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DELIVERED BY EMAIL

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WITHOUT PREJUDICE

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-and-

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Dear Sirs/Mesdames:

Re: Request for Comments - Amendments to Toronto Stock Exchange Company Manual

We are pleased to provide the following comments in response to the Request for Comments (the “**Request**”) published by the Toronto Stock Exchange (the “**TSX**”) on March 6, 2025 with respect to proposed amendments (the “**Proposed Amendments**”) to the original listing requirements (the “**Original Listing Requirements**”) of the TSX Company Manual.¹

We thank you for the opportunity to comment on the Proposed Amendments. This letter represents the general comments of certain individual members of the Securities and Capital Markets practice group of Borden Ladner Gervais LLP, as set out below. Our comments are not those of the firm generally or any client of the firm. Our comments are being submitted without prejudice to any position taken or that might be taken in the future by our firm on its own behalf or on behalf of any client.

¹ For the purposes of this letter, the Original Listing Requirements include Sections 309, 314, 319, 310, 315, 320, 312, 317, 322, 326 and Part V of the TSX Company Manual.

We have organized our comments in response to the questions posed in the Request. Capitalized terms used in this letter that are not defined have the meanings attributed to them in the Request.

General Comments

Canadian public capital markets are currently facing existential crises, with a significant decrease in listed issuers over the last two decades and an almost complete absence of operating company initial public offerings in the last two years. At a time when Canada's public capital markets are facing significant challenges, a flexible regulatory framework that balances the burden of being a publicly listed issuer with the benefits of and opportunities for a publicly listed issuer, and for investment in Canada more broadly, is imperative.

We commend the TSX for its comprehensive review of the TSX Company Manual and the Proposed Amendments aimed at enhancing the clarity and predictability of the Original Listing Requirements. The shift towards industry-agnostic tests for Industrial Companies and the maintenance of specialized categories for Mining and Oil and Gas Companies are well-received. These changes reflect a thoughtful balance between maintaining market integrity and reducing the burden on issuers.

Response to Specific Questions

Question 1: Is the proposed \$750,000 annual pre-tax net income from continuing operations requirement appropriate for Income & Revenue-Producing issuers under Section 309(a)?

The proposed requirement of \$750,000 annual pre-tax net income from continuing operations for Income & Revenue-Producing issuers under Section 309(a) is appropriate. This threshold aligns with the objective of ensuring that listed companies demonstrate a stable and sustainable financial performance, which is crucial for maintaining investor confidence and market integrity. The requirement is consistent with the standards of other senior exchanges and reflects a reasonable balance between accessibility for issuers and the need to uphold robust listing criteria.

Question 2: Is the proposed \$10 million annual revenue requirement appropriate for Income & Revenue-Producing issuers under section 309(a)?

The \$10 million annual revenue requirement for Income & Revenue-Producing issuers under Section 309(a) is appropriate. This benchmark ensures that companies have a significant level of operational activity, which is indicative of their ability to generate consistent revenue streams. Such a requirement helps to filter out companies that may not yet have a proven business model, thereby protecting investors and enhancing the quality of the market.

Question 3: Is the proposed minimum \$5,000,000 work program appropriate for Mineral Exploration and Development-Stage Companies under section 314(b)?

The proposed minimum \$5,000,000 work program for Mineral Exploration and Development-Stage Companies under Section 314(b) is appropriate. This increase from the previous threshold reflects the current economic conditions and the rising costs associated with exploration and development activities. It ensures that companies have sufficient financial resources to advance their projects

meaningfully, which is essential for maintaining the credibility and attractiveness of the TSX as a listing venue for mining companies.

Question 4: Are the proposed minimum market capitalization requirements, namely \$100,000,000 for Exempt Issuers and \$50,000,000 for Non-Exempt Issuers (other than the New Enterprise category), appropriate for TSX-listed issuers?

We are supportive of a minimum market capitalization requirement, provided that it balances the desire to encourage new listings on the TSX and maintains the integrity of the exchange. Minimum market capitalization requirements should be comparable to similarly situated exchanges worldwide and not pose significant barriers to access.

Notwithstanding our support of a minimum market capitalization requirement, we note the ongoing challenge for issuers and market participants in determining whether an issuer is an Exempt Issuer or a Non-Exempt Issuer. While we acknowledge that the Proposed Amendments will include defined terms for Exempt and Non-Exempt issuers, we strongly encourage the TSX to publish a publicly available list of issuers who meet these definitions, particularly as capital markets participants will not generally be aware of the Original Listing Requirements pursuant to which a particular issuer was listed.

Question 5: Do you have concerns with the proposed removal of Part V requirements?

We strongly support the removal of Part V from the TSX Company Manual, as the protections it offered are now adequately covered by Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, which provides a more comprehensive framework for related party transactions. This change will reduce regulatory burdens for listed issuers without compromising market integrity.

Question 6: Do you have concerns with our proposed approach to sponsorship?

The proposed amendments to sponsorship requirements, which aim to simplify and make the process more transparent, are commendable. However, we suggest that the TSX provide further guidance on the criteria for requiring sponsorship, particularly for governance issues, to ensure consistency in application.

Other Comments

In addition to our responses to the specific questions posed above, we note the following for your consideration:

- **Market Capitalization.** Footnote 5 provides that, for the purposes of Part 3, in the case of an initial public offering, market capitalization will be calculated as the product of the offering price and the total number of equity securities outstanding on the listing date. For clarity, we recommend that the TSX specifically indicate that the equity securities outstanding on the listing date include the equity securities offered in the initial public offering. This will better align the TSX rules with National Policy 46-201 *Escrow for Initial Public Offerings* which provides that “in calculating market capitalization, multiply the total number of securities of

the same class as the securities offered in the IPO, which are outstanding on completion of the IPO, by the IPO price”.

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Thank you for the opportunity to comment on the Proposed Amendments. Please do not hesitate to contact any of the undersigned if you have any questions with respect to our comments above or wish to discuss.

Sincerely,

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