

Wiklow News

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WIKLOW CORPORATE SERVICES INC. - EXPERIENCE & EXPERTISE

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4th Edition

CSA Proposes to Streamline Rights Offering Exemption

A rights offering enables a public company to give existing shareholders the opportunity to buy additional shares at a price below the current market price. However, the current exemption is seldom used because the process is arduous, time consuming and has a dilution limit of only 25% making the process for the most part, simply unadvisable for most companies.

The proposed updated exemption streamlines the current requirements and eliminates regulatory review of the notice and the rights offering circular. It also proposes the use of a new form of notice to shareholders containing basic disclosure of the offering and information on how to access the circular electronically. Only the notice will be mailed to shareholders. The circular, as proposed, would be completed in a question and answer format making it much easier to prepare and understand. The focus would be on the offering itself, the use of proceeds and the current financial position of the company omitting information on the business of the company since that information is easily attainable on SEDAR.

The offering must be made to all shareholders, on a pro-rata basis, at a subscription price that is lower than the market price for the shares at the time of the filing of the notice. The exercise period will be a minimum of 21 days and a maximum of 90 days. The dilution limit will be increased to 100% and generally, the shares purchased upon the exercise of the rights would not be subject to a hold period except in certain circumstances such as a stand-by commitment. The CSA is accepting comments on the proposed exemption until February 25, 2015.



OSC

ONTARIO
SECURITIES
COMMISSION

OSC Approves Prospectus Exemption to Raise Funds From Existing Shareholders

The Ontario Securities Commission has aligned with other CSA jurisdictions, except Newfoundland, to allow reporting issuers to raise funds from existing shareholders based on their public continuous disclosure record. The exemption will come into effect on February 11, 2015 and will allow issuers to raise capital from existing security holders on a cost effective basis. It will allow existing retail security holders to acquire securities of the issuer directly, rather than through the secondary market.



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- Monitoring and tracking subscriptions including communications with agents, finders and placees;
- Preparation and/or distribution of treasury orders, warrant certificates and executed subscription agreements; and
- Preparation and filing of exempt distribution reports.

2015 Statutory Holidays and the Availability of the SEDAR Server

| STATUTORY HOLIDAY | DATE OF HOLIDAY SEDAR SERVER | AVAILABILITY |
|--|---------------------------------|---------------|
| New Year's Day | January 1st | Not Available |
| Family Day (BC) | February 9th | Available |
| Family Day (AB, SK, ON) | February 16th | Available |
| Good Friday | April 3rd | Not Available |
| Easter Monday | April 6th | Available |
| Victoria Day | May 18th | Not Available |
| St-Jean Baptiste Day | June 24th | Available |
| Canada Day | July 1st | Not Available |
| Civic Holiday | August 3rd | Available |
| Labour Day | September 7th | Not Available |
| Thanksgiving Day | October 12th | Not Available |
| Remembrance Day | November 11th | Available |
| Christmas Day | December 25th | Not Available |
| Boxing Day *(in lieu of Saturday December 26) | December 28th* | Not Available |

| Upcoming Financial Statement Filing Deadlines | | | |
|---|--------|-------------------------------|--------|
| Non-Venture Issuers | | Venture Issuers | |
| | | YE – Sep 30 | Jan 28 |
| YE – Oct 31 | Jan 29 | YE – Oct 31 | Mar 2 |
| YE – Dec 31 | Mar 31 | YE – Dec 31 | Apr 30 |
| Q1 - Dec 31 (Sep Year End) | Feb 16 | Q1 - Dec 31 (Jul Year End) | Mar 2 |
| Q2 - Dec 31 (Jun Year End) | | Q2 - Oct 31 (Apr Year End) | |
| Q3 – Dec 31 (Mar Year End) | | Q3 – Oct 31 (Dec Year End) | |

OSC Approves Aequitas NEO Exchange

A recognition order issued by the Ontario Securities Commission to the Aequitas NEO Exchange will be effective on March 1, 2015.

Backed by the Royal Bank, BCE Inc., Barclays Corp. Ltd., Canadian pension fund PSP Investments and other Canadian and international brokerages, the new exchange will be competition for the Toronto Stock Exchange and other markets owned by the TMX Group.

The Aequitas Exchange plans to launch four trading books including its Neo Book which will use a random delay and increased fees to deter high-frequency trading. The company stated that: "The Aequitas NEO Exchange aims to curb predatory trading strategies through tailored and targeted interventions, rather than a one-size-fits-all approach. The proposed technology and market structure model will enhance market quality by rebalancing the market in favour of long-term investors and others without speed and technological advantages, while continuing to facilitate strategies that add value." The three other trading books will vary in fees and trading aspects and will focus on making trades more transparent.

Aequitas plans to launch its trading platform and its listing platform during the first half of 2015. A private markets platform is planned to follow, pending regulatory approval.



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