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The public venture market community in Canada has long been recognized as the premier ecosystem in the world for supporting the ambitions of entrepreneurs and the success of early-stage public companies. TSX Venture Exchange (TSXV) serves this sophisticated, interconnected community of stakeholders –

and regulators – in Canada and around the world. Each element plays a key role in the vitality of the ecosystem.

Canada's public venture market has a proud history. In fact, some of this country's most recognizable companies and most enduring success stories sprouted from venture roots. But the time has come to write the next chapter for TSXV.

Our industry has experienced many bull and bear market cycles over the years. Unfortunately, the last few years have been extremely challenging for Canada's public venture market. Macroeconomic factors, and particularly the sustained downturn in commodities, have highlighted vulnerabilities in our market and underscored that our model must continue to evolve.

Over the past few months, the leadership team at TSXV has met with hundreds of market participants to discuss current issues and instigate progressive solutions. In response to direct feedback from clients and the larger Canadian capital markets community, we have focused closely on some of the major factors impeding the success of the venture market today. Not all conditions are within our control, but where we can effect change to better meet the needs of our clients, we will. This is our objective; this is our pledge. We are excited to share details of our proposed improvements in this paper, and to reinvigorate and revitalize Canada's public venture market.

TSXV is committed to making a positive, tangible impact in three important areas:

implement some changes and initiatives. For the outstanding initiatives, we have assigned aggressive timelines to help ensure their value can be realized as soon as possible.

to TSXV practices, are subject to securities commission approval.

Building on hundreds of client interactions and other data points each year, the TSXV management team recently interviewed more than 130 clients and other key stakeholders about the current state of Canada's public venture market.

Listed company representatives interviewed by our team included executives from natural resource companies as well as technology, life sciences,

other industries. Other key stakeholders interviewed included investment bankers, accountants, securities lawyers and senior management

We received tremendously valuable feedback through these in-depth, one-on-one conversations. The feedback was then analyzed and discussed with TSXV's four Local Advisory Committees, which are collectively comprised of 69 engaged and well-informed market participants from across Canada.

To all who have participated, we thank you for devoting your time, sharing your insights and bringing your passion to make Canada's public venture market the best it can be.





In those limited cases where certain material aspects of a company's disclosure document are not independently length due diligence – TSXV may request a focused independent review of the new listing application.

Obtaining sponsorship typically takes several months and can cost a company between \$50,000 and \$100,000. By modifying the sponsorship requirement, many companies will be able to entirely. Others will save time and money to the extent the requirements can be minimized.

so that they will not generally apply to inactive companies completing an arm's length transaction, such as a change of business or reverse takeover.

Shareholder meetings take months to schedule and can cost a company between \$20,000 and \$50,000. Eliminating this requirement in certain situations – for example, in the case of inactive companies – will provide





It is broadly perceived that TSXV lacks diversity and is too natural resource oriented. Some clients have told us this perception impedes their ability to attract investors seeking opportunities in early-stage public companies in other sectors. We were also told that some innovation companies may not consider listing on TSXV because of the perception that it is a natural resource market.

“ Silicon Valley companies – and other like companies

“ We don't need to change the brand, but we should expand what



The TSXV team is deeply committed to serving our clients, enhancing the marketplace and ensuring a vibrant future for Canada's public venture market.

A great deal of dialogue, debate and analysis went into creating viable solutions for the considerable challenges our clients face today. We are grateful to the venture community for their contributions to this process. We look forward to hearing more from clients and stakeholders as we move forward with improvements to our marketplace.

Please consider our approach and connect with our team to share your views and ideas. We also hope you can attend our town hall meetings in early 2016.

There is more to come, and we will share additional information and progress updates as we move forward.

