

Going public in Canada

From start to finish, Dentons provides comprehensive guidance on every step essential to successfully going public in Canada.

The Securities & Corporate Finance team at Dentons Canada has extensive knowledge of, and experience in, the Canadian capital markets. From our offices across the country, we regularly advise issuers, registrants, securityholders and others on a broad range of Canadian securities law matters including, of course, the transaction types described in this guide.

Please contact any of our city leads to discuss how we can assist in guiding your through the intricacies of Canadian securities law.



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Introduction

Going public is a transformational event as your company grows, whether it has a history of operations or is a startup venture. Partner with Dentons to optimize this financing and liquidity opportunity. We understand the go-public process, and use our experience and relationships to assist clients across a range of industries in choosing the ideal method of accessing public markets.

We work very closely with your team to help maximize the early life of the business as a public company and position it for long-term growth, including successful follow-on public and private financings. We apply our comprehensive knowledge of the latest legal, regulatory and commercial trends in the ever-shifting economic and political environment that affects your business.

Dentons lawyers are practiced and proficient in the art of managing your go-public transaction through narrow financing windows while providing innovative solutions to obstacles that could otherwise derail the financing. The protection and enhancement of your legal interests is always our overriding concern. Whether your listing is on one stock exchange or several, we bring to your team our long-standing working history with securities and stock exchange regulators, and our close relationships with investment firms and business leaders locally and globally, to make the most of going public.

Reasons to use us

1 **We know how to go public** – Going public is a process and not just the filing of documents. As such, it needs to be planned and managed with a forward view to ensure matters are dealt with before they become “issues” that can disrupt the smooth execution of the process. We can help you assess your readiness and areas of risk to ensure the process is a smooth one.

2 **We know the Canadian securities markets** – Our extensive deal flow, acting for both issuers and underwriters, allows us to plan, and respond quickly to issues as they come up, and always ensure that we are incorporating the most recent market trends into our advice.

We can introduce you to underwriters, auditors, and other experts. We can present you to the appropriate people at the stock exchanges early in the process to ensure a smooth acceptance of the listing, and we can assist you in identifying management and potential board candidates. We can also host and manage virtual data rooms and document exchange portals to smooth the information exchange aspects of the transaction.

3 **We know the Canadian industry** – We understand Canadian industries, having specialized lawyers in all major businesses in Canada, including industrial services, oil & gas, mining, cannabis, technology and retail brands. We have been involved in numerous transactions and projects at the heart of these industries, but also involving infrastructure and services that are critical to these businesses.

4 **We know the government policy landscape around the Canadian industry** – Dentons’ Government Affairs and Public Policy group in Canada comprises a world-class team of former politicians, policy leaders and leading recognized lawyers who can assist you anticipating policy changes and positioning the new public company for maximum success.

5 **We provide value for money** – We hope we get to the point of discussing business terms to assist you with your transaction. If we do, we will provide a fee proposal based on transparent terms, controlled legal spend, competitive pricing and employing a disciplined approach to fees working efficiently and billing only for necessary handling of matters by lawyers who add value to the project, bearing in mind the level and complexity of your needs.

“The level of support and insight, based on decades of practical experience has been invaluable to me as a CFO.”

‘The Denton’s team also shares our sense of urgency when appropriate and reacts appropriately.’

‘Their dedication to completing a task is unparalleled and their flexibility and ability to react quickly when opportunities arise, is appreciated.’

– *Legal 500, 2020*

“I am impressed with its knowledge in a variety of areas.”

– *Chambers Canada, 2020*

“I’m comfortable working with them because of their depth of experience in securities matters”

– *Chambers Canada, 2021*

“Dentons’ team is the most practical, responsive and effective of all of the law firms that we work with or alongside. Their advice is to the point and they very effectively communicate key deal issues without getting bogged down in minutia that is not relevant to a transaction.”

– *Legal 500, 2020*

Representative experience

- **AIM5:** Advising on its initial public offering on the TSXV.
- **Appili Therapeutics Inc.:** Advising on the private placement offering of special warrants raising aggregate gross proceeds of CA\$3.5 million and subsequent initial public offering prospectus.
- **Avicanna Inc.:** Advising in connection with its long form qualifying prospectus and TSX listing.
- **Beacon Securities Limited:** Advising the agents, led by Beacon Securities Limited, and including Haywood Securities Inc., in connection with the private placement of subscription receipts of DelphX Capital Markets Inc. and going public transaction.
- **Beacon Securities Limited:** Advising the agents, led by Beacon Securities Limited, and including Canaccord Genuity Corp., Cormark Securities Inc., Eight Capital and INFOR Financial Inc., in connection with a private placement of subscription receipts of Indus Holdings, Inc. and going public transaction.
- **Bridgewater Systems:** Advising on its TSX initial public offering and secondary offering raising CA\$35 million.
- **Canaccord Genuity Corp.:** Advising as agent on the initial public offering of Red River Capital Corp. on the TSXV.
- **Cannara Biotech Inc.:** Advising on its going public transaction on the CSE.
- **Carebook Technologies Inc.:** Advising the agents, led by Canaccord Genuity Corp., and including Raymond James Ltd., Gravitas Securities Inc., Beacon Securities Limited, and Cormark Securities Inc., in connection with a private placement of subscription receipts of Carebook Technologies Inc. and going public transaction.
- **Clementia Pharmaceuticals Inc.:** Advising on its US\$137.9 million initial public offering of common shares on the NASDAQ Global Select Market.
- **Clever Leaves Holdings Inc.:** Advising on its business combination with Schultze Special Purpose Acquisition Corp and concurrent listing on the NASDAQ Capital Market.
- **Drummond Capital Corp:** Advising in connection with an initial public offering on the TSXV.
- **Eight Capital:** Advising the agents, led by Eight Capital, and including GMP Securities L.P., Echelon Wealth Partners, Inc., Haywood Securities, Inc. and PI Financial Corp., in connection with a private placement of subscription receipts of Jushi Holdings Inc. and going public transaction.
- **eQube Technology and Software Inc.:** Advising in connection with a capital pool transaction (CPC) whereby eQube acquired Triox Limited by way of reverse takeover.
- **Fire & Flower Holdings Corp.:** Advising in connection with its reverse takeover of Cinaport Acquisition Corp. II and concurrent subscription receipt financing for gross proceeds of approximately CA\$36.5 million.
- **Focus Financial Partners:** Advising on Canadian securities matters related to its US initial public offering.
- **GetSwift Limited:** Advising an Australian technology company listed on the Australian Stock Exchange on its re-domiciliation to Canada by way of a scheme of arrangement and listing of its new Canadian parent company, GetSwift Technologies Limited, on the NEO Exchange.
- **GMP Securities LP:** Advising the agents, co-led by GMP Securities LP and Canaccord Genuity Corp., and including Cormark Securities Inc., Eight Capital Corp. and Haywood Securities Inc., in connection with a private placement of subscription receipts of Curaleaf Holdings and going public transaction.
- **Greenlane Holdings, LLC:** Advising in connection with its initial public offering on the NASDAQ and concurrent offering in Canada.

- **Halo Labs:** Advising in connection with its public offering and going public transaction on the NEO Exchange.
- **Investment banks:** Advising a syndicate of investment banks in connection with the Curaleaf CA\$520 million financing and going public transaction on the CSE.
- **Investment banks:** Advising a syndicate of investment banks in the Indus Holdings CA\$53 million financing and going public transaction on the CSE.
- **Investment banks:** Advising a syndicate of investment banks in the Jushi Inc. CA\$60 million financing and going public transaction on the NEO Exchange.
- **Kinaxis:** Advising on its initial public offering and secondary offering of common shares.
- **Persta Resources Inc.:** Advising in connection with its initial public offering and listing on the Main Board of the Hong Kong Stock Exchange (the first Canadian oil and gas company listed in Hong Kong since 2012).
- **PI Financial Corp.:** Advising the agents, led by PI Financial Corp., and including Sprott Capital Partners LP, in an offering of CA\$15 million of subscription receipts of Terrace Inc. in connection with its going public transaction by way of reverse takeover of Apolo II Acquisition Corp.
- **Pine Trail Real Estate Investment Trust:** Advising on its initial public offering on the TSXV.
- **Reconnaissance Energy Africa Ltd:** Advising in connection with a reverse takeover of Lund Enterprises Corp., a TSXV listed issuer.
- **Richardson GMP Limited:** Advising the agent on the initial public offering of common shares of CanadaBis Capital Inc. for gross proceeds of CA\$500,000.
- **San Felasco Nurseries, Inc.:** Advising on the going public transaction by San Felasco Nurseries, Inc., through its sale to Harvest Health & Recreation, Inc. for US\$65 million, which included approximately US\$30 million in Harvest stock.
- **Slang Worldwide Inc. (formerly Fire Cannabis Inc.):** Advising in connection with its long form qualifying prospectus and CSE listing.
- **Southern Sun Pharma Inc.:** Advising in connection with its reverse takeover of AIM3 Ventures Inc. which would constitute the capital pool company's "qualifying transaction" under TSXV policies.
- **STEP Energy Services Ltd:** Advising the underwriters, CIBC and Raymond James, on a CA\$100 million initial public offering on the TSX.
- **Stifel Nicolaus Canada Inc.:** Advised a syndicate of underwriters, led by Stifel Nicolaus Canada Inc., on a CA\$35 million financing and concurrent TSX listing of GURU Beverages Inc.
- **Sumtra Diversified:** Advising on its reverse takeover and go-public transaction of Mjardin on the CSE.



Your Dentons team

SEASONED PROFESSIONALS

Client teams have traditionally been paramount in our providing legal services around the world. We devote to our clients of all sizes a dedicated and specialized team that will identify and solve problems before they arise; finish assignments on time and on budget; carefully assess the work of paralegals and other non-lawyers; and perhaps most importantly, pick up the phone when you call.

We can provide you with a team led by specialized capital markets/securities partners who will oversee the project team and provide strategic oversight of the transaction. From kick-off to closing they will be your main points of contact and will ensure the successful coordination and completion of work performed. Our teams regularly coordinate national and multijurisdictional deal teams, and understand the special legal and logistical needs arising on multi-jurisdictional transactions.

DRIVING EFFICIENCY AND COST-CONTAINMENT

To achieve cost-efficient rates, we will rely on associates and paralegals to support the main teams. Our supporting lawyers will execute certain duties under a senior partner's supervision.

We have the talent, experience and expertise to equip you with the tools to achieve your goals as a public company.

Methods of going public

There are several avenues for a private company to become a public company – otherwise known as a reporting issuer under Canadian securities laws – and have its securities listed on a stock exchange in Canada. This is commonly known as the process of “going public”.

Dentons Securities and Corporate Finance lawyers regularly advise in respect of the following, which are described in detail in our [Guide to Going Public and Listing in Canada](#):

- Conducting an **initial public offering (IPO)** of securities, following the filing of a prospectus, and obtaining a concurrent stock exchange listing.
- Completing a **reverse take-over (RTO)** by an existing public company, which involves a private enterprise being acquired by a listed “shell” company, i.e., one without an active business but with public shareholders.
- Variations on the RTO, including:
 - The **capital pool company (CPC)** regime of the TSX Venture Exchange, which involves a company getting listed with cash as its main asset, whose sole purpose is to find and acquire an existing private business, thereby taking that business public.
 - The **special purpose acquisition company** rules of the Toronto Stock Exchange and the NEO Exchange. This approach resembles the CPC regime, but is aimed at larger private companies with more sizeable financing requirements.

- Conducting a **direct listing** on a stock exchange without an associated offering of securities.
- A **dual listing** involves a company already listed on an exchange outside of Canada having its securities listed on an exchange here.

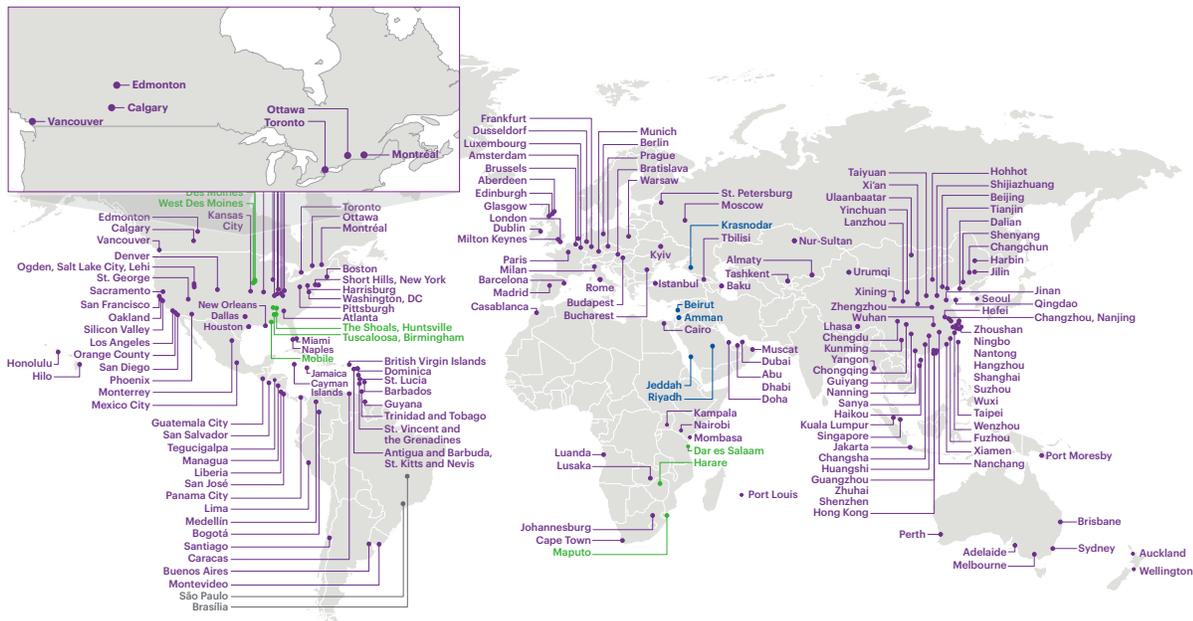
Other ways a company could become publicly listed in Canada include getting “spun out” of, or conducting a non-RTO merger with, an existing public company. These are considered public market transactions more than going public ventures, and are regulated accordingly. Our [M&A group](#) has considerable experience in such matters.

About Dentons Canada



Dentons is the world's largest law firm, delivering quality and value to clients around the globe. Dentons is a leader on the Acritas Global Elite Brand Index, a BTI Client Service 30 Award winner and recognized by prominent business and legal publications for its innovations in client service, including founding Nextlaw Labs and the Nextlaw Global Referral Network. Dentons' polycentric approach and world-class talent challenge the status quo to advance client interests in the communities in which we live and work.

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Locations in purple represent Dentons offices.
 Locations in blue represent associate firms, offices and special alliances.
 Locations in green represent approved combinations that have not yet been formalized.
 Locations in gray represent Brazil Strategic Alliance.

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Relevant awards and accolades

WHAT OTHERS SAY ABOUT US

“Dentons understands that not all corporate clients are the same and lawyers continually strive to better understand every aspect of our business. While they are a large firm with large clients and extensive resources, they do not take a one-size-fits-all approach toward us; they take the time to understand our specific and nuanced circumstances, and craft solutions that work for us.”

—Legal 500, 2020



“The team is consistently excellent.”

—Chambers Canada 2020



“Dentons Canada provides the best legal work at a reasonable cost in the marketplace. I have used many of the largest firms over my career and I keep coming back to Dentons, not only in Canada but abroad. When I use Dentons I know I am getting the best service, advice and value for my legal spend.”

—Legal 500, 2020



“We never have trouble accessing the partners or associates and their responsiveness helps keep deals progressing. I find that they are far more likely to listen to input from clients and consider a client’s needs more than other firms.”

—Legal 500, 2020



“They’re very knowledgeable and responsive to my needs, going on to add that ‘they deliver results in a timely manner and their work is always thorough and complete.’”

—Chambers Canada 2019



RANKINGS

Chambers Canada (2021)

Several lawyers recognized | Corporate/Commercial

Ranked in Corporate/Commercial: The Elite in Québec

Ranked in Capital Markets – Nationwide

Legal 500 Canada (2021)

Ranked in Corporate/M&A

Ranked in Capital Markets

Several lawyers recognized | Capital Markets

IFLR1000 (2020)

Ranked in Mergers & Acquisitions Law

Lexpert (2020)

Canadian offices recognized | Commercial Law;
Corporate Finance & Securities

Several lawyers recognized | Corporate Commercial
Law; Corporate Law; Corporate Mid-Market; Corporate
Finance & Securities

Best Lawyers (2020)

Several lawyers recognized | Corporate Law



LEXPERT



Best Lawyers®



IFLR
1000



TOP RANKED
Chambers
CANADA
2020
Elite Law Firm Network



The
LEGAL
500





Whether your listing is on one stock exchange or several, at Dentons, we bring to your team our long-standing working history with securities and stock exchange regulators, and our close relationships with investment firms and business leaders locally and globally, to make the most of going public.



ABOUT DENTONS

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