND (CIPF)

HOUSEKEEPING AMENDMENTS TO THE CIPF CLAIMS PROCEDURES

The Ontario Securities Commission did not object to the classification as housekeeping of CIPF's proposed amendments to the CIPF Claims Procedures (the Amendments). Some of the Amendments are necessary to conform to certain changes in the revised CIPF Approval Orders (in effect as of January 1, 2021), which now allow for an option of having non-CIPF Directors to conduct appeals if considered appropriate by the CIPF Board. The Amendments also include some changes of editorial and clarifying nature.

The Amendments are deemed to be approved and become effective on February 11, 2021.

In addition, the Alberta Securities Commission, the Autorité des marchés financiers, the British Columbia Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Financial and Consumer Services Commission of New Brunswick, the Manitoba Securities Commission, the Newfoundland and Labrador Office of the Superintendent of Securities, the Northwest Territories Office of the Superintendent of Securities, the Nova Scotia Securities Commission, the Nunavut Office of the Superintendent of Securities, the Office of the Yukon Superintendent of Securities, and the Prince Edward Island Office of the Superintendent of Securities did not object to the Amendments.

A copy of the CIPF notice and the text of the Amendments can be found at <http://www.osc.gov.on.ca>.

13.3 Clearing Agencies

13.3.1 Canadian Derivatives Clearing Corporation (CDCC) – Proposed Amendments to the Risk Manual of CDCC with respect to the Initial Margin Model for Equity Derivatives – Request for Comment

OSC STAFF NOTICE OF REQUEST FOR COMMENT

CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC)

**PROPOSED AMENDMENTS TO
THE RISK MANUAL OF CDCC
WITH RESPECT TO THE INITIAL MARGIN MODEL FOR EQUITY DERIVATIVES**

The Ontario Securities Commission is publishing for public comment the proposed amendments to the CDCC Risk Manual with respect to the Initial Margin Model for Equity Derivatives.

The purpose of the proposed amendments is to introduce the SVaR model as a permanent solution to replace the temporary 25% buffer on the volatility floor introduced post the COVID-19 market situation.

The comment period ends on March 12, 2021.

A copy of the CDCC Notice is published on our website at <http://www.osc.gov.on.ca>.

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