

Private company capital-raising prospectus exemptions at a glance

	Private Issuer s.2.4 NI 45-106	Family & Friends, Business Associates s. 2.5 NI 45-106	Accredited Investor s. 2.3 NI 45-106	Self-Certified Investor Blanket Order 45-538	Small Business Financing Blanket Order 45-539	Start-up Crowdfunding NI 45-110	Offering Memorandum s. 2.9 NI 45-106
Are there limits on the type of issuer?	Yes, Issuer must meet definition of "private issuer" in s. 2.4(1) of NI 45-106 i.e., -limit on number of security holders -restrictions on transfer in constating documents -not reporting issuer or investment fund - all security holders are within the list prescribed by s.2.4(2) e.g., certain principals of the issuer, persons who are specified relatives, close personal friends or close business associates of those principals, existing security holders, accredited investors, and persons who are not the public	No	No	Head office must be in AB (or SK with parallel order; similar order in Ontario)	Head office must be in AB (or SK with parallel order; similar order in Ontario) Can't be a reporting issuer or investment fund	Head office must be in Canada Can't be a reporting issuer or investment fund	In AB, can't be a mutual fund unless a reporting issuer In some other jurisdictions, can't be an investment fund
Can it be used by a reseller?	Can be used by issuer or a reseller	Can be used by issuer or a reseller	Can be used by issuer or a reseller	Can be used by issuer or a reseller	Only available for sales by issuer	Only available for sales by issuer	Only available for sales by issuer
Limits on types of securities?	No short-term securitized products	No short-term securitized products	No limits	No limits	Must be securities of the issuer that are: • common shares • preference shares • debt securities other than securitized product or structured finance products • units of a limited partnership • membership shares or investment shares issued by a cooperative organized under the <i>Cooperatives Act</i> (Alberta) • securities convertible or exchangeable into any of the above	Must be securities of the issuer that are: • common shares • non-convertible preference shares • securities convertible into one of the above • non-convertible debt securities linked to a fixed or floating interest rate • units of a limited partnership • shares in the capital of an association	Must be a security of the issuer No short-term securitized products, specified derivatives or structured finance products

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Who can buy?	Investors must be on the list of permitted investors in s. 2.4(2) of NI 45-106 e.g., - certain principals of the issuer, -persons who are specified relatives, close personal friends or close business associates of those principals, -existing security holders, -accredited investors, and - persons who are not the public (in AB & SK, self-certified investors can in certain circumstances be considered "not the public".	Investors must have a direct relationship with a director, executive or control person of the issuer and the relationship must be either one of the prescribed family members or a close personal friend or close business associate of that person	Investors must meet the definition of "accredited investor" in s. 1.1 of NI 45-106, including individuals who have had for 2 years and expect to have at least \$200,000 net income or have net financial assets (cash & securities) of \$1M	Individuals and non-individuals (i.e. corporation, trust) must have completed a statutory declaration confirming that they meet the qualifying criteria for a self-certified investor and that they have read and understood certain investment considerations. Qualifying SPVs (i.e. a special purpose vehicle that meets specified criteria) can also buy and are not required to complete a statutory declaration. When there is a distribution from an issuer, there must be a concurrent offering to an accredited investor.	No restrictions subject to limitation on investments by some investors	No restrictions but investors subject to investment limits	No restrictions subject to limitation on investments by some investors
Risk acknowledgement required?	No	No *Yes, in SK & ON	Yes, Form 45-106F9 for most individuals	No additional risk acknowledgement required at time of purchase. However, individual and non-individual investors must within the prior 36 months have completed the statutory declaration including the acknowledgement of certain investment considerations.	Yes, Form 45-539F2	Yes, Form 45-110F2	Yes, Form 45-106F4
Limit on amount issuer can raise?	No	No	No	No	When financial statements are not provided: Yes, maximum \$1,500,000 in aggregate by the issuer group during the preceding 12 months and \$5,000,000 lifetime maximum in aggregate by the issuer group (limits do not include investment by	Yes, maximum \$1,500,000 in aggregate by the issuer group during the 12 months before the closing of the distribution	No

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					<p>investors that would qualify to invest under the accredited investor, family, friends and business associates, foreign investor, or self-certified investor exemptions)</p> <p>When financial statements are provided: Yes, \$5,000,000 lifetime maximum in aggregate by the issuer group (limit does not include investment by investors that would qualify to invest under the accredited investor, family, friends and business associates, foreign investor, or self-certified investor exemptions)</p>		
Limit on amount that an investor can invest?	No	No	No	<p>Yes (unless it is a Listed Issuer Investment or a Qualifying SPV) i.e.,</p> <p>\$10,000 in calendar year in any one issuer; \$30,000 in calendar year in all issuers</p> <p>No limit if it is a Listed Issuer Investment i.e., issuer is listed on an exchange recognized in Canada and investor obtains suitability advice</p> <p>No limit if it is a Qualifying SPV</p>	<p>Yes (unless the investor qualifies to invest under the accredited investor, family, friends and business associates, foreign investor, or self-certified investor exemptions) i.e.,</p> <p>• When financial statements are not provided: \$2,500 in the issuer group per 12 months; \$10,000 in the issuer group per 12 months if an investor is a "minimum income investor" (income of \$75K/year or \$125K w/ spouse) or has received positive suitability advice from a registrant</p>	<p>Yes, \$2,500 in any issuer; \$10,000 in any issuer if an investor has received positive suitability advice from a registrant</p>	<p>Yes, for individuals who are not accredited investors or who would qualify to invest under the family, friends and business associates exemption.</p> <p>Per 12 month period: \$10,000 for a purchaser who is not an "eligible investor" (as defined in s. 1.1 of NI 45-106), \$30,000 for a purchaser who is an "eligible investor", and \$100,000 for a purchaser who is an "eligible investor" with suitability advice from a registrant</p>

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					<ul style="list-style-type: none"> When financial statements are provided: \$5,000 in the issuer group per 12 months; \$20,000 in the issuer group per 12 months if an investor is a "minimum income investor" (income of \$75K/year or \$125K w/ spouse) or has received positive suitability advice from a registrant 		
Offering document required?	No	No	No	No However, self-certified investor must be provided access to substantially the same information as would be provided to an accredited investor	Yes, prescribed form of offering document is Form 45-539F1	Yes, prescribed form of offering document is Form 45-110F1	Yes, prescribed form of offering memorandum is Form 45-106F2
Ongoing disclosure required under securities law? Note: *May still be corporate law or contractual requirements	No	No	No	No	<p>When raising less than \$1,500,000 in a 12-month period: No</p> <p>When raising more than \$1,500,000 in a 12-month period: Yes, annual financial statements (can be subject to a review rather than audited and prepared in accordance with ASPE rather than IFRS) and annual notice of proceeds</p>	No	Yes, audited annual financial statements and annual notice of proceeds
Report of exempt distribution + fee required?	No	Yes, Form 45-106F1 within 10 days	Yes, Form 45-106F1 within 10 days	Yes, Form 45-106F1 within 10 days, unless the issuer is a "private issuer"	Yes, Form 45-106F1 within 30 days	Yes, Form 45-106F1 within 30 days	Form 45-106F1 within 10 days
Available in Canada outside Alberta?	Yes	Yes	Yes	AB only (and SK with parallel order; similar order in Ontario)	AB only (and SK with parallel order; similar order in Ontario)	Yes	Yes, but some differences in terms
Available for online crowdfunding?	Unlikely	Unlikely	Yes, with a registered dealer operating a funding portal	Yes, with a registered dealer operating a funding portal	Yes, with a registered dealer operating a funding portal	Yes, with either	Yes, with a registered dealer operating a funding portal

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						-a registered dealer operating a funding portal or -a funding portal relying solely on the start-up crowdfunding registration exemption	