

NEWS RELEASE

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For Immediate Release

IIAC Welcomes CSA's New Prospectus Exemption *Exemption applies to distributions to existing security holders*

Thursday, March 13, 2014 (Toronto) – The Investment Industry Association of Canada (IIAC) commends the securities regulatory authorities in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Yukon, Northwest Territories and Nunavut (“the Participating Jurisdictions”) for approving a new prospectus exemption for distributions to existing security holders.

The new exemption will assist issuers in the struggling venture market by providing these listed companies with the additional option of raising capital through an offering to existing shareholders. This type of financing will be cost-effective, limiting required disclosure, and yet provide adequate investor protection by restricting the offering to existing investors already familiar with the company, and reliant on continuous disclosure. Investors are further protected by the mandated involvement of IIROC-registered advisors for investments that exceed \$15,000 in size.

The Participating Jurisdictions have demonstrated leadership, and responsiveness to the difficulties encountered by firms raising capital in venture markets, by approving this prospectus exemption in less than four months from the time the exemption was originally proposed.

The OSC has indicated it will publish for comment later this month a similar existing shareholder exemption. We are pleased with this course of action, and optimistic on its eventual approval, as the many Ontario-based listed companies should have similar access to this prospectus exemption to reduce financing costs, and Ontario investors should be able to participate in these offerings. To make this exemption uniform for all listed companies and investors across the country, we encourage securities regulators in Newfoundland to follow the Ontario decision and approve the exemption.

The IIAC – Representing Canada's Investment Professionals

The Investment Industry Association of Canada (IIAC) is the national association representing the investment industry's position on securities regulation, public policy and industry issues on behalf of our 160 IIROC-regulated investment dealer Member firms in the Canadian securities industry. These dealer firms are the key intermediaries in Canadian capital markets, accounting for the vast majority of financial advisory services, securities trading and underwriting in public and private markets for governments and corporations. The IIAC provides leadership for the Canadian securities industry with a commitment to a vibrant, prosperous investment industry driven by strong and efficient capital markets.

For more information, please visit www.iiac.ca.

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