

TSX Venture Exchange Inc.

NOTICE OF APPROVAL

TSXV Closing Price, TSXV Last Ask Price, TSXV Last Bid Price

TSX Venture Exchange Inc. (“TSXV” or “we”) will adopt, and the Alberta Securities Commission and British Columbia Securities Commission have approved, amendments to the TSX Venture Exchange Rule Book to add the definitions for TSXV Last Ask Price, TSXV Last Bid Price, and TSXV Closing Price.

Summary of the Amendments

TSXV will be amending the TSXV Rule Book by adding three new definitions to Section A1.01 of Rule A.100 as follows: TSXV Last Ask Price (“TSXV Ask”), TSXV Last Bid Price (“TSXV Bid”), and TSXV Closing Price (“TSXV Closing Price”), (together, the “Amendments”). The Amendments will provide market participants with standardized reference points for all TSXV listed securities.

Comments Received

The Amendments were published for comment on June 19,

A. TSXV thanks the commenters for their feedback.

Effective Date

The Amendments will be implemented and available on September 27, 2021, subject to stakeholder feedback and industry readiness and feedback.

<p>contributing to the NBBO allow TSXV to use their data for this purpose at no incremental cost. The commenter added that TSXV should also provide their data for similar calculations at other listing markets should those needs arise in the future.</p> <p>Another commenter suggested that the use of consolidated data be made a condition for approval as the creation of accurate reference last sale information is a matter of investor protection and market efficiency.</p>	
<p>Two commenters suggested that all other Canadian listing exchanges also adopt similar methodologies for closing prices.</p> <p>Three commenters suggested that the industry work together to settle on one single set of harmonized rules for derived closing valuations. These commenters noted the difference in the Proposal versus the solution currently being used by another Canadian marketplace which utilizes the last 15 minutes of trading.</p> <p>Two of these three commenters encouraged TSXV and the other Canadian marketplace that currently offers derived closing valuations to adopt the same TWAP time period for their respective calculations.</p>	<p>TSXV thanks the commenters for their input and suggestions. We will continue to engage with industry participants on these suggestions.</p> <p>TSXV continually evaluates its broad offering of products to ensure that it consistently offers market participants options that offer value and reflect market needs. As with our normal process, any changes will involve industry consultation, may require regulatory approval, and appropriate notice will be given.</p>
<p>All five commenters suggested that the Proposal be extended to also include all thinly-traded securities in Canada.</p> <p>One commenter added that Canadian preferred shares, convertible debt instruments and smallcap equities would all benefit from this approach.</p> <p>One of the commenters noted that some thinly traded securities may be holdings of ETFs so there is added value in being consistent with the two approaches.</p>	<p>TSXV thanks the commenters for their input and suggestions.</p> <p>TSXV continually evaluates its broad offering of products to ensure that it consistently offers market participants options that offer value and reflect market needs. TSXV will explore extending the Proposal to additional securities in the future.</p> <p>As with our normal process, any changes will involve industry consultation, may require regulatory approval, and appropriate notice will be given.</p>
<p>One commenter suggested that the methodology can be refined by consistently representing the TSXV Bid and TSXV Ask for ETFs and stocks, with a common methodology. The purpose of averaging the BBO over the final 10 minutes of trading is to overcome data quality issues, particularly in cases where a security is thinly-traded. The same data integrity concerns are lessened when price</p>	<p>TSXV thanks the commenter for the suggestion.</p> <p>TSXV continually evaluates its broad offering of products to ensure that it consistently offers market participants options that offer value and reflect market needs. As with our normal process, any changes will involve industry consultation, may require regulatory approval, and appropriate notice</p>

discovery occurs in the market.

The commenter suggested that:

- In situations where a security has not traded in the last 10 minutes of regular market hours, the BBO is represented as the 10-minute TWAP of the displayed bid and offer respectively. This is the methodology currently proposed for all ETFs.
- In cases where a trade has occurred in the final 10 minutes, the closing BBO is observed immediately after the last board lot trade has taken place, including in the closing auction. This approach would capture the market impact of the last execution of the day, including the impact of the closing auction. In the case of frequently-traded securities, and all securities where a closing auction has taken place, it would be functionally equivalent to the closing price snapshot at 4:00 PM currently proposed for common stocks.

will be given.