July 28, 2017

To: British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marches financiers
Financial and Consumer Services Commission (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon
Superintendent of Securities, Nunavut

C/o: The Secretary
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Re: CSA Consultation Paper 51-104

Dear Sirs,

Further to your request for comments, we provide the following responses using the same numbering system in the document:

Questions:

1) Of the potential options identified in Part 2:
   a. Which meaningfully reduce the regulatory burden on reporting issuers while preserving investor protection
   b. Which should be prioritized and why?

1 *(a) Reducing the regulatory burdens associated with the prospectus rules and offering process, reducing ongoing disclosure requirements, eliminating overlap in regulatory*

requirements and enhancing electronic delivery of documents should all meaningfully reduce the regulatory burden on reporting issuers without negatively impacting investor protection.

1. *(b) Prioritization should be given first to reducing the regulatory burdens associated with prospectus rules and offering process, as this should make it easier and more cost effective for entities to access capital, especially in this market. Secondly to reducing overlap of regulatory requirements as this would result in immediate reduction of inefficiencies.*

2) Which of the issues identified in Part 2 could be addressed in the short-term or medium-term?

Reducing ongoing disclosure requirements and enhancing electronic delivery of documents could be addressed in the medium term (with the above priorities in 1(b) being short term), as these may require consultation and buy in from external parties.

3) Are there any other options that are not identified in Part 2 which may offer opportunities to meaningfully reduce the regulatory burden on reporting issuers or others while preserving investor protection? If so, please explain the nature and extent of the issues in detail and whether these options should constitute a short-term or medium-term priority for the CSA.

None that we have identified.

4) Would a size-based distribution between categories of reporting issuers be preferable to the current distinction based on exchange listing? Why or why not?

The problem is size can change often during the periods and creates uncertainty. A size based distinction would not be preferable in general. Reporting issuers currently have some control over designation as venture or non-venture, depending on where they choose to be listed and where they find it most advantageous to raise capital. This allows reporting issuers to have more control over what regulations they are exposed to relative to where and how they want to access capital. A size based distinction may unfairly burden larger entities who have no interest or need to be subject to 'big board' restrictions, as they do not need to access capital.

In addition, a size based distinction would result in constant re-measurement and consequently more administration to maintain and monitor metrics and criteria. This would result in more uncertainty and less stability for reporting issuers and increase costs in the long term, as reporting issuers would not be able to necessarily control or plan for changes in their size.

5) If we were to adopt a sized-based distinction:
   a. What metric or criteria should be used and why? What threshold would be appropriate and why?
   b. What measures could be used to prevent reporting issues from being required to report under different regimes from year to year?
   c. What measures could be used to ensure that there is sufficient transparency to investors regarding the disclosure regime to which the reporting issuer is subject?

d. How could we assist investors in understanding the distinction made and the requirements applicable to each category of reporting issuer?

Not sure any would be definitive and long lasting.

6) If the current distinction for venture issues is maintained, should we extend certain less onerous venture issuer regulatory requirements to non-venture issuers? Which ones and why?

We think small non-revenue TSX issuers could be given accommodation except for time requirements to file.

7) Is it appropriate to extend the eligibility criteria for the provision of two years of financial statements to issuers that intend to become non-venture issuers? If so:
   a. How would this amendment assist in efficient capital raising in the public market?
   b. How could having less historical financial information on non-venture issuers impact investors?
   c. Should we consider a threshold, such as pre-IPO revenues, in determining whether two years of financial statements are required? Why or Why not?
   d. If a threshold is appropriate, what threshold should be applied to determine whether two years of financial statements are required, and why?

In general, we agree it is appropriate to extend the eligibility criteria for the provision of two years of financial statements to issuers that intend to become non-venture issuers.

(a) Extending the eligibility to non-venture issuers would increase efficiency as it would reduce the amount of historical information to be audited and publicly available, therefore decreasing regulatory costs.

(b) Extending the eligibility to non-venture issuers would require investors to more critically analyze the industry and history of the issuer. Investors would need to understand there are limitations on the historical information and have more understanding on the relevance of this to the industry and current trends.

(c) Thresholds and other considerations would be reasonable – to the extent the historical information could be used to be predictive of future trends, this information would be helpful to the investor. However, with start-up/developing entities, additional historical information may not be relevant or useful in predicting future trends and in those cases, historical information beyond two years is unnecessarily burdensome. Revenues may be a useful indicator as it may imply a degree of maturity that allows for reasonable trend analysis and therefore that additional historical financial information is valuable for the investor.

8) How important is the ability to perform a three year trend analysis?

Limited to not important.

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9) Should auditors review interim financial statements continue to be required in a prospectus? Why or why not?

We think it provides limited comfort and does increase costs and time

10) Should other prospectus disclosure requirements be removed or modified, and why?

Prospectus disclosures include a significant amount of repetition; for example, financial statements are included, along with management discussion and analysis disclosure, but additional requirements for key financial highlights and information is required as well. There are several areas where there are opportunities for streamlining or using judgement to eliminate duplicative information.

11) Is the current short form prospectus system achieving the appropriate balance (i.e., between facilitating efficient capital raising for reporting issuers and investor protection)? If not, please identify potential short form prospectus disclosure requirements which could be eliminated or modified in order to reduce regulatory burden on reporting issuers, without impacting investor protection, including providing specific reasons why such requirements are not necessary.

It is much better, but the above question in Part 10 could apply here as well

12) Should we extend the availability of the short form prospectus offering system to more reporting issuers? If so, please explain for which issuers, and why this would be appropriate.

All issuers with proper disclosure records should be able to participate

13) Are conditions right to propose a type of alternative prospectus model for reporting issuers? If an alternative prospectus model is utilized for reporting issuers:
    a. What should the key features and disclosure requirements of any proposed alternative prospectus model be?
    b. What types of investor protections should be included under such a model (for example, rights of rescission)?
    c. Should an alternative offering model be made available to all reporting issuers? If not, what should the eligibility criteria be?

Continuous Market Access should be a key feature. Yes, alternative offering models should be made available.

14) What rule amendments or other measures could we adopt to further streamline the process for ATM offerings by reporting issuers? Are there any current limitations or requirements imposed on ATM offerings which we modify or eliminate without compromising investor protection or the integrity of the capital markets?

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15) Which elements of the exemptive relief granted for ATM offerings should be codified in securities legislation to further facilitate such offerings?

No opinion

16) Are there rule amendments and/or processes we could adopt to further streamline the process for cross-border prospectus offerings, without compromising investor protection, by: (i) Canadian issuers and (ii) foreign issuers?

No opinion

17) As noted in Appendix B, in 2013 a number of amendments were made to liberalize pre-marketing/marketing regime in Canada. Are there rule amendments and/or processes we could adopt to further liberalize the prospectus pre-marketing and marketing regime in Canada, without compromising investor protection, for: (i) existing reporting issuers and (ii) issuers planning an IPO, and if so in what way?

Be very liberal in pre marketing practises and ensure the final materials are delivered to all purchasers with subscription forms.

18) Does the BAR disclosure, in particular the financial statements of the business acquired and the pro forma financial statements, provide relevant and timely information for an investor to make an investment decision? In what situations does the BAR not provide relevant and timely information?

The BAR does not provide relevant or timely decisions for an investor, as it is prepared after the decision to acquire the business by the reporting issuer is completed. In addition, the impact of the acquisition would be reflected in the next quarter financial statements of the reporting issuer.

19) Are there certain BAR requirements that are more onerous or problematic than others?

The audit requirements within the BAR report can be very onerous and provide no real value to the reporting issuer if it was not done previously as part of the due diligence to the acquisition. Obtaining an audit after the acquisition of the business can be costly and burdensome, as it is for a period that the reporting issuer did not control the operations. Additionally, the historical operations may not be representative of how the reporting issuer intends to operate the business.

20) If the BAR provides relevant and timely information to investors:
    a. Are each of the current significance tests required to ensure the significant acquisitions are captured by the BAR requirements?

b. To what level could the significance thresholds be increased for non-venture issuers while still providing an investor with sufficient information with which to make an investment decision?
c. What alternative tests would be most relevant for a particular industry and why?
d. Do you think that the disclosure requirements for a significant acquisition under Item 14.2 of 51-102F5 (information circular) should be modified to align with those required in a BAR, instead of prospectus-level disclosure? Why or why not?

We do not feel the BAR report provides relevant and timely information to investors.

21) Are there disclosure requirements for annual and interim filing documents that are overly burdensome for reporting issuers to prepare? Would the removal of these requirements deprived investors of any relevant information required to make an investment decision? Why or why not?

There is a lot of overlap between an MD&A and financial statements, as well as repetitious information in annual and interim financial statements. Primarily this includes information that has not changed period to period (for example financial instrument risk, capital management) and historical carry-forward information that is not directly relevant to the current period.

22) Are there disclosure requirements for which we could provide more guidance or clarity? For example, we could clarify that discussion of only significant trends and risks is required, or that the filing of immaterial amendments to material contracts is not required under NI 51-102.

Additional guidance on determining materiality for disclosures to investors, and clarifying what information is relevant to current period vs. historical information would be helpful in ensuring disclosures are complete, relevant and timely.

23) What are the benefits of quarterly reporting for reporting issuers? What are the potential problems, concerns or burdens associated with quarterly reporting?

Quarterly reporting is relatively ingrained in entities and the regulatory and reporting issuer framework within Canada as well as the US. In addition, stakeholders have built their expectations and processes around a quarterly reporting framework. It allows investors to monitor key criteria like cash, equity issues and pending obligations.

24) Should semi-annual reporting be an option provided to reporting issuers and if so under what circumstances? Should this option be limited to smaller reporting issuers?

Smaller entities may benefit the most from the reduced reporting, however, there is a necessary burden to being public to protect investors' interests and quarterly financial reporting imposes a reasonable degree of accountability on entities – often the smaller entities need a greater degree of accountability, due to their limited resources.

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25) Would semi-annual reporting provide sufficiently frequent disclosure to investors and analysts who may prefer to receive more timely information?

No.

26) Similar to venture issuers, should non-venture issuers have the option to replace interim MD&A with quarterly highlights?

Yes.

27) Would modifying any of the above areas in the MD&A form requirements result in a loss of significant information to an investor? Why or why not?

We think that modifying or removing most of the areas of disclosure overlap between financial statements and the MD&A, such as financial instruments, estimates, changes in accounting policies and contractual obligations would not result in a significant loss of information to the investor. The vast majority of this is a direct copy from the financial statement disclosure and adds no value. Where the discussion may add value (such as a change in accounting policies and impact on trends analysis), a good reporting issuer will incorporate that into their explanation. Additionally, the MD&A specifically refers to the financial statements and an investor should incorporate and integrate both documents into their analysis and decision making.

28) Are there other areas where the MD&A form requirements overlap with existing IFRS requirements?

We think financial instruments, estimates, changes in accounting policies, and contractual obligations are the key areas of overlap.

29) Should we consolidate the MD&A, AIF (if applicable and financial statements into one document? Why or why not?

No, we do not feel it would be useful to incorporate the MD&A, AIF and financial statements into one document. Stakeholders are already struggling to read to the end of standalone financial statements and MD&A, and increasing the size of the document would likely decrease a user's ability to take in the information. In addition, different stakeholders have varying purposes in reading each of the documents and as such, combining them may make it more difficult for stakeholders to find and understand the sections that they find relevant.

30) Are there other areas of overlap in continuous disclosure rules? Please indicate how we could remove overlap while ensuring that disclosure is complete, relevant, clear, and understandable for investors.

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Executive compensation is an area that seems to be unnecessarily repeated, especially for smaller reporting issuers that may not have significant executive compensation, but must repeat various tables, headers and descriptions.

31) Are there any aspects of the guidance provided in NP 11-201 which are unclear or misaligned with market practice?

No opinion.

32) The following consultation questions pertain to the "notice-and-access" model under securities legislation and consideration of potential changes to this model:
    a. Since the adoption of the "notice-and-access" amendments, what aspects of delivering paper copies represent a significant burden for issuers, if any? Are there a significant number of investors that continue to prefer paper delivery of proxy materials, financial statements and MD&D?
    b. Do you think it is appropriate for a reporting issuer to satisfy the delivery requirements under securities legislation by making proxy materials, financial statements and MD&A publicly available electronically without prior notice or consent and only deliver paper copies of these document if an investor requires paper delivery? If so, for which of the documents required to be delivered to beneficial owners should this option be made available?
    c. Would changes to the "notice-and-access" model as described in question (b) above pose a significant risk of undermining the protection of investors under securities legislation, even though an investor may request to receive paper copies?
    d. Are there other rule amendments that could be made in NI 54-101 or NI 51-102 to improve the current "notice-and-access" options available for reporting issuers?

Need proxy to be mailed or emailed.

33) Are there other ways electronic delivery of documents could be further enhanced through securities legislation?

No opinion

Sincerely,

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