

Continuous Disclosure

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Securities Law for Legal Support Staff

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CONTINUOUS DISCLOSURE

[Note: The following is a high-level overview of the continuous disclosure regulatory requirements that apply to reporting issuers in Alberta and is designed for legal support staff. If you have specific questions or require more detailed information regarding continuous disclosure, please consult the relevant regulations and policies.]

Under the Securities Act (Alberta) (the “**Act**”), any entity who is a reporting issuer in Alberta is subject to a variety of continuous disclosure obligations, and must therefore regularly file with the applicable regulators, and disclose to the public, certain financial information and business information.

In addition to the Act, the Alberta Securities Commission, the regulatory body that oversees the administration and enforcement of securities laws in Alberta, relies on key regulatory instruments relating to a reporting issuer’s continuous disclosure obligations. These are:

- National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”): Contains the key continuous disclosure obligations for reporting issuers
 - See also Companion Policy 51-102CP – *Continuous disclosure obligations* and CSA Staff Notice 51-311 – *Frequently Asked Questions Regarding National Instrument 51-102* for additional guidance and explanation on the requirements set forth in NI 51-102
- National Instrument 52-107 – *Acceptable Accounting Principles and Auditing Standards* (“**NI 52-107**”): Specifies the accounting rules and disclosure requirements that apply to a reporting issuer’s financial statements.
- National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings* (“**NI 52-109**”): Contains certification obligations required of a reporting issuer’s Chief Executive Officer (“**CEO**”) and Chief Financial Officer (“**CFO**”) in respect of a reporting issuer’s annual and interim filings.
- National Policy 51-201 – *Disclosure Standards* (“**NP 51-201**”) provides “best disclosure” practices. It includes, amongst other topics, guidance regarding: materiality determinations, appropriate disclosure practices for material changes, and the treatment of confidential material information.

Other important regulatory bodies to be aware of include the Toronto Stock Exchange (the “**TSX**”) and the TSX Venture Exchange (the “**TSX-V**”), who each have their own policies relating to certain continuous disclosure requirements. Their key continuous disclosure policies include:

- **TSX-V Policy 3.3 - Timely Disclosure & TSX Policy Statement on Timely Disclosure**, which set forth the rules of each of the TSX-V and the TSX on disclosure of material information.
- **TSX-V Appendix 3C & TSX Approved Paid Distribution Newswire Services**, which each provide an informational list of commercial news disseminators, to be used for the issuance of news releases concerning material information.

A. REPORTING ISSUERS

What is a reporting issuer?

An issuer:

- That has filed a prospectus and been issued a receipt by the Alberta Securities Commission (the “**Commission**”);
- That has been declared or designated as a reporting issuer under the Act;
- That has filed a securities exchange take-over bid circular on or before June 1, 1999;
- Whose securities are or have previously been listed and posted for trading on an exchange recognized by the Commission; or
- That has exchanged securities with another issuer (or with security holders of another issuer) in connection with certain transactions (e.g. amalgamations, mergers, reorganizations), if one of the parties to such transaction was a reporting issuer at the time of the transaction.

What is a venture issuer?

Venture issuers are a category of reporting issuers in Canada that are not listed on the TSX or (with some exceptions) a foreign stock exchange.

- Most venture issuers are listed on the TSX-V or the Canadian Securities Exchange (“**CSE**”), but unlisted reporting issuers are also considered venture issuers.
 - TSX-V-listed issuers are reporting issuers in both British Columbia and Alberta by virtue of being listed on it
 - CSE-listed issuers are required to be reporting issuers in Ontario

Note: the province in which you are a reporting issuer impacts SEDAR filing requirements.

What is a reporting issuer that is not a venture issuer (a “non-venture issuer”)?

A non-venture issuer refers to those reporting issuers who fall outside the definition of venture issuer. In practice, these are typically TSX-listed issuers.

NOTE: The distinction between venture issuers and non-venture issuers affects, among other things: filing deadlines, the requirement to file an annual information form, and the required content in Management’s Discussion & Analysis. The disparate requirements applying to venture issuers and non-venture issuers are more fully detailed in the sections that follow.