

## Comparison of Proposed Prospectus Exemptions

Exemptions	OM	FFBA	CF	Existing Security Holder
<b>Issuer restrictions</b>				
<b>Qualification criteria</b>	<ul style="list-style-type: none"> <li>▪ Available to both reporting issuers and non-reporting issuers</li> <li>▪ Not available to investment funds</li> </ul>		<ul style="list-style-type: none"> <li>▪ Issuer must be incorporated or organized with head office in Canada</li> <li>▪ Not available to issuers not in compliance with the ongoing requirements of the crowdfunding prospectus exemption</li> </ul>	Reporting issuers for not less than 12 months with a class of equity securities listed on the Toronto Stock Exchange ( <b>TSX</b> ), TSX Venture Exchange ( <b>TSXV</b> ) and Canadian Securities Exchange ( <b>CSE</b> )
<b>Distribution details</b>				
<b>Types of securities</b>	Not available for distributions of the complex or novel securities defined in NI 44-102 <i>Shelf Distributions</i> and NI 25-101 <i>Designated Rating Organizations</i>	<ul style="list-style-type: none"> <li>▪ Exemption applies to a distribution of a security by an issuer as well as a selling security holder</li> <li>▪ Only some types of securities can be distributed, such as common shares, flow-through shares under the <i>Income Tax Act</i> (Canada), not available for complex or novel products</li> </ul>	<ul style="list-style-type: none"> <li>▪ Limited to distributions by an issuer of securities of its own issue</li> <li>▪ Limited types of securities can be offered, such as common shares and flow-through shares under the <i>Income Tax Act</i> (Canada)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Exemption applies to a distribution by an issuer of securities of its own issue</li> <li>▪ Offering can consist only of the class of equity securities listed on the TSX, TSXV or CSE, or units consisting of listed security and a warrant to acquire listed security</li> </ul>
<b>Offering parameters</b>	<ul style="list-style-type: none"> <li>▪ No limit on the size of offerings, or the number of offerings an issuer may make</li> <li>▪ No requirements with respect to the length of time an OM offering can remain open</li> </ul>	<ul style="list-style-type: none"> <li>▪ No limit on the size of offering made under the exemption</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cannot raise more than \$1.5 million under the crowdfunding exemption during the period commencing 12 months prior to the current offering</li> <li>▪ Offering cannot remain open for more than 90 days</li> <li>▪ Offering document must disclose</li> </ul>	<ul style="list-style-type: none"> <li>▪ An offering cannot result in an increase of more than 100% of the outstanding securities of the same class</li> <li>▪ Issuer must permit each person who held a listed security of the issuer of the same class and series as the listed security to be distributed</li> </ul>

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			minimum offering size <ul style="list-style-type: none"> <li>▪ Offering cannot be completed unless: (i) minimum offering fully subscribed; and (ii) at time of completion of offering, issuer has financial resources sufficient to achieve the next milestone in its written business plan</li> </ul>	under the exemption, to subscribe for securities distributed under the exemption on pro rata basis
<b>Registrants</b>	<ul style="list-style-type: none"> <li>▪ No restrictions on the category of registrant that can be involved in an OM offering</li> <li>▪ Registrants that are related (i.e., affiliates in the same corporate structure) to an issuer will be prohibited from participating in an OM distribution</li> </ul>			<ul style="list-style-type: none"> <li>▪ There are no restrictions on the type of registrant that may participate</li> </ul>
<b>Restriction on solicitation and advertising</b>		<ul style="list-style-type: none"> <li>▪ Advertising to solicit investors is prohibited</li> <li>▪ Payment of any commission, finder's fee, referral fee or similar payment to any person in connection with a distribution is prohibited</li> </ul>	<ul style="list-style-type: none"> <li>▪ Issuer, portal or any other person involved with an offering cannot advertise the offering or solicit potential investors, except as specifically permitted</li> <li>▪ Offering materials must be made available to potential investors on portal's website but not on any other website and delivered to the regulator simultaneously</li> </ul>	

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			<ul style="list-style-type: none"> <li>Marketing materials limited to offering document</li> </ul>	
<b>Investor protection measures</b>				
<b>Investor qualification</b>	3 types of "eligible investors" <ul style="list-style-type: none"> <li>Net income test</li> <li>Net asset tests</li> <li>Role of "eligibility adviser"</li> </ul>	Exemption for distributions to family members, close personal friends and close business associates with enhanced guidance on investor qualifications		Each investor must represent in writing to the issuer that the type of listed security the investor is acquiring under the exemption
<b>Investment limits</b>	A cap of \$10,000 - \$30,000 depending on if individuals are eligible or non-eligible investors	No investment limits	<ul style="list-style-type: none"> <li>Less than \$2,500 in a single investment</li> <li>Less than \$10,000 in total in a calendar year</li> </ul>	Less than \$15,000 for investors residing in Canada
<b>Risk acknowledgement form</b>	Form 45-106F13 must be signed by investor before signing agreement to purchase the security	Form 45-106F12 must be signed by investor and whom that investor with asserted relationship and issuer, and to disclose the relationship they have with each other	Proposed Form 45-108F2 must be signed by investor	
<b>Point of sale disclosure</b>	<ul style="list-style-type: none"> <li>Existing OM forms must be used</li> <li>OM must be delivered to the OSC on or before the 10th day after the distribution</li> </ul>	No requirement for issuer or selling security holder to provide investor with any disclosure at time of distribution	<ul style="list-style-type: none"> <li>Streamlined disclosure document must be provided that includes basic information about the offering, the issuer and the portal with required financial information</li> <li>Offering document must be delivered to the regulator at the time that it is posted on the portal's website</li> </ul>	<ul style="list-style-type: none"> <li>Issuer is not required to provide an offering document</li> <li>Issuer must issue an offering news release disclosing the proposed offering and file any offering materials on the same day it provides the materials to purchasers</li> </ul>

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<b>Advertising and marketing materials</b>	<ul style="list-style-type: none"> <li>No new restrictions on advertising</li> <li>Issuers are required to incorporate by reference into the OM any marketing materials used</li> <li>Additional guidance on marketing practices in 45-106CP</li> <li>Any marketing materials used in an OM offering must be filed with the OSC</li> </ul>			
<b>Statutory or contractual rights in the event of a misrepresentation</b>	Investors have certain rights of action for damages or rescission in the event of misrepresentation	If an issuer or selling security holder voluntarily provides a potential investor with an OM in connection with a distribution, investors have certain rights of action for damages or rescission in the event of a misrepresentation	If comparable right not provided by securities legislation of jurisdiction in which purchaser resides, issuer must provide contractual right of action for rescission or damages in the event of a misrepresentation if any materials made available to purchaser	Subscription agreement between the issuer and purchaser must contain a contractual right of action against the issuer for any misrepresentation in a "document" or "core document", each as defined in section 138.1 of the <i>Securities Act</i> (Ontario).
<b>Right of withdrawal</b>	Investors have two business days to withdraw	No right of withdrawal available to investors	Investors have 48 hours prior to the disclosed offering deadline to withdraw	No right of withdrawal available to investors
<b>Resale restrictions</b>	<ul style="list-style-type: none"> <li>Securities of a reporting issuer are subject to a four month hold period (subject to certain other conditions being met)</li> <li>Securities of a non-reporting issuer are subject to an indefinite hold period and can only be resold under another prospectus exemption or under a prospectus</li> </ul>			Securities of a reporting issuer are subject to a four month hold period (subject to certain other conditions being met)
<b>Ongoing disclosure</b>	<ul style="list-style-type: none"> <li>Limited continuous disclosure is required for non-reporting issuers</li> </ul>	<ul style="list-style-type: none"> <li>No requirement for non-reporting issuers to provide any ongoing</li> </ul>	<u>Ongoing disclosure</u> <ul style="list-style-type: none"> <li>A reporting issuer must provide</li> </ul>	Reporting issuers must comply with continuous disclosure

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	<p>that distribute securities under the exemption</p> <ul style="list-style-type: none"> <li>▪ Non-reporting issuers are required to make requested annual financial statements available to investors and deliver to the securities regulatory authority</li> <li>▪ Audited annual financial statements must comply with the requirements of section 4.1 of NI 51-102 <i>Continuous Disclosure Obligations</i> and NI 52-107 <i>Acceptable Accounting Principles and Auditing Standards</i></li> </ul>	<p>disclosure</p> <ul style="list-style-type: none"> <li>▪ Reporting issuers subject to ongoing continuous disclosure obligations under applicable securities law</li> </ul>	<p>ongoing continuous disclosure in accordance with securities law requirements</p> <ul style="list-style-type: none"> <li>▪ A non-reporting issuer must provide requested ongoing disclosure on an annual basis</li> </ul> <p><u>Books and records</u> A non-reporting issuer must keep books and records which contain requested information at a minimum</p>	<p>obligations under applicable securities law</p>
<b>Reporting</b>				
<b>Reporting of distribution</b>	Report of exempt distribution on Form 45-106F11 must be filed within 10 days of the distribution			