

**Ontario Securities Commission**

**Form 45-108F1**

**Unofficial consolidation current to 2023-06-09**

**This document is not an official statement of law or policy and should be used for reference purposes only.**

**FORM 45-108F1  
CROWDFUNDING OFFERING DOCUMENT**

**Instructions**

This Form contains the disclosure items that an eligible crowdfunding issuer offering securities under the crowdfunding prospectus exemption (**the issuer**) must include in a crowdfunding offering document. If any disclosure item is not applicable, include the relevant heading and state “Not applicable” under it.

Use plain language and focus on relevant information that would assist purchasers in making an investment decision. Use tables, charts and other graphic methods of presenting information if this will make the information easier to understand. The information should be balanced and not promotional in nature. A longer document is not necessarily a better document.

Do not disclose forward-looking information unless there is a reasonable basis for the forward-looking information. If material forward-looking information is disclosed, it must be accompanied by disclosure that identifies the forward-looking information as such, and cautions that actual results may vary from the forward-looking information. An example of forward-looking information would be an estimate of the timeline to complete a project.

If this crowdfunding offering document is amended and restated, the document that is made available to purchasers must be labelled as an amended and restated crowdfunding offering document.

**This crowdfunding offering document is divided into the following 11 items:**

**ITEM 1** – Warning to purchasers

**ITEM 2** – Brief overview of the issuer

**ITEM 3** – Brief overview of the issuer’s business

**ITEM 4** – What you need to know about the issuer’s management

**ITEM 5** – What you need to know about the distribution

**ITEM 6** – What you need to know about the issuer

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**ITEM 7** – What you need to know about the funding portal

**ITEM 8** – What you need to know about your rights

**ITEM 9** – Other relevant information

**ITEM 10** – Documents incorporated by reference in this crowdfunding offering document

**ITEM 11** – Certificate

## ITEM 1 – WARNING TO PURCHASERS

Include the following statement, in bold type:

**“No securities regulatory authority or regulator has assessed, reviewed or approved the merits of these securities or reviewed this crowdfunding offering document. Any representation to the contrary is an offence. This is a risky investment.”**

## ITEM 2 – BRIEF OVERVIEW OF THE ISSUER

### Issuer information

**2.1** Provide the following information in the table below:

Full legal name of issuer	
Legal status (form of entity and date and jurisdiction of organization)	
Articles of incorporation, limited partnership agreement or similar document, and shareholder agreement, available at:	
Head office address of issuer	
Telephone	
Fax	
Website URL	
Link(s) to access video(s) relating to this offering (see instruction 1 below)	
Jurisdictions of Canada where the issuer is a reporting issuer (see instruction 2 below)	

#### *Instructions:*

- 1. A video may only be made available on the funding portal's online platform.*
- 2. Disclose each jurisdiction of Canada where the issuer is a reporting issuer. If the issuer is not a reporting issuer, disclose that fact.*

### Issuer contact person

**2.2** Provide the following information for a contact person at the issuer who is able to answer questions from a purchaser or a securities regulatory authority or regulator:

Full legal name of the contact person	
Position held at the issuer	
Business address	
Business telephone number	
Business email address	

**ITEM 3 – BRIEF OVERVIEW OF THE ISSUER’S BUSINESS**

Briefly explain, in a few lines, the issuer’s business and why the issuer is raising funds.

Include the following statement, in bold type:

**“A more detailed description of the issuer’s business is provided below.”**

**ITEM 4 – WHAT YOU NEED TO KNOW ABOUT THE ISSUER’S MANAGEMENT**

Provide the required information in the following table for each executive officer, director, promoter and control person of the issuer.

*Instruction: An executive officer is an individual who is: (a) a chair, vice-chair or president; (b) a chief executive officer or chief financial officer; (c) a vice-president in charge of a principal business unit, division or function including sales, finance or production; or (d) performing a policy-making function in respect of the issuer.*

Full legal name City, prov/state and country of residence  Position at issuer	Principal occupation for the last five years	Expertise, education, and experience that is relevant to the issuer’s business	Percentage of time the person spends/will spend on the issuer’s business (if less than full time)	Number and type of securities of the issuer owned, directly or indirectly  Date securities were acquired and price paid for securities  % of the issuer’s issued and outstanding securities as of the date of this crowdfunding offering document

Full legal name City, prov/state and country of residence  Position at issuer	Principal occupation for the last five years	Expertise, education, and experience that is relevant to the issuer's business	Percentage of time the person spends/will spend on the issuer's business (if less than full time)	Number and type of securities of the issuer owned, directly or indirectly  Date securities were acquired and price paid for securities  % of the issuer's issued and outstanding securities as of the date of this crowdfunding offering document

State whether each person listed in item 4 or the issuer, as the case may be

- (a) has ever pled guilty to or been found guilty of:
  - (i) a summary conviction or indictable offence under the Criminal Code (R.S.C. 1985, c. C-46) of Canada;
  - (ii) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction;
  - (iii) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory therein;
  - (iv) an offence under the criminal legislation of any other foreign jurisdiction,
- (b) is or has been the subject of an order (cease trade or otherwise), judgment, decree, sanction, or administrative penalty imposed by a government agency, administrative agency, self-regulatory organization, civil court, or administrative court of Canada or a foreign jurisdiction in the last ten years related to his or her involvement in any type of business, securities, insurance or banking activity,
- (c) is or has been the subject of a bankruptcy or insolvency proceeding in the last ten years, and/or
- (d) is an executive officer, director, promoter or control person of an issuer that is or has been subject to a proceeding described in paragraphs (a), (b) or (c) above.

**ITEM 5 – WHAT YOU NEED TO KNOW ABOUT THE DISTRIBUTION**

**Distribution information**

**5.1** Provide the following information in the table below:

Type of securities being distributed	
Price per security	\$
Description of any additional rewards or benefits that are not securities (see instruction 1 below)	
Start of distribution period	
End of distribution period	
Date and description of amendment(s) made to this crowdfunding offering document, if any	
Jurisdiction(s) where securities are being distributed	
Expected proceeds of this distribution (see instruction 2 below)	\$
Minimum subscription per purchaser, if applicable	\$

*Instructions:*

1. *Include the following statement, in bold type as a footnote to the table if the issuer is offering any rewards or benefits:*

**“The disclosure of additional rewards and benefits that are not securities is for information purposes only. A purchaser is cautioned that any rights applicable to a purchaser as result of an offering of rewards or benefits that are not securities are outside the jurisdiction of securities legislation.”**

2. *The amount disclosed must be the same as the amount in Row A in the table under Proceeds to be raised in item 5.2.*

**Aggregate proceeds**

- 5.2 Insert the relevant dollar amount and include the following statement, in bold type:

**“The issuer requires aggregate minimum proceeds of \$ \_\_\_\_\_ to accomplish the business objectives described below.”**

Provide the following information in the tables below:

Proceeds to be raised

A.	Expected proceeds of this distribution	\$
B.	Proceeds expected to be received from concurrent distributions, if any, that will be unconditionally available to the issuer at the time of closing of the distribution (see instruction 1 below)	\$
C.	Aggregate minimum proceeds C = (A+B) (see instruction 2 below)	\$
D.	Maximum amount the issuer wants to raise	\$

*Instructions:*

1. *The amount disclosed in Row B should reconcile to the information provided in item 5.3.*
2. *The amount disclosed in Row C must be the same as the amount disclosed in the statement at the beginning of this item.*

Use of proceeds

	Description of expenses	Assuming aggregate minimum proceeds	Assuming maximum amount raised, if applicable
A.	Fees to be paid to funding portal (see instructions 1 and 2 below)	\$	\$
B.	Other expenses of this distribution (see instruction 3 below)	\$	\$
C.	Funds to accomplish business objectives (see instruction 4)	\$	\$
D.	<b>Total</b> (see instruction 5)	\$	\$

*Instructions:*

1. *Describe the fees (e.g., commission, arranging fee or other fee) that the funding portal is charging for its services. Describe each type of fee and the estimated amount to be paid for each type. If a commission is being paid, indicate the percentage that the commission will represent of the gross proceeds of the distribution.*
2. *Disclose the estimated number and value of the issuer’s securities to be issued, if any, in consideration for all or a portion of the portal’s fees.*
3. *State the nature of each expense (e.g. legal, accounting, audit) and the estimated amount of the expense.*
4. *State the business objectives the issuer expects to accomplish using the proceeds to be raised, assuming: (i) the aggregate minimum proceeds are raised; and (ii) if applicable, the maximum amount is raised. Describe each business objective and state the estimated time period for the objective to be accomplished and the costs related to accomplishing it. Each business objective must be included in a separate row in the table.*
5. *The total dollar amount of the proceeds to be raised must be accounted for in the table. The amount disclosed in Row D under the column Assuming aggregate minimum proceeds must be*

*the same as the amount in Row C in the table under Proceeds to be raised in this item. The amount disclosed in Row D under the column Assuming maximum amount raised, if applicable must be the same as the amount in Row D in the table under Proceeds to be raised in this item.*

### Business Acquisition

If any of the proceeds will be used by the issuer to acquire, invest in, or merge with a business, disclose, for that business, the information required by items 3 and 6.3, together with other relevant information.

### **Concurrent distributions**

**5.3** If the proceeds of a concurrent distribution will be unconditionally available to the issuer at the time of closing of the distribution, provide the following information for each distribution by any member of the issuer group that is intended to be conducted, at least in part, during the distribution period:

- (a) type of securities being distributed in concurrent distribution;
- (b) proposed size of concurrent distribution;
- (c) proposed closing date of concurrent distribution;
- (d) price and terms of securities to be distributed in concurrent distribution.

*Instruction: If during the course of this distribution: (i) there is any change in the size, type of security, price per security, or other terms and conditions in a concurrent distribution being made by the issuer; (ii) there is any change in the amount of proceeds proposed to be received by the issuer from a concurrent distribution being made by a member of the issuer group, other than the issuer; or (iii) a new distribution is commenced by any member of the issuer group where the proceeds of the distribution will be unconditionally available to the issuer, this crowdfunding offering document must be amended to reflect this development.*

### **Description of securities distributed and relevant rights**

**5.4** This security gives you the following rights (choose all that apply):

- Voting rights;
- Interest or dividends;
- Redemption rights;
- Rights on dissolution;
- Conversion rights: Each security is convertible into \_\_\_\_\_;
- Other (describe) \_\_\_\_\_.

Provide a description of any right to receive interest or dividends.

### Other rights or obligations

State whether purchasers will have protections such as tag-along or pre-emptive rights. If no such rights will be provided or are minimal in nature, explain:

- (a) the risks associated with being a minority security holder;
- (b) that the absence of such rights affects the value of the securities.

Any other restrictions or conditions

Provide a brief summary of any other restrictions or conditions that attach to the securities being distributed.

Dilution

Include the following statement:

“Your percentage of ownership in this issuer may be reduced significantly due to a number of factors beyond your control, such as the rights and characteristics of other securities already issued by the issuer, future issuances of securities by the issuer, and potential changes to the capital structure and/or control of the issuer.”

**Other crowdfunding distributions**

**5.5** For any crowdfunding distribution in which the issuer or an executive officer, director, promoter or control person of the issuer has been involved in the past five years, provide the information below:

For crowdfunding distributions that were started but the issuer did not receive any funds:

- (a) the full legal name of the issuer that made the distribution;
- (b) the date the distribution was discontinued.

For closed crowdfunding distributions:

- (a) the full legal name of the issuer that made the distribution;
- (b) the date that the distribution commenced and the date it closed;
- (c) the name and website address of the funding portal through which the distribution was made;
- (d) the amount raised;
- (e) the intended use of proceeds stated in the relevant crowdfunding offering document and the actual use of proceeds.

This information must be provided for each person that has been involved in a crowdfunding distribution in the past five years, whether with the issuer, or with another issuer.

**ITEM 6 – WHAT YOU NEED TO KNOW ABOUT THE ISSUER**

**Issuer's business**

**6.1** Indicate which statement(s) best describe the issuer's operations (select all that apply):

- has never conducted operations;
- is in the development stage;
- is currently conducting operations;
- has shown profit in the last financial year.

Briefly describe:

- (a) the nature of the issuer's product(s) or service(s);
- (b) the industry in which the issuer operates;
- (c) the issuer's long term business objectives;
- (d) the issuer's assets and whether those assets are owned or leased.

**Related party relationships and transactions**

**6.2** For purposes of this item, a control person is a person or company that controls, directly or indirectly, more than 20% of the issuer's voting securities prior to the closing of this distribution.

Family relationships

Are there any family relationships between any executive officers, directors, promoters or control persons? Y  N

If yes, describe the nature of each relationship.

Proceeds to be raised

Will the issuer use any of the proceeds to be raised to:

- acquire assets or services from an executive officer, director, promoter or control person, or an associate of any of them? Y  N
- loan money to any executive officer, director, promoter or control person, or an associate of any of them? Y  N
- reimburse any executive officer, director, promoter or control person, or an associate of any of them, for assets previously acquired, services previously rendered, monies previously loaned or advanced, or for any other reason? Y  N

If the answer to any of the above is “yes”, disclose the relationship between each person and the issuer and the principal terms of each transaction. If assets were acquired from a person, disclose the cost of the asset to the issuer and the method used to determine this cost. Disclose for each person who has been involved in more than one related party transaction, their relationship with the issuer and which of the transactions they have been involved with.

### **Principal risks facing the business**

**6.3** Disclose the risks facing the issuer’s business that could result in a purchaser losing the value of the purchaser’s investment. Only those risks that are highly significant to the business should be disclosed. The risks should be disclosed in order of most to least significant.

In addition to disclosing the principal risks in this crowdfunding offering document, reporting issuers may incorporate by reference the risk disclosure in their continuous disclosure documents (for example, their annual information form or management discussion & analysis).

*Instruction: Explain the risks of investing in the issuer for the purchaser in a meaningful way, avoiding overly general or “boilerplate” disclosure. Disclose both the risk and the factual basis for it. Risks can relate to the issuer’s business, its industry, its clients, etc.*

#### Litigation

Disclose any litigation or administrative action that has had or is likely to have a material effect on the issuer’s business.

Include information not only about present pending litigation or administrative actions, but also past concluded litigation or administrative actions, and potential future claims of which the issuer is aware. Disclose the name of the court, agency or tribunal where the proceeding is pending, a description of the facts underlying the claim and the relief sought, or any information known to the issuer about pending litigation or administrative actions.

### **Financial information**

**6.4** If the issuer is a non-reporting issuer, include the following statement, in bold type:

**“The issuer’s financial statements have not been provided to or reviewed by a securities regulatory authority or regulator.”**

#### Fiscal year end

Month and Day: \_\_\_\_\_

See Schedule A Crowdfunding Offering Document – Financial Statement Requirements to determine which financial statements must be attached to this crowdfunding offering document.

### **Ongoing disclosure**

**6.5** This Briefly describe how the issuer intends to communicate with purchasers.

#### Reporting issuer

If the issuer is a reporting issuer, state that the issuer is subject to reporting obligations under securities legislation and explain how a purchaser can access the issuer's continuous disclosure documents.

Non-reporting issuer

If the issuer is a non-reporting issuer:

- (a) state that the issuer has limited disclosure obligations under securities legislation and that the issuer is required to provide only annual financial statements and annual disclosure regarding use of proceeds;
- (b) state the nature and frequency of any other disclosure the issuer intends to provide to purchasers;
- (c) explain how purchasers can access the disclosure documents referred to in paragraphs (a) and (b).

In New Brunswick, Nova Scotia and Ontario, a non-reporting issuer must make available to each holder of a security acquired under the crowdfunding prospectus exemption, within 10 days of their occurrence, a notice of each of the following events:

- (a) a discontinuation of the issuer's business;
- (b) a change in the issuer's industry;
- (c) a change of control of the issuer.

**Capital structure**

**6.6** Disclose the following information:

- (a) the issuer's capital structure, including the terms and conditions of any other securities that are issued and outstanding as at the date of this crowdfunding offering document and the amount(s) that were paid for the securities;
- (b) using the calculation outlined below, the percentage of the issuer's outstanding securities that the securities being distributed will represent on the closing of the distribution:

$$\frac{A}{A + B} = \%$$

A – Number of securities being distributed under this distribution

B – Number of issued and outstanding securities as of the date of this crowdfunding offering document

*Instruction: If the issuer has more than one class of outstanding securities, the calculation should be based only on the class of securities that is being distributed. If the securities being distributed are non-convertible debt securities, the calculation should be based on the face value of the debt securities;*

- (c) the total number of securities reserved or subject to issuance under outstanding options, warrants or rights, the amount(s) that were paid for the securities, and the terms and conditions of those instruments.

**Connected issuers**

**6.7** If the issuer is a connected issuer to a funding portal, include the disclosure required by Appendix C to National Instrument 33-105 *Underwriting Conflicts* (NI 33-105).

*Instruction: The definition of “connected issuer” is provided in NI 33-105.*

**Management compensation**

**6.8**

Reporting issuer

If the issuer is a reporting issuer, incorporate by reference the disclosure provided for purposes of item 3 of Form 51-102F6 *Statement of Executive Compensation* (**Form 51-102F6**) and other information disclosed in the issuer’s Form 51-102F6 as needed.

Non-reporting issuer

If the issuer is a non-reporting issuer, provide the following information in the format set out below for each director and the three most highly compensated executive officers (or all executive officers if there are fewer than three):

Name of person and position at issuer	Total compensation paid to that person during the 12 month period preceding commencement of this distribution		Total compensation expected to be paid to that person during the 12 month period following closing of this distribution	
	Cash (\$)	Other Compensation	Cash (\$)	Other Compensation

*Instruction: Describe any non-cash compensation and how it was valued.*

**Mining issuer disclosure**

**6.9** If the issuer is a mining issuer, state that the issuer is subject to the requirements of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (**NI 43-101**).

*Instruction: Note that NI 43-101 applies to all issuers, including non-reporting issuers.*

**ITEM 7 – WHAT YOU NEED TO KNOW ABOUT THE FUNDING PORTAL**

State that the issuer is using the services of a funding portal to offer its securities and provide the contact information of the funding portal below:

Full legal name of the funding portal	
Full website address of the funding portal	
Business email address of the funding portal	
Full legal name of the Chief Compliance Officer	
Full legal name of the contact person	
 Business address	
 Business telephone number	

Include the following statement:

“A purchaser can check if the funding portal is operated by a registered dealer at the following website: [www.aretheyregistered.ca](http://www.aretheyregistered.ca)”

**ITEM 8 – WHAT YOU NEED TO KNOW ABOUT YOUR RIGHTS**

Reporting issuer

If the issuer is a reporting issuer, state that a purchaser has the following contractual rights in connection with the purchase of securities:

- (a) if the securities legislation of the jurisdiction in which the purchaser resides does not provide a comparable right, a right of action for damages or rescission if this crowdfunding offering document, or any document or video made available to a purchaser in addition to this crowdfunding offering document, contains a misrepresentation, and
- (b) if the securities legislation of the jurisdiction in which the purchaser resides does not provide a comparable right, a right to withdraw from an agreement to purchase securities distributed under this crowdfunding offering document by delivering a notice to the funding portal within 48 hours after the date of subscription.

Non-reporting issuer

If the issuer is a non-reporting issuer, state that a purchaser has the following contractual rights in connection with the purchase of securities:

- (a) a right of action for damages or rescission if this crowdfunding offering document, or any document or video made available to a purchaser in addition to this crowdfunding offering document, contains an untrue statement of a material fact, and
- (b) if the securities legislation of the jurisdiction in which the purchaser resides does not provide a comparable right, a right to withdraw from an agreement to purchase securities distributed under this crowdfunding offering document by delivering a notice to the funding portal within 48 hours after the date of subscription.

Disclose how a purchaser can find more information about these rights and how to exercise them. The disclosure should include who a purchaser needs to contact, how a purchaser can contact that person and the deadline for a purchaser to do so in order to exercise their rights. The issuer may choose to include a link to the relevant portion of the funding portal's website.

**ITEM 9 – OTHER RELEVANT INFORMATION**

State any other facts that would likely be important to a purchaser purchasing securities under this crowdfunding offering document.

**ITEM 10 – DOCUMENTS INCORPORATED BY REFERENCE IN THIS CROWDFUNDING OFFERING DOCUMENT**

If the issuer is a reporting issuer, include the following disclosure and provide the required information in the table below:

“Information has been incorporated by reference into this crowdfunding offering document from documents listed in the table below, which have been filed with the securities regulatory authorities or regulators in Canada. The documents incorporated by reference are available for viewing on the SEDAR+ website at [www.sedarplus.com](http://www.sedarplus.com).

Documents listed in the table and information provided in those documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement in this crowdfunding offering document or in any other subsequently filed document that is also incorporated by reference in this crowdfunding offering document.”

Description of document (in the case of material change reports, provide a brief description of the nature of the material change)	Date of document

**ITEM 11 – CERTIFICATE**

**11.1** Insert the date of this crowdfunding offering document and the date it was made available to purchasers through the funding portal and include the following statement, in bold type:

For reporting issuers:

**“This crowdfunding offering document does not contain a misrepresentation. Purchasers of securities have a right of action in the case of a misrepresentation.”**

For non-reporting issuers:

**“This crowdfunding offering document does not contain an untrue statement of a material fact. Purchasers of securities have a right of action in the case of an untrue statement of a material fact.”**

**11.2** For both reporting and non-reporting issuers, provide the signature, date of the signature, name and position of each individual certifying this crowdfunding offering document.

**11.3** If this crowdfunding offering document is signed electronically, include the following statement for each individual certifying the document, in bold type:

**“I acknowledge that I am signing this crowdfunding offering document electronically and agree that this is the legal equivalent of my handwritten signature. I will not at any time in the future claim that my electronic signature is not legally binding.”**

*Instruction: See Appendix A of Multilateral Instrument 45-108 Crowdfunding to determine who is required to certify this crowdfunding offering document.*

**Securities regulatory authorities and regulators of the participating jurisdictions:**

Alberta	The Alberta Securities Commission Suite 600, 250 – 5th Avenue SW Calgary, Alberta T2P 0R4 Telephone: 403-297-6454 Fax: 403-297-6156 E-mail: <a href="mailto:inquiries@asc.ca">inquiries@asc.ca</a> <a href="http://www.albertasecurities.com">www.albertasecurities.com</a>
Manitoba	The Manitoba Securities Commission 500 – 400 St Mary Avenue Winnipeg, Manitoba R3C 4K5 Telephone: 204-945-2548 Toll free in Manitoba: 1-800-655-2548 Fax: 204-945-0330 E-mail: <a href="mailto:exemptions.msc@gov.mb.ca">exemptions.msc@gov.mb.ca</a> <a href="http://www.msc.gov.mb.ca">www.msc.gov.mb.ca</a>
New Brunswick	Financial and Consumer Services Commission 85 Charlotte Street, Suite 300 Saint John, New Brunswick E2L 2J2 Toll free: 1-866-933-2222 Fax: 506-658-3059 E-mail: <a href="mailto:info@fcnb.ca">info@fcnb.ca</a> <a href="http://www.fcnb.ca">www.fcnb.ca</a>
Nova Scotia	Nova Scotia Securities Commission Suite 400, 5251 Duke Street Halifax, Nova Scotia B3J 1P3 Telephone: 902-424-7768 Toll free in Nova Scotia: 1-855-424-2499 Fax: 902-424-4625 E-mail: <a href="mailto:nssc.crowdfunding@novascotia.ca">nssc.crowdfunding@novascotia.ca</a> <a href="http://www.nssc.gov.ns.ca">www.nssc.gov.ns.ca</a>
Ontario	Ontario Securities Commission 20 Queen Street West, 22nd Floor Toronto, Ontario M5H 3S8 Telephone: 416-593-8314 Toll-free (North America): 1-877-785-1555 Fax: 416-593-8122 E-mail: <a href="mailto:inquiries@osc.gov.on.ca">inquiries@osc.gov.on.ca</a> <a href="http://www.osc.gov.on.ca">www.osc.gov.on.ca</a>

Form 45-108F1

Québec

Autorité des marchés financiers  
Direction du financement des sociétés  
800, rue du Square-Victoria, 22nd floor  
P.O. Box 246, tour de la Bourse  
Montréal, Québec H4Z 1G3  
Telephone: 514-395-0337  
Toll free in Québec: 1-877-525-0337  
Fax: 514-873-3090  
E-mail: [financement-participatif@lautorite.qc.ca](mailto:financement-participatif@lautorite.qc.ca)  
[www.lautorite.qc.ca](http://www.lautorite.qc.ca)

## Schedule A

### Crowdfunding Offering Document Financial Statement Requirements

1. In this schedule

“Canadian Financial Statement Review Standards” means standards for the review of financial statements by a public accountant determined with reference to the Handbook;

“SEC issuer” means an SEC issuer as defined in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“U.S. AICPA Financial Statement Review Standards” means the standards of the American Institute of Certified Public Accountants for a review of financial statements by a public accountant, as amended from time to time.

#### Reporting issuer

2. If the issuer is a reporting issuer, attach as an appendix to this crowdfunding offering document

- (a) the most recent annual financial statements the issuer has filed with the securities regulatory authority or regulator, and
- (b) the most recent interim financial report the issuer has filed with the securities regulatory authority or regulator for an interim period that is subsequent to the financial year covered by the annual financial statements referred to in paragraph (a).

#### Non-reporting issuer

3. If the issuer is not a reporting issuer

- (a) Attach as an appendix to this crowdfunding offering document the financial statements listed in paragraphs 4.1(1)(a), (b), (c) and (e) [*Comparative annual financial statements and audit*] of National Instrument 51-102 *Continuous Disclosure Obligations*.
- (b) Despite paragraph (a), if the issuer has not completed a financial year, attach as an appendix to this crowdfunding offering document financial statements that include
  - (i) a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows for the period from the date of the formation of the issuer to a date not more than 90 days before the date of this crowdfunding offering document,
  - (ii) a statement of financial position as at the end of the period referred to in subparagraph (i), and
  - (iii) notes to the financial statements.
- (c) The financial statements referred to in paragraphs (a) and (b), and any other financial statements that are attached as an appendix to this crowdfunding offering document, must
  - (i) be approved by management and be accompanied by

- (A) a review report or auditor's report if the amount raised by the issuer under one or more prospectus exemptions from the date of the formation of the issuer until 90 days before the date of this crowdfunding offering document, is \$250,000 or more but is less than \$750,000, or
    - (B) an auditor's report if the amount raised by the issuer under one or more prospectus exemptions from the date of the formation of the issuer until 90 days before the date of this crowdfunding offering document, is \$750,000 or more,
  - (ii) comply with paragraph 3.2(1)(a) [*Acceptable accounting principles – general requirements*], subparagraph 3.2(1)(b)(i) [*Acceptable accounting principles – general requirements*], and subsection 3.2(5) [*Acceptable accounting principles – general requirements*] of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*, and
  - (iii) comply with section 3.5 [Presentation and functional currencies] of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.
- (d) If the financial statements referred to paragraphs (a) and (b), or any other financial statements that are attached as an appendix to this crowdfunding offering document, are accompanied by a review report, the financial statements must be reviewed in accordance with Canadian Financial Statement Review Standards and the review report must
- (i) not include a reservation or modification,
  - (ii) identify the financial periods that were subject to review,
  - (iii) be in the form specified by Canadian Financial Statement Review Standards, and
  - (iv) refer to IFRS as the applicable financial reporting framework.
- (e) If the financial statements referred to in paragraphs (a) and (b), or any other financial statements that are attached as an appendix to this crowdfunding offering document, are accompanied by an auditor's report, the auditor's report must be
- (i) prepared in accordance with section 3.3 [*Acceptable auditing standards – general requirements*] of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*, and
  - (ii) signed by an auditor that complies with section 3.4 [*Acceptable auditors*] of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.
- (f) if the financial statements referred to in paragraphs (a) and (b), or any other financial statements that are attached as an appendix to this crowdfunding offering document, are those of an SEC issuer,
- (i) the statements may be prepared in accordance with section 3.7 [*Acceptable accounting principles for SEC issuers*] of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*,
  - (ii) the financial statements may be reviewed in accordance with U.S. AICPA Financial Statement Review Standards and accompanied by a review report prepared in accordance with U.S. AICPA Financial Statement Review Standards that
    - (A) does not include a modification or exception,
    - (B) identifies the financial periods that were subject to review,

- (C) identifies the review standards used to conduct the review and the accounting principles used to prepare the financial statements, and
  - (D) refers to IFRS as the applicable financial reporting framework if the financial statements comply with paragraph 3.2(1)(a) [*Acceptable accounting principles – general requirements*] of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*, and
- (iii) the financial statements may be audited in accordance with section 3.8 [*Acceptable auditing standards for SEC issuers*] of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.
- (g) If the financial statements referred to in paragraph (f) are accompanied by a review report and the statements have been reviewed in accordance with Canadian Financial Statement Review Standards, the review report must be in compliance with subparagraphs 3(d)(i) to (iii) and must
- (i) refer to IFRS as the applicable financial reporting framework if the financial statements comply with paragraph 3.2(1)(a) [*Acceptable accounting principles – general requirements*] of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*, or
  - (ii) refer to U.S. GAAP as the applicable financial reporting framework if the financial statements comply with section 3.7 [*Acceptable accounting principles for SEC issuers*] of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.
- (h) For the purpose of paragraph (d) and subparagraph (f)(ii), the review report must be prepared and signed by a person or company authorized to sign a review report under the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.
- (i) If any of the financial statements referred to in paragraphs (a) and (b), or any other financial statements that are attached as an appendix to this crowdfunding offering document, are not accompanied by an auditor's report or a review report prepared by a public accountant, the statements must include the following statement: "These financial statements were not audited or subject to a review by a public accountant as permitted by securities legislation where an issuer has not raised more than a pre-defined amount under prospectus exemptions."

**Instructions related to financial statement requirements and the disclosure of other financial information**

**What constitutes an issuer's first financial year** – *The first financial year of an issuer commences on the date of its incorporation or organization and ends at the close of that financial year.*

**What would be presented in an issuer's financial statements if the issuer has not completed a financial year** – *The financial statements would include the financial statements listed in paragraphs 4.1(1)(a), (b), (c) and (e) [Comparative annual financial statements and audit] of National Instrument 51-102 Continuous Disclosure Obligations for the period from the date of the formation of the issuer to a date not more than 90 days before the date of this crowdfunding offering document. The financial statements would not include a comparative period.*

**What financial years need to be audited or reviewed** – *If an issuer is required to have an auditor's report or review report accompany its financial statements in accordance with subparagraph 3(c)(i) of*

*this schedule, the financial statements for the most recent period and the comparative period, if any, are both required to be audited or are both required to be reviewed.*

**Statement required in annual financial statements that have not been audited or reviewed –**

*Paragraph 3(i) of this schedule requires that if an issuer's annual financial statements are not accompanied by an auditor's report or a review report prepared by a public accountant, the financial statements must include a statement that discloses that fact. Consistent with the requirements set out in subparagraph 3(c)(i) of this schedule, an issuer's annual financial statements are not required to be audited or reviewed by a public accountant if the issuer has raised less than \$250,000 under one or more prospectus exemptions from the date of the formation of the issuer until 90 days before the date of this crowdfunding offering document.*

**What financial reporting framework is identified in the financial statements, and any accompanying auditor's report or review report –** *If an issuer's financial statements are prepared in accordance with Canadian GAAP for publicly accountable enterprises and include an unreserved statement of compliance with IFRS, the auditor's report or review report must refer to IFRS as the applicable financial reporting framework.*

*There are two options for referring to the financial reporting framework in the applicable financial statements and accompanying auditor's report or review report:*

- (a) refer only to IFRS in the notes to the financial statements and in the auditor's report or review report, or*
- (b) refer to both IFRS and Canadian GAAP in the notes to the financial statements and in the auditor's report or review report.*

**Non-GAAP financial measures –** *An issuer that intends to disclose non-GAAP financial measures in its crowdfunding offering document should refer to CSA guidance for a discussion of staff expectations concerning the use of these measures.*