

B.2.4 Ontario Instrument 32-509 Early-Stage Business Registration Exemption (Interim Class Order)

Ontario Securities Commission

**Ontario Instrument 32-509
*Early-Stage Business Registration Exemption (Interim Class Order)***

The Ontario Securities Commission, considering that to do so would not be prejudicial to the public interest, orders that effective May 9, 2024, Ontario Instrument 32-509 entitled “Early-Stage Business Registration Exemption (Interim Class Order)” is made.

May 9, 2024

“Grant Vingoe”

D. Grant Vingoe
Chief Executive Officer
Ontario Securities Commission

Authority under which the order is made:

Act and section: Securities Act, subsection 143.11(2)

Ontario Securities Commission

Ontario Instrument 32-509
Early-Stage Business Registration Exemption (Interim Class Order)
(the Order)

Interpretation

1. In this Order:

“**accredited investor**” has the meaning given in subsection 73.3(1) of the [Act](#) and section 1.1 of [NI 45-106](#);

“**Act**” means the [Securities Act, R.S.O. 1990, c. S.5](#), as amended from time to time;

“**demo day**” means a seminar or meeting in which more than one issuer participates that is hosted by a sponsor;

“**eligible business**” means an issuer that

- (a) has its head office and business operations located in the province of Ontario,
- (b) is in the early or development stages of its business and is seeking capital to start, grow or scale,
- (c) has fewer than 100 employees,
- (d) has a primary business purpose that is not investing in real estate, mortgages, other businesses, or other assets,
- (e) has a business purpose other than to identify and evaluate assets or a business with a view to completing a merger with, amalgamation with or purchase of the securities of an issuer, or the acquisition of a business,
- (f) is not engaged, directly or indirectly, in any of the following activities:
 - (i) holding, investing in or trading crypto assets, on the issuer’s own behalf or on behalf of its clients;
 - (ii) the operation of a gaming or betting business;
- (g) is not a reporting issuer, or the subsidiary of a reporting issuer, in any jurisdiction of Canada or in any foreign jurisdiction,
- (h) is not registered under securities legislation in any jurisdiction of Canada or in any foreign jurisdiction, and
- (i) is not an investment fund;

“**eligible security**” means any of the following:

- (a) a common share;
- (b) a non-convertible preference share;
- (c) a security convertible into a security referred to in (a) or (b);
- (d) a non-convertible debt security linked to a fixed or floating interest rate;
- (e) a unit of a limited partnership;
- (f) a share in the capital of a cooperative, as defined in subsection 2(1) of the [Canada Cooperatives Act \(Canada\)](#) or a co-operative incorporated under the [Co-operative Corporations Act \(Ontario\)](#);

“**founder**” has the meaning given in section 1.1 of [NI 45-106](#);

“**issuer group**” means

- (a) the eligible business,

- (b) an affiliated company of the eligible business, and
- (c) any other issuer
 - (i) that is engaged in a common enterprise with the eligible business or with an affiliate of the eligible business, or
 - (ii) whose business is founded or organized, directly or indirectly, by the same person or persons who founded or organized the eligible business;

“NI 14-101” means [National Instrument 14-101 Definitions](#);

“NI 45-106” means [National Instrument 45-106 Prospectus Exemptions](#);

“OI 45-507” means [Ontario Instrument 45-507 Self-Certified Investor Prospectus Exemption \(Interim Class Order\)](#);

“OSC Rule 14-501” means [Ontario Securities Commission Rule 14-501 Definitions](#);

“OSC Rule 45-501” means [Ontario Securities Commission Rule 45-501 Ontario Prospectus and Registration Exemptions](#);

“principal” means a founder, director, officer or control person of an issuer;

“reporting period” means a period commencing on any of the following:

- (a) May 9, 2024 and ending on June 30, 2024;
- (b) July 1, 2024 and ending on September 30, 2024;
- (c) October 1, 2024 and ending on December 31, 2024;
- (d) January 1, 2025 and ending on March 31, 2025;
- (e) April 1, 2025 and ending on June 30, 2025;
- (f) July 1, 2025 and ending on September 30, 2025;
- (g) October 1, 2025 and ending on October 25, 2025;

“securities legislation” means, for a local jurisdiction of Canada, the statute and other instruments listed in Appendix B of [NI 14-101](#), opposite the name of the local jurisdiction;

“self-certified investor” has the meaning given in section 1 of [OI 45-507](#);

“sponsor” means a college, university or other institution of higher education, local, provincial, or federal government, not-for-profit group, angel investor group, incubator, accelerator or innovation hub;

“terms of the offering” means the

- (a) amount of eligible securities offered,
- (b) type of eligible security,
- (c) price of the eligible security,
- (d) closing date of the distribution period,
- (e) planned use of proceeds,
- (f) issuer’s progress toward meeting its funding target, and
- (g) if applicable, the name of the dealer facilitating the distribution of the eligible securities and link to the dealer’s website.

2. Terms defined in the [Act](#) have the same meaning if used in this Order, unless otherwise defined.

Background

3. Early-stage businesses make important contributions to economic growth, competition, and innovation in Ontario. These businesses can create jobs, develop new and improved products and services and find creative solutions that drive productivity gains. To start, grow and scale, early-stage businesses require capital.
4. In April 2021, the legislative mandate of the Commission to protect investors from unfair, improper or fraudulent practices, foster fair and efficient capital markets and contribute to the stability of the financial system and the reduction of systemic risk was expanded to expressly include fostering capital formation and competitive capital markets. This expanded mandate provides additional areas of focus for the Commission's operational and policy development activities, as well as its approach to regulatory decisions.
5. In 2023, the Commission conducted research to better understand capital formation in Ontario, focusing on access to capital for small and medium-sized businesses in Ontario's private markets and seeking perspectives from founders, investors, innovation hubs, incubators, and accelerators. This research identified access to early-stage capital as a key ongoing challenge for Ontario businesses.
6. The most common source of startup capital for businesses in Ontario is personal financing from the business' owners. Many business owners will also seek funding by way of loans from financial institutions, government grants as well as investments from their friends and relatives. These sources of capital may not be sufficient or available and capital from other sources may be required to start, scale or grow the business.
7. As a business seeks to raise capital from investors, it may be considered to be "in the business of trading" securities and required to be registered as a dealer or rely on an exemption from registration if it is conducting certain activities. There is no bright-line test to make this determination, rather whether an entity is "in the business" of trading will generally be a fact-specific analysis.
8. To promote capital formation for early-stage businesses, the Commission is introducing time-limited exemptive relief from the dealer registration requirement to allow eligible early-stage businesses in Ontario to engage in limited capital raising and marketing activities with appropriate investor protections.
9. The Commission recognizes that some early-stage businesses may wish to raise capital without using a dealer; therefore, two exemptions are being provided, one where the business is working with a registered dealer or an intermediary relying on an exemption from dealer registration (such as a crowdfunding portal or an angel investor group) and one where they are not. This exemptive relief aims to reduce barriers to early-stage capital up to a maximum of \$3M (a business that decides to use a dealer is not subject to limits on the amount of capital that can be raised, other than limits included in the conditions to the prospectus exemption being relied on) and allow early-stage businesses to engage in permitted marketing activities so that they may reach more individuals that may be interested in investing in their business during the earliest and most critical capital raising stages.
10. The Commission is making this Order alongside other Commission initiatives aimed at fostering early-stage capital raising for small businesses in Ontario, namely, [Ontario Instrument 32-508 Not-For-Profit Angel Investor Group Registration Exemption \(Interim Class Order\)](#), [OSC Rule 45-508 Extension to Ontario Instrument 45-507 Self-Certified Investor Prospectus Exemption](#) and [Ontario Instrument 45-509 Report of Distributions under the Self-Certified Investor Prospectus Exemption \(Interim Class Order\)](#).
11. These initiatives are time-limited and are being introduced together through OSC TestLab, a Commission program which uses testing to accelerate the evaluation of capital market innovations and new approaches to regulation to advance responsible innovation in Ontario's capital markets and economic growth for Ontario. Insights from these initiatives will provide valuable input to inform the Commission's efforts to modernize the regulatory environment.
12. Data-driven approaches are essential to support analysis and regulatory decision-making. This Order will require early-stage businesses to notify the Commission of their intent to use the dealer registration exemption. To reduce the burden of reporting distributions on early-stage businesses, this Order will permit quarterly reporting of distributions using a streamlined form without an associated fee. This reporting will in turn provide the Commission with important insights to inform future policy-making.

Class Orders under the Securities Act

13. Under subsection 143.11(2) of the [Act](#), if the Commission considers that it would not be prejudicial to the public interest to do so, the Commission may, on application by an interested person or company or on its own initiative, make an order exempting a class of persons or companies, trades, intended trades, securities or derivatives from any requirement of Ontario securities law on such terms or conditions as may be set out in the order, effective for a period of no longer than 18 months after the day on which it comes into force unless extended pursuant to paragraph (b) of subsection 143.11(3) of the [Act](#).

14. The Commission is satisfied that it would not be prejudicial to the public interest to provide, on an interim basis, the exemptions set out below, subject to the conditions of this Order.

Exemption from the Dealer Registration Requirement

Distributions without a dealer

15 (1). An issuer is exempt from the dealer registration requirement in subsection 25(1) of the [Act](#) in respect of a trade in an eligible security by the issuer, if all of the following apply:

- (a) the issuer is an eligible business;
- (b) the issuer does not intend to use the proceeds of the distribution to merge with, amalgamate with or to purchase securities of an issuer, or to acquire a business;
- (c) the issuer distributes an eligible security of the issuer's own issue;
- (d) the issuer distributes the eligible securities to investors without a dealer;
- (e) the issuer only distributes the eligible securities to residents in Ontario that are one of the following:
 - (i) accredited investors under the prospectus exemptions set out in section 73.3 of the [Act](#) and section 2.3 of [NI 45-106](#);
 - (ii) self-certified investors under [OI 45-507](#);
- (f) the issuer deals fairly, honestly and in good faith with all investors and prospective investors;
- (g) the aggregate funds raised by the issuer group in reliance on this subsection does not exceed \$3,000,000;
- (h) the subscription agreement provides a contractual right of action against the issuer with respect to any misrepresentation included in marketing materials or offering memoranda, as defined in [OSC Rule 14-501](#), and that is equivalent to the statutory right provided by section 130.1 of the [Act](#);
- (i) the issuer only advertises a distribution by one or more of the following means:
 - (i) posting the terms of the offering on the issuer's website;
 - (ii) announcing the distribution on social media with a link to the issuer's website where the terms of the offering are located;
 - (iii) participating in a demo day, provided the issuer complies with the requirements in section 19 of this Order;
- (j) the issuer does not contact prospective investors to solicit investment unless
 - (i) the issuer has a pre-existing relationship with the person, or
 - (ii) the person to whom the message is sent has consented to receiving it;
- (k) the issuer, on its website, social media, marketing materials and other advertising includes
 - (i) where the terms of the offering are made available, in bold and italics, the following statement:

“No securities regulatory authority or regulator has assessed, reviewed or approved the merits of these securities. Any representation to the contrary is an offence. You may not receive advice about your investment and will not have the same rights as if you purchased under a prospectus or through a stock exchange. The securities being offered are subject to a resale restriction. You might never be able to resell the securities. This is a risky investment.”, and
 - (ii) the following statement if the issuer prepares an offering memorandum, as defined in section 1.1 of the [Act](#):

“Securities legislation or the subscription agreement may provide a purchaser with remedies for rescission or damages if the offering memorandum (including any amendments thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by securities legislation or the subscription agreement. The

purchaser should refer to any applicable provisions of securities legislation and the subscription agreement for particulars of these rights or consult with a legal advisor.”;

- (l) the issuer does not provide to any person or company
 - (i) compensation for finding investors, or
 - (ii) any transaction-based compensation in connection with the distribution;
- (m) the issuer maintains
 - (i) policies and procedures sufficient to provide reasonable assurance that the issuer complies with the conditions of this Order and securities legislation, and
 - (ii) for a period of seven years from the date a record is created, books, records and other documents reasonably necessary for the proper recording of its business, compliance with this Order and securities legislation;
- (n) neither the issuer, nor any of its principals, is or has been, in Canada or in any foreign jurisdiction, the subject of any proceedings, order, judgment, decree, sanction or administrative penalty imposed by, or has entered into a settlement agreement with, a government agency, administrative agency, self-regulatory organization or court related to a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct;
- (o) neither the issuer nor any of its principals has been a principal of an entity that is or has been subject to any proceedings, order, judgment, degree, sanction or administrative penalty or a settlement agreement referred to in paragraph (n).

15(2). An issuer relying on the exemption in subsection 15(1) of this Order must deliver to the Commission all of the following:

- (a) prior to relying on the exemption from dealer registration set out in subsection 15(1) of this Order, a completed [Form 32-509F1 Early-Stage Business Notification](#);
- (b) no later than the 30th day after the end of the reporting period, a revised, completed [Form 32-509F1 Early-Stage Business Notification](#) if there has been any change to Part B, D or E of the form;
- (c) for each reporting period in which the issuer distributed securities while relying on this Order, a completed [Form 32-509F2 Alternative Report of Exempt Distribution](#) no later than the 30th day after end of the reporting period;
- (d) for each reporting period in which the issuer provided an offering memorandum to investors or prospective investors, a copy of the offering memorandum or any amendment to a previously delivered offering memorandum, no later than the 30th day after the end of the reporting period;
- (e) no later than the 30th day after October 25, 2025, a revised, completed [Form 32-509F1 Early-Stage Business Notification](#) if there has been any change to Part C of the form.

16. An issuer is not required to file a report of exempt distribution under subsection 6.1(1) of [NI 45-106](#) if the issuer satisfies the condition set out in paragraph 15(2)(c) of this Order.

17. An issuer is exempt from the requirement in subsection 5.4(1) of [OSC Rule 45-501](#) to deliver an offering memorandum or an amendment to an offering memorandum if the issuer delivers the offering memorandum or the amendment in accordance with paragraph 15(2)(d) of this Order.

Distributions with a dealer

18(1). An issuer is exempt from the dealer registration requirement in subsection 25(1) of the [Act](#) in respect of a trade in an eligible security by the issuer, if all of the following apply:

- (a) the issuer is an eligible business;
- (b) the issuer does not intend to use the proceeds of the distribution to merge with, amalgamate with or to purchase securities of an issuer, or to acquire a business;
- (c) the issuer distributes an eligible security of the issuer's own issue;

- (d) the subscription agreement provides a contractual right of action against the issuer with respect to any misrepresentation included in marketing materials or offering memoranda as defined in [OSC Rule 14-501](#), and that is equivalent to the statutory right provided by section 130.1 of the [Act](#);
- (e) the issuer distributes the eligible securities to investors through a person or company that is
 - (i) registered as an exempt market dealer,
 - (ii) relying on the exemption from dealer registration set out in [Ontario Instrument 32-508 Not-For-Profit Angel Investor Group Registration Exemption \(Interim Class Order\)](#),
 - (iii) relying on the exemption from dealer registration set out in [National Instrument 45-110 Start-up Crowdfunding Registration and Prospectus Exemptions](#), or
 - (iv) a funding portal as defined in [Multilateral Instrument 45-108 Crowdfunding](#);
- (f) the issuer deals fairly, honestly and in good faith with all investors and prospective investors;
- (g) the issuer only advertises a distribution by one or more of the following means:
 - (i) posting the terms of the offering on the issuer's website;
 - (ii) announcing the distribution on social media with a link to the issuer's website where the terms of the offering are located;
 - (iii) participating in a demo day, provided the issuer complies with the requirements in section 19 of this Order;
- (h) the issuer does not contact prospective investors to solicit investment unless
 - (i) the issuer has a pre-existing relationship with the person, or
 - (ii) the person to whom the message is sent has consented to receiving it;
- (i) the issuer, on its website, social media, marketing materials and other advertising includes
 - (i) where the terms of the offering are made available, in bold and italics, the following statement:

“No securities regulatory authority or regulator has assessed, reviewed or approved the merits of these securities. Any representation to the contrary is an offence. You may not have the same rights as if you purchased under a prospectus or through a stock exchange. If a registered dealer is not involved, you will not receive advice about your investment. The securities being offered are subject to a resale restriction. You might never be able to resell the securities. This is a risky investment.”, and
 - (ii) the following statement if the issuer prepares an offering memorandum, as defined in section 1.1 of the [Act](#):

“Securities legislation or the subscription agreement may provide a purchaser with remedies for rescission or damages if the offering memorandum (including any amendments thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by securities legislation or the subscription agreement. The purchaser should refer to any applicable provisions of securities legislation and the subscription agreement for particulars of these rights or consult with a legal advisor.”;
- (j) the issuer directs all prospective investors to the dealer facilitating the distribution of the eligible securities to
 - (i) answer any questions that are unrelated to the issuer's business or that seek information beyond the terms of the offering, and
 - (ii) facilitate the distribution;
- (k) the issuer maintains
 - (i) policies and procedures sufficient to provide reasonable assurance that the issuer complies with the conditions of this Order and securities legislation, and

- (ii) for a period of seven years from the date a record is created, books, records and other documents reasonably necessary for the proper recording of its business, compliance with this Order and securities legislation;
- (l) neither the issuer, nor any of its principals, is or is has been, in Canada or in any foreign jurisdiction, the subject of any proceedings, order, judgment, decree, sanction or administrative penalty imposed by, or has entered into a settlement agreement with, a government agency, administrative agency, self-regulatory organization or court related to a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct;
- (m) neither the issuer nor any of its principals has been a principal of an entity that is or has been subject to any proceedings, order, judgment, decree, sanction or administrative penalty or a settlement agreement referred to in paragraph (l).

18(2). An issuer relying on the exemption in subsection 18(1) of this Order must deliver to the Commission all of the following:

- (a) prior to relying on the exemption from dealer registration set out in subsection 18(1) of this Order, a completed [Form 32-509F1 Early-Stage Business Notification](#);
- (b) no later than the 30th day after the end of the reporting period, a revised, completed [Form 32-509F1 Early-Stage Business Notification](#) if there has been any change to Part B, D, or E of the form;
- (c) no later than the 30th day after October 25, 2025, a revised, completed [Form 32-509F1 Early-Stage Business Notification](#) if there has been any change to Part C of the form.

Demo days

19(1). If an issuer participates in a demo day, the type of information regarding a distribution of securities by the issuer that is communicated by or on behalf of the issuer in connection with the demo day is limited to notification that the issuer is in the process of distributing or planning to distribute securities and the terms of the offering.

19(2). If an issuer participates in a demo day, the issuer must

- (a) in any presentation at the demo day, make an oral reading of the following statement or a substantively similar statement:

“This presentation does not provide full disclosure of all material facts relating to the securities offered. This is a risky investment.”, and
- (b) unless the sponsor is registered as a dealer or is an angel investor group that relies on the exemption from dealer registration set out in [Ontario Instrument 32-508 Not-For-Profit Angel Investor Group Registration Exemption \(Interim Class Order\)](#), confirm that the sponsor of the demo day does not
 - (i) refer to a distribution by the issuer, or any other issuer, in any advertisement of the demo day,
 - (ii) provide a recommendation or advice in connection with any trade in a security of an issuer to attendees of the demo day,
 - (iii) allow attendees to participate in a demo day held virtually if the attendees are not any of the following:
 - A. individuals who are members of or are otherwise associated with the sponsor;
 - B. individuals that the sponsor reasonably believes are accredited investors or are eligible to be self-certified investors;
 - C. individuals who have been invited to the virtual demo day by the sponsor based on industry or investment-related experience, reasonably selected by the sponsor in good faith and disclosed in the public communications about the demo day;
 - (iv) charge attendees of the demo day any fees, other than reasonable administrative fees,
 - (v) receive any compensation for making introductions between issuers and attendees of the demo day, or
 - (vi) engage in any investment negotiations between the issuer and investors attending the demo day.

Effective Date and Term

20. This Order comes into effect on May 9, 2024, and will cease to be effective on October 25, 2025, unless extended by the Commission.

Appendix A

Form 32-509F1 Early-Stage Business Notification

Instructions for filing:

- This form is to be completed by issuers (i.e., businesses) prior to relying on the registration exemption set out in [Ontario Instrument 32-509 Early-Stage Business Registration Exemption \(Interim Class Order\)](#).
- This form is available on the Ontario Securities Commission website and is to be completed and submitted online.
- This form should be completed in one sitting. There is no ability to save the information entered and to return to the form at a future time to complete it.
- Please save a copy of the completed form for your records. You will not be able to access the completed form once submitted. You will need the Submission ID (example: EBN1234567890-123) to amend any information.
- Further information on how to complete and file this report can be found here: www.oscinnovation.ca

Part A: Filing Information

1. Who is filing this form? Check one option:

Issuer _____

Third party on behalf of the issuer _____

2. Is this a new notification or are you correcting a previous notification?

New notification ____

Correcting a previous notification ____

If correcting a previous notification, provide the submission number of the notification being corrected _____

Part B: Issuer Information

3. Full legal name: _____

4. Trade or operating name (if different than the full legal name):

5a. Does the issuer have a [SEDAR+](#) profile number? Yes ____ No ____

If yes, provide the issuer's [SEDAR+](#) profile number: _____

If no, provide the information in section 5b below.

5b. Head Office Address (Do not include a P.O. box or agent for service):

Street address: _____

Municipality: _____ Province: Ontario Postal Code: _____

Telephone number: _____ Website: _____

Year of formation: _____

6. Provide the issuer's North American Industry Classification Standard (NAICS) code (6 digits only) that in your reasonable judgment most closely corresponds to the issuer's primary business activity. You can search for NAICS codes [here](#). You may have been required to provide a NAICS code as part of your business registration or incorporation process in Ontario.

NAICS Code _____

B.2: Orders

7. Principals of the issuer (Please list the full name of all founders and officers of the issuer and shareholders who own more than 20% of the issuer's outstanding securities)

Instruction: Officer includes: a chief executive officer, chief operating officer, chief financial officer, president, vice-president, corporate secretary, or any other individual who performs functions similar to those described above.

_____	_____
Full Name	Role with issuer
_____	_____
Full Name	Role with issuer
_____	_____
Full Name	Role with issuer

Part C: Other Issuer Information

- 8a. Total number of employees: 0-5___ 6-25___ 26-50___ 51-99 ___
- 8b. Number of employees in Ontario: ___
9. Size of issuer's revenue

Instruction: Select the size of the issuer's revenue at the end of its most current fiscal year. If the issuer has been operating for less than a year, select "No revenue".

No revenue ___ \$1 to under \$250,000 ___ \$250,000 to under \$1M___ \$1M to under \$5M ___ \$5M+ ___

Part D: Dealer Information

10. Is the issuer planning on raising money with a dealer or without a dealer (select all that apply)?
- Without a dealer ___
- With a dealer ___

11. If the issuer is planning to raise money with a dealer, please provide their information below:

Full legal name: _____

Trade name (if different from the above):

Does the dealer have an NRD Number? Yes ___ No ___

The NRD number of a registered dealer can be found using the [National Registration Search](#) tool.

If yes, provide the dealer's NRD number: _____

If no, provide the information below:

Website: _____

Primary contact information for dealer:

Family Name First Given Name

Telephone number: _____

Email address: _____

B.2: Orders

Date (YYYY/MM/DD)

Signature of Individual/Authorized Signing Officer

Full Name (Print)

Title (if applicable)

Name of Issuer

Appendix B

Form 32-509F2 *Alternative Report of Exempt Distribution*

General Instructions:

Who is to complete this report?

This report is to be completed by issuers (i.e., businesses) that have distributed securities under:

- the accredited investor prospectus exemption set out in section 73.3 of the [Securities Act](#) and section 2.3 of [National Instrument 45-106 Prospectus Exemptions](#) if the issuer relied on the registration exemption set out in [Ontario Instrument 32-509 Early-Stage Business Registration Exemption \(Interim Class Order\)](#), or
- the self-certified investor prospectus exemption set out in [Ontario Instrument 45-507 Self-Certified Investor Prospectus Exemption \(Interim Class Order\)](#) (regardless of whether the issuer relied on the registration exemption set out in [Ontario Instrument 32-509 Early-Stage Business Registration Exemption \(Interim Class Order\)](#)).

If the issuer distributed securities under the accredited investor prospectus exemption set out in section 73.3 of the [Securities Act](#) and section 2.3 of [National Instrument 45-106 Prospectus Exemptions](#) but did not rely on the registration exemption set out in [Ontario Instrument 32-509 Early-Stage Business Registration Exemption \(Interim Class Order\)](#), the issuer is to report the distribution using [Form 45-106F1 Report of Exempt Distribution](#).

This report is to be completed by the issuer or by an agent for the issuer (e.g., law firm, dealer).

What is to be completed?

This report consists of this form and [Schedule 1](#).

All dollar amounts in the report must be in Canadian dollars.

What is a distribution?

A distribution of securities includes, among other things, a trade in securities of an issuer that have not been previously issued. See subsection 1(1) of the [Securities Act \(Ontario\)](#) for the definition of "distribution".

How is this report filed?

This form is available on the Ontario Securities Commission website and is to be completed and submitted online.

Where can I get more information on how to complete this report?

Further information on how to complete and file this report can be found here: www.oscinnovation.ca

1. Filing Information

- (a) Is this a new report or are you correcting a previous report? Check one option:
New report Correcting a previous report
- (b) If correcting a previous report, provide the submission number of the report being corrected: _____

2. Issuer Information

- (a) Full legal name: _____
- (b) Trade or operating name (if different than the full legal name):

- (c) If this is the first filing of an Alternative Report of Exempt Distribution, has the issuer previously distributed securities to raise money from investors (including friends and family)?
Yes No
- (d) Is the issuer relying on [Ontario Instrument 32-509 Early-Stage Business Registration Exemption \(Interim Class Order\)](#)?
Yes No
If yes, go to Item 3.
- (e) Does the issuer have a [SEDAR+](#) profile number?
Yes No
If yes, provide the issuer's [SEDAR+](#) profile number: _____
If no, provide the information in sections 2(f) and 2(g) below:
- (f) Head office address (do not include a P.O. box or agent for service):
Street address: _____
Municipality: _____ Province: Ontario Postal Code: _____
Telephone number: _____ Website: _____
- (g) Year of formation: _____
- (h) Primary industry
Provide the issuer's North American Industry Classification Standard (NAICS) code (6 digits only) that in your reasonable judgment most closely corresponds to the issuer's primary business activity. You can search for NAICS codes [here](#). You may have been required to provide a NAICS code as part of your business registration or incorporation process in Ontario.
NAICS code: _____

3. Other Issuer Information

- (a) Total number of employees: 0-5 6-25 26-50 51-99 100+
Number of employees in Ontario: _____
- (b) Size of issuer's revenue
Select the issuer's revenue range at the end of its most recently completed financial year. If the issuer has been operating for less than a year, select "No revenue".
No revenue \$1 to under \$250,000 \$250,000 to under \$1M \$1M to under \$5M \$5M+

4. Offering Information

- (a) Reporting period

State the calendar quarter in which the distribution(s) being reported in this filing took place. For example, if the distribution(s) being reported took place between October 1 to December 31, 2024, please indicate "Quarter: 4, Year: 2024".

If distributions occur at the end of one period and at beginning of another, a report would need to be filed for each period. For example, for distributions completed on June 30 and July 1, 2024, a Q2 2024 filing would need to be made for the June 30 distribution, and a Q3 2024 filing for the July 1 distribution.

Quarter: ___ Year: ____

- (b) Detailed purchaser information

Complete [Schedule 1](#) of this report with the distribution information for each purchaser. [Schedule 1](#) is to be completed in an excel spreadsheet and is available on the Ontario Securities Commission's website [here](#). [Schedule 1](#) has two tabs that are to be completed – one tab for purchaser information and one tab for compensation information. Other tabs provide more information on how to complete the spreadsheet. Attach the completed Schedule 1 [here](#).

[Attach file]

- (c) Summary of distribution

For the distribution(s) being reported in this report, state the total dollar amount of securities distributed and the number of purchasers for each exemption relied on.

Prospectus exemption relied on	Number of unique purchasers	Total amount (\$)
Self-Certified Investor		
Accredited Investor*		
Total		

* If relying on [Ontario Instrument 32-509 Early-Stage Business Registration Exemption \(Interim Class Order\)](#)

Types of securities distributed (select all that apply):

- (a) ___ common shares
- (b) ___ non-convertible preference shares
- (c) ___ securities convertible into a security referred to in (a) or (b)
- (d) ___ non-convertible debt securities linked to a fixed or floating interest rate
- (e) ___ units of a limited partnership
- (f) ___ shares in the capital of a cooperative, as defined in subsection 2(1) of the [Canada Cooperatives Act \(Canada\)](#) or a co-operative incorporated under the [Co-operative Corporations Act \(Ontario\)](#)
- (g) ___ other (only applicable to filers not relying on [Ontario Instrument 32-509 Early-Stage Business Registration Exemption \(Interim Class Order\)](#))

5. Offering Materials

Attach any offering materials that are required to be filed with or delivered to the Ontario Securities Commission. If these offering materials have been previously filed with or delivered to the Ontario Securities Commission, you do not need to do so again.

[Attach file(s)]

6. Certification

By signing below, I certify, on behalf of the issuer/agent, to the Ontario Securities Commission that I have reviewed this report and, to my knowledge, having exercised reasonable diligence, the information provided in this report is true and, to the extent required, complete.

Certified on behalf of: Issuer ___ Agent ___

Family name: _____ First given name: _____

Name of issuer/agent: _____

Title: _____ Email address: _____ Phone #: _____

Signature: _____ Date (YYYY-MM-DD): _____

7. Contact Person

Provide the following contact information for the individual whom the Ontario Securities Commission may contact with any questions regarding the contents of this report, if different than the individual certifying the report in Item 6.

Family name: _____ First given name: _____

Name of issuer/agent: _____

Title: _____ Email address: _____ Phone #: _____

Notice - Collection and use of personal information

The personal information required under this form is collected on behalf of and used by the Ontario Securities Commission under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, you may contact the Innovation Office at:

Ontario Securities Commission
20 Queen Street West, 20th Floor
Toronto, Ontario, M5H 3S8

Telephone: 416-596-4266
Email: TestLab@osc.gov.on.ca

[Schedule 1](#) may contain personal information of individuals and details of the distribution(s). The information in [Schedule 1](#) will not be placed on the public file of the Ontario Securities Commission. However, freedom of information legislation may require the Ontario Securities Commission to make this information available if requested.

By signing this report, the issuer/agent confirms that each individual listed in [Schedule 1](#) of the report who is resident in Ontario:

1. has been notified by the issuer/agent
 - (a) of the delivery to the Ontario Securities Commission of the information pertaining to the individual as set out in [Schedule 1](#),
 - (b) that this information is being collected by the Ontario Securities Commission under the authority granted in securities legislation,
 - (c) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario,
 - (d) of the title, business address and business telephone number of the public official in Ontario, as set out in this form, who can answer questions about the Ontario Securities Commission's indirect collection of the information, and
2. has authorized the indirect collection of the information by the Ontario Securities Commission.