

## POLICY 7

### **INVESTOR RELATIONS, PROMOTIONAL ACTIVITY, AND OTHER SIGNIFICANT TRANSACTIONS**

#### **7.1 Significant Transactions and Developments**

- (1) Listed Issuers must disseminate a news release pursuant to Policy 5 regarding any Significant Transactions.
- (2) Listed Issuers must include updated information relating to Significant Transactions and Developments in their Monthly Progress Report and Quarterly Listing Statement.
- (3) Significant Transactions that result in a Change of Business may be subject to the requirements of Policy 8. Non-arm's length Significant Transactions may be subject to the requirements of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* in addition to the requirements of this Policy. In the case of an acquisition, management of the Listed Issuer is responsible for ensuring that the consideration paid for the asset is reasonable and must retain adequate evidence of value received for consideration paid such as confirmation of out-of-pocket costs or replacement costs, fairness opinions, geological reports, financial statements or valuations. The evidence of value must be made available to the Exchange upon request.
- (4) Listed Issuers involved in a Significant Transaction or Development must immediately Post notice of the proposed Significant Transaction or Development (Notice of Proposed Transaction) concurrently or as soon as practicable following the issuance of a news release announcing the Significant Transaction or Development (if the Significant Transaction constitutes Material Information concerning the Listed Issuer) or upon the Listed Issuer agreeing to the Significant Transaction (in all other cases).
- (5) At least one full Business Day prior to the closing of a proposed Significant Transaction the Listed Issuer must Post an initial or amended Notice of Proposed Transaction, if applicable.
- (6) Forthwith upon closing of a Significant Transaction, the Listed Issuer must Post
  - (a) a letter from the Listed Issuer confirming receipt of proceeds or payment of consideration provided for in the agreement(s) relating to the Significant Transaction (or describing the receipt or payment schedule); and
  - (b) an executed Certificate of Compliance from the Listed Issuer that it has complied and is in compliance with applicable securities law.

#### **7.2 Restrictions on Contracts for Investor Relations or Promotional Activities**

- (1) Compensation to any Person providing Promotional Activities, including Investor

Relations Activities, for a Listed Issuer must be reasonable and in proportion to the financial resources and level of operations of the Listed Issuer and should be based on the value of the services provided and not on the Listed Issuer's market performance. In particular, compensation to Persons providing Investor Relations Activities may not be determined in whole or in part by the Listed Issuer's securities attaining certain price or trading volume thresholds. Except as provided in section 7.2(2) below, compensation in the form of shares or options is not acceptable and payment for services should be on a cash basis.

- (2) If permitted by securities laws, options may be granted for persons undertaking Investor Relations activities provided that the total number of listed securities issuable on exercise of options provided as compensation to all Persons providing Investor Relations Activities cannot exceed 2% of the outstanding number of listed securities in any 12-month period.

### **7.3 Disclosure**

- (1) In addition to the Notice of Proposed Transaction, a Listed Issuer that arranges for a Person to conduct Promotional Activity, including Investor Relations activity, in respect of the Listed Issuer or a security of the Listed Issuer must promptly disseminate a news release disclosing the following:

- (a) that the Listed Issuer has arranged for the Person to conduct the Promotional Activity;
- (b) the name, business address, email and telephone number of each person or company that will be involved in conducting the Promotional Activity, and a description of the Person's relationship with the issuer, if any;
- (c) the date on which the Promotional Activity will start and the date on which the promotional activity will end or is expected to end;
- (d) the nature of the Promotional Activity;
- (e) any platform or other medium on or through which the Promotional Activity will occur; and
- (f) a description of the compensation that the Person has received or may receive for the Promotional Activity including, the total amount of the compensation and whether the compensation includes options to purchase securities of the Listed Issuer.

- (2) **Application**

The disclosure requirements in subsection (1) apply whether or not the Person conducting the Promotional Activity has received or may receive compensation for the Promotional Activity.

- (3) **Exception**

The disclosure requirements of subsection (1) do not apply if the Person conducting the Promotional Activity is an officer, director or employee of the Listed Issuer acting in that capacity and is identified as such at the time the Promotional Activity is

conducted.

#### **7.4 Suitability Considerations**

Further to s. 2.18 of Policy 2, the Exchange may deem any Person to be unacceptable to be associated in any manner with a Listed Issuer if that Person has:

- (a) made or accepted excessive payments for Promotional Activity or Investor Relations activities, or
- (b) been associated with or failed to prevent the production, approval or distribution of overly promotional materials on behalf of, or with respect to the securities of, any reporting issuer.