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# Introduction to SPACs



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**What is a SPAC?**

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**What does it mean to sponsor a SPAC?**

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**Why might investors be attracted to SPACs?**

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**What are the advantages of listing a SPAC on Toronto Stock Ex**

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## Why might investors be attracted to SPACs?

- A SPAC is a public company that has no business operations and no revenue. A SPAC is a shell company that is used to raise capital for a private company. A SPAC is a public company that has no business operations and no revenue. A SPAC is a shell company that is used to raise capital for a private company.
- SPACs are attractive to investors because they offer a quick and easy way to invest in a private company. SPACs are also attractive to investors because they offer a quick and easy way to invest in a private company.
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# TSX SPAC Rules

## Minimum offering size and distribution requirements

A A SPAC must have a minimum offering size of \$30 million and a minimum number of 150 investors, with at least 1,000,000 shares of common stock being sold at a price of \$2.00 per share. A A SPAC must have a minimum offering size of \$30 million and a minimum number of 150 investors, with at least 1,000,000 shares of common stock being sold at a price of \$2.00 per share.

## REQUIRED DOCUMENTS

**A TSX listing application in draft form;**

**The original listing application fee;**

**The preliminary prospectus;**

**A draft escrow agreement governing the IPO proceeds;**

**Certified copies of all charter documents, including articles of incorporation and equivalent documents; and**

**A personal information form for each officer, director or 10 percent holder of the SPAC.**

## Capital structure

The security provisions must contain:

- Redemption Right,
- A liquidation distribution feature,

Where units, including warrants, are issued in the IPO:

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- 
- 
- 

## Prohibition on debt and security based compensation

A A SPAC must not have any debt or security based compensation (including any debt or security based compensation) that is convertible into common stock of the SPAC. A A SPAC must not have any debt or security based compensation (including any debt or security based compensation) that is convertible into common stock of the SPAC.

## Use of proceeds and escrow requirements

A A 90%  
A A 50%  
A A  
A A

## Subscription by founding shareholders

A A 10% 20%  
A A

## Permitted time for completion of a qualifying acquisition

A A 36  
A A  
36

## Shareholder and other approvals

(A) A 100%  
A A  
A A

## Prospectus requirement for qualifying acquisition

A A A A

A

21

## The SPAC IPO Process

### Forming a sponsor group and selecting advisors

A

### Forming a SPAC

A A

15A

0009B

15

10 0 0 10 5 3.8801

19.1

301

B; 10 0 0 10 5 3.8801

5A

## Marketing and closing the IPO

10

A

## The SPAC Qualifying Acquisition Process





## The non-offering prospectus

A A

## Completing the transaction

## SPAC timeline

( )

### Form Company (1. )

- 
- 
- B

### IPO Process (1. )

- - 
  - 
  -
91. )
- 80%

Source Acquisition ( / / Q 05. B 10 .1082 . )30 ( )15 ( A)3 ( )15 (

# Appendix A - TSX Rules

Part X special purpose acquisition corporations (SPACs):

## Scope of Policy

Appendix A sets out the scope of the policy. Appendix A sets out the scope of the policy.

The main headings in this Part X are:

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**A. General Listing Matters**

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**B. Original Listing Requirements**

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**C. Continued Listing Requirements Prior to Completion of a Qualifying Acquisition**

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**D. Completion of a Qualifying Acquisition**

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**E. Liquidation Distribution and Delisting Upon Failure to Meet Timelines for a Qualifying Acquisition**

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**F. Continued Listing Requirements Following Completion of a Qualifying Acquisition**

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**A. General Listing Matters** (en-UCID .aBT0.65 0 0.22 0 kGS0 gs711\_1 Tf10 0 0)

Securities to be Listed  
Sec. 1001.

Appendix A sets out the scope of the policy. Appendix A sets out the scope of the policy. **Sections 1003**

## B. Original listing Requirements

### IPO

#### Sec. 1003.

A. A company must have a minimum net worth of \$30,000,000. This is calculated as the sum of the company's net worth and the net worth of its subsidiaries.

#### Sec. 1004.

A. A company must have a minimum net worth of \$30,000,000. This is calculated as the sum of the company's net worth and the net worth of its subsidiaries.



Sec. 1012.

Section 1008(A)  
 Section 1022;  
 Sections 1031  
 Section 1022.  
 Section 1001,

Sec. 1013.

50%  
 Section 1022  
 Section 1022,

Sec. 1014.

A

Public Distribution

Sec. 1015.

A A  
 1,000,000  
 \$30,000,000;  
 150

Pricing

Sec. 1016.

A A \$2.00

Other Requirements

Sec. 1017.

A  
 Section 325 -  
 Section 327 -  
 Section 328 -  
 Sections 338-351 -  
 Sections 352-356

Sec. 1018.

A A

### C. Continued Listing Requirements Prior to Completion of a Qualifying Acquisition

#### Additional Equity by way of Rights Offering Only

Sec. 1019.

Part VI, Sections 1010, 1014, 90%, A

Sec. 1020.

Section 1019, A

#### Other Requirements

Sec. 1021.

A

Parts IV, V, Section 464, A

Part VI,

1. Section 624( ) 21

2. Section 624( )

3. Section 624( )

Sections 1019, 1020, A

Part VII, Subsections 710( ) 710( )

Part IX;

A







Sec. 1032.

Section 1004, Section 1013, Section 1010, 50%, 90%

Sec. 1033.

Section 1022,

### F. Continued Listing Requirements Following Completion of a Qualifying Acquisition

Sec. 1034.

