



TFSA | TORONTO FINANCIAL
SERVICES ALLIANCE

TMX Ecosystem

A dynamic concentration
of financial expertise.

Toronto: Serving the Global Financial World

For companies that want to raise capital in North America, Toronto is an ideal place to start. Endowed with expertise, stability, advanced technology, a dynamic equity marketplace and a global presence, the city is the business capital of Canada and ranks among the world's leading financial centres.

"The concentration of financial expertise in Toronto has created an ecosystem in which companies can raise capital efficiently from a worldwide investment community," says Nick Thadane, TMX Group's President and CEO, Global Equity Capital Markets.

Toronto Stock Exchange (TSX) and TSX Venture Exchange (TSXV) are Canada's leading equity exchanges and rank among the world's top 10 public equity markets. Owned and operated by TMX Group, they accommodate almost 3,200 issuers in a broad range of sectors, including technology, life sciences, diversified industrials and financial services, and at various stages of development, from small, early-stage firms to some of the largest companies in the world. In the sectors of minerals, mining, energy and clean technology, TSX and TSXV lead the world in listings.

As a capital marketplace, Toronto has evolved into a dynamic financial ecosystem of domestic and offshore investment banks, law firms and other capital-market participants. Informed by a network of managers, professionals, consultants and participants across Canada, the city's financial expertise extends from financial technology and domestic regulatory requirements to cross-border issues such as tax, financial risk management, bill payments and global technological infrastructure.

"A foreign mining company's executives can come to Toronto and Vancouver and easily see a multitude of investment bankers, project lenders, and investors in a few days," says Ted Mayers, former Chief Financial Officer of Lundin Mining Corporation in Toronto. "With volume comes a better chance of success, and even competition in the case of the best projects."

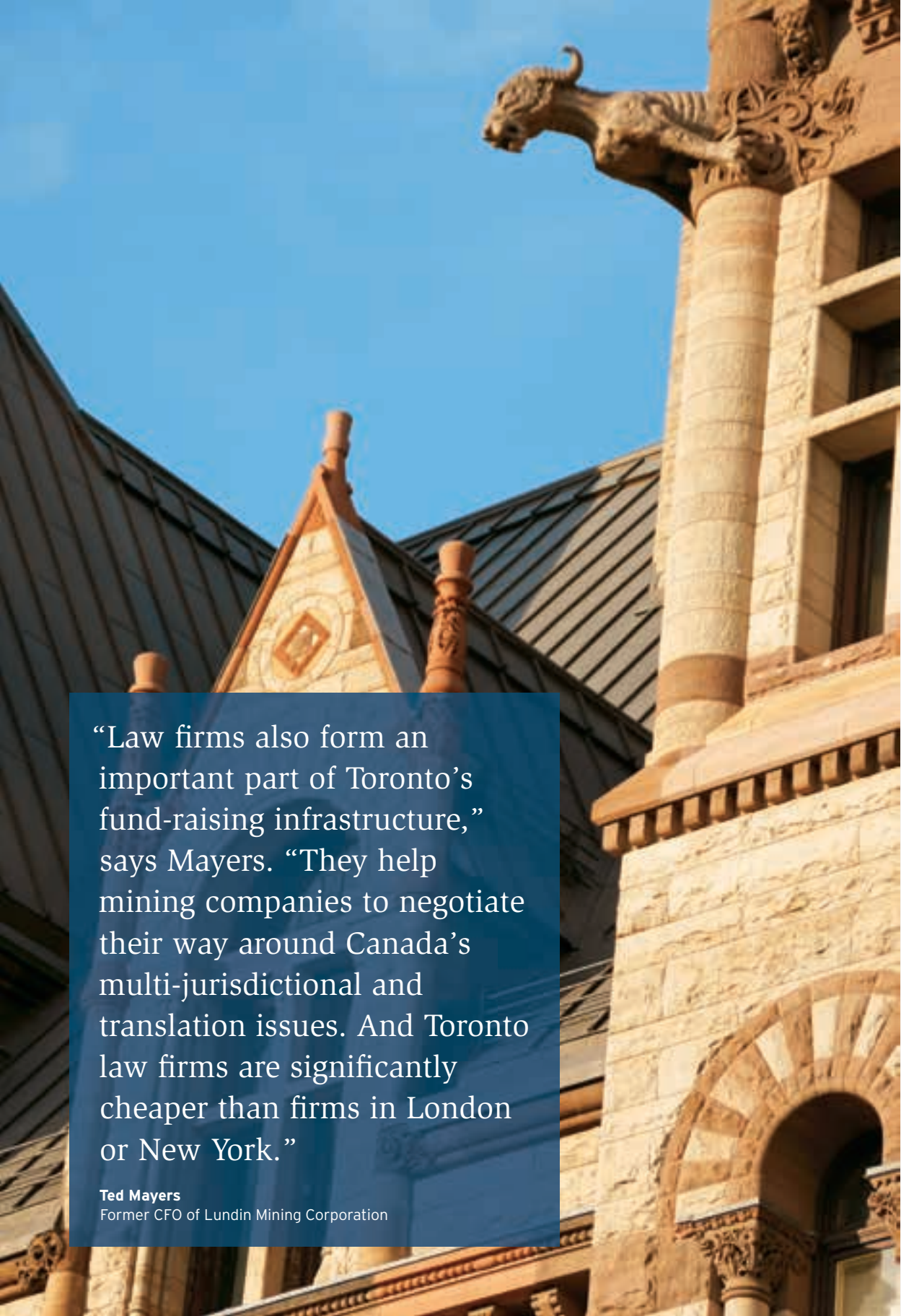
TOP 10

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#3

Canada ranks third in the world behind the U.S. and China for equity capital raised between 2012-2015.





“Law firms also form an important part of Toronto’s fund-raising infrastructure,” says Mayers. “They help mining companies to negotiate their way around Canada’s multi-jurisdictional and translation issues. And Toronto law firms are significantly cheaper than firms in London or New York.”

Ted Mayers
Former CFO of Lundin Mining Corporation

Canadian institutions dominate Toronto’s investment banking community, but offshore banks such as J.P. Morgan, Morgan Stanley, Credit Suisse, Macquarie Group, HSBC, Bank of China, ICBC, Citibank and Barclays have established themselves in the city, as well.

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To accommodate the global investment community, Toronto’s underlying technology accommodates order flow into TSX and TSXV from the U.S., Europe and Asia. “Our technology provides enhanced capital markets connectivity solutions to a broad audience and levels the playing field for offshore investors trading into Canada,” says Kevin Sampson, TMX Group’s Managing Director, Equity Trading, Equity Capital Markets. “It connects buy-side firms, execution venues, exchanges, multilateral trading facilities, electronic communication networks, alternative trading systems, clearing houses, central securities depositories, independent software vendors, brokers and market data providers. Our technology has more than 300 end data points on the network and covers 11 countries using 25 points of presence. Once connected, clients can access multiple venues, services, brokers, buy-side firms, ISVs and market data vendors using the same connectivity link.”

FACTS ABOUT TORONTO

Based on direct employment, **Toronto is the second-largest financial centre in North America** and ranks among the **top 10 in the world**.

The city is the hub of **Canada’s banking system, which has been ranked for eight consecutive years as the soundest in the world by the World Economic Forum**. The city also provides an exceptional talent pool supported by globally recognized educational institutions like the University of Toronto and the University of Waterloo.

Led by its major equity exchanges, Toronto Stock Exchange and TSX Venture Exchange, Canada is the fourth-largest equity market by float capitalization in the MSCI World Index. **By domestic market capitalization, TSX and TSXV rank among the world’s top 10 exchanges**. According to the World Federation of Exchanges, it also ranks among the **top five exchanges in the world** by number of listed companies and second in the world in new listings.

With the lowest debt-to-GDP ratio of all G7 countries, **Canada was ranked in 2016 by The Economist magazine as the best country for business** among G7 nations over the following four years.

Growing Today for Tomorrow's World

With its unique capital markets and a network of investment banks and law firms, Toronto provides a dynamic market for senior equities and a supportive environment for growing small and mid-sized companies. In the first six months of 2016, for example, more than 1,700 small and mid-sized issuers on TSXV raised almost C\$2 billion. Of that total, more than C\$400 million was raised by companies in the technology sector.

600+

Since 2000, more than 600 companies have graduated to TSX from TSXV.

A public listing introduces small and mid-sized companies to domestic and international investors, who rank TSX and TSXV among the most stable public equity markets in the world. Issuers in the mining and oil & gas sectors account for about one-quarter of the exchanges' market capitalization, with almost 50% held by companies in financial services and diversified industries. But TSX and TSXV also provide access to critical public funding for companies in a wide range of sectors, from communications and media to technology, life sciences and clean technology. There are now more than 420 technology and innovation companies listed on TSX and TSXV.

"Canada's thriving technology and innovation sector is enjoying a resurgence on TSX and TSXV," says Nick Thadaney. "Some of the world's most exciting technology companies are being founded, built and funded in Canada, and TSX and TSXV will continue to support a strong and vibrant Canadian technology and innovation sector."

Since the start of 2014, the tech sector has seen more significant growth than any other industry sector, other than ETFs, with 86 new technology and innovation companies going public and 15 technology and innovation companies graduating from TSXV to TSX, the highest graduation rate across all sectors.

TSX operates as an exchange for the trading of senior equities. TSXV serves the public venture capital market, providing access to growth capital for early-stage companies while offering investors a well-regulated market for making venture investments. In addition to accommodating early-stage companies, TSXV also administers a unique listing vehicle called the Capital Pool Company (CPC) program. The CPC program introduces investors with financial market experience to entrepreneurs whose growth and development-stage companies require capital and public company management expertise.

Because its public equity exchanges accommodate companies as they grow from their venture stages into more mature operations, Toronto is an ideal location for emerging firms. As these companies expand, they graduate to the senior exchange, exposing themselves and their investors to a broader investment community in the process. Since 2000, more than 600 companies have graduated to TSX from TSXV. Of note, almost 20% of companies in the S&P/TSX Composite Index are graduates of TSXV, and graduates account for approximately 7% of TSX market capitalization.

"The unique TSX Venture and Toronto Stock Exchange ecosystem is by far the most successful in the world in helping companies to grow," says Thadaney.

A Financial Home for Global Miners

When the world's mining companies need to raise capital, most of them do it in Toronto. The city ranks among the leading sources of capital and financial expertise for mineral, mining and energy companies. Its public equity markets rank first in listings in the sector and in capital raised for mining companies. More than 50% of mining-related equity financings globally are conducted on TSX and TSXV.

**UP
TO 35%**

In 2015, issuers in the global mining sector raised almost 35% of their capital on TSX and TSXV.



Toronto is known worldwide for its annual Prospectors & Developers Association of Canada (PDAC) mining convention that brings together over 22,000 investors, analysts, mining executives, geologists, government officials and students from 100 countries. For more information, go to www.pdac.ca

"Toronto remains the go-to place for mine financing," says Ted Meyers, former Chief Financial Officer of Lundin Mining Corporation and director of several mining companies in Toronto. "The investment banks are knowledgeable and ambitious when it comes to raising equity or public bonds, and the major lending banks all have competent mining groups."

TSX and TSXV support companies at all stages, from grassroots explorers to some of the largest mining companies in the world. The junior exchange is tailored to early-stage companies and widely respected as the world's leading public venture capital marketplace.

The two-tiered structure of the exchanges enables smaller companies with exploration programs to gain access to public investors. Once a company grows to meet the listing requirements of the senior exchange, it may choose to graduate to TSX.

"In some jurisdictions of the world, investors encourage companies to issue dividends," Meyers says, "while Canadian investors primarily seek capital gains. As most mining companies don't and can't issue dividends, Toronto is a better home, particularly for junior and mid-tier mining companies."

In 2015, issuers in the global mining sector raised almost 35% of their capital on TSX and TSXV. In fact, with their growth determined by access to funding, most of the world's mining companies regard Toronto as a critical factor in their potential success.

COMMENTARIES

A FINANCIAL ECOSYSTEM

Nick Thadaney

President and CEO, Global Equity Capital Markets, TMX Group

The concentration of financial expertise in Toronto has created an ecosystem in which companies can raise capital efficiently from a worldwide investment community. Our public equity markets are world leaders, particularly in mining and technology and innovation stocks. Toronto Stock Exchange and TSX Venture Exchange accommodate companies at almost every stage of development, from junior companies that need venture capital to major global companies with established operations. And there's a network of law firms, investment banks, brokerage firms and consultants in Toronto whose contacts extend throughout the global investment world.

Companies that want to raise capital in Toronto can depend on support from this knowledgeable and well-informed community of experts. A company doesn't have to waste time on educating its advisors before it puts a deal together. It can also feel confident that its deal will meet regulatory standards in every jurisdiction where it intends to attract investors. And once it makes an offering, it can be sure that its shares trade in a stable and well-regulated marketplace.

Some companies may not be familiar with specific laws and regulations that govern issuers in Canada. These laws and regulations aren't much different in Canada than they are in the other leading equity markets in the world, and fortunately, companies can depend on the expertise of Toronto's investment community to help them. In most cases a company can interact with these experts through associated offices in their own countries.

The legal, investment, accounting and consulting firms that operate in Toronto are part of a worldwide network of expertise that extends into every major city in the world. Combined with leading-edge technology, this network gives issuers almost immediate access to their advisors at any time and from almost any location in the world.

AN INVESTMENT HUB

Richard Raymer

Partner, Dorsey & Whitney LLP

When a company makes an offering in Canada, a lot of money comes from the U.S., Europe and Asia. Most Canadian investment banks extend the offer into the U.S. through their U.S. subsidiaries, and they maintain a substantial book of private placements. We help with compliance with securities regulations and U.S. legislation. It's a large part of what we do.

For mining companies trying to raise money for operations around the world, Toronto stands high on the list. The city's a global hub for mining. Companies can find expertise here in management, engineering, geology, as well as lawyers, accountants and investment bankers - all disciplines involved in the sector. This fosters lots of opportunity within a marketplace that has a high level of stability.

Technology has also become a growing focus of the investment community in Toronto. For people trying to access capital markets or looking for acquisition opportunities, their chances of success are enhanced by being in Toronto.

GROWTH, PUBLICITY AND CONFIDENCE ON TSXV

Andrew White

CEO, Char Technologies Ltd.

We went public on TSXV for a number of reasons. First and foremost was access to investment capital. Going forward, the publicity that our listing brings is an important consideration, as well as the confidence that we can give investors and the access to future capital through the markets that we can achieve as a listed company on TSXV.

EXPERTISE IN CLEAN TECHNOLOGY

John van Leeuwen

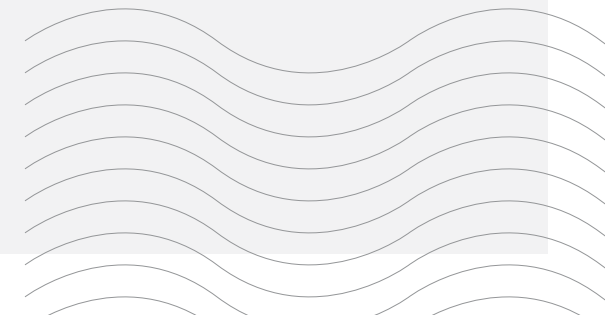
CEO, Ecosynthetix Inc.

Toronto investors have traditionally been heavily focused on mining and resource sector investments, and they're eager to see new ideas and good quality investments such as clean technology. Since there are relatively few clean tech issuers on TSX, there's less dilution of attention and a better chance to get the investment.

The Toronto area offers access to several great universities and colleges where clean tech companies can find bright minds that range from people with undergraduate degrees to graduates and post docs. The universities in the area are all eager to collaborate with industry, and government funding is available to fuel this further. Many universities have developed expertise in a particular area that can be of help to a technology company and all of them provide access to expensive scientific equipment for testing. An example is the Waterloo Institute for Nanotechnology, which is world class and open for business. Companies can staff ongoing R&D projects with co-op students from Waterloo and other universities while providing valuable work experience to the students.

For companies in later stages of their development that are willing to go public, the financing options are broad, and they have access to large funds that are willing to invest. There are fewer options for companies raising venture capital. But the biggest obstacles to financing a tech company are not having a clear story or a clear financial model showing its path to profitability.

Investment bankers in Toronto are adept at helping companies prepare a clear story and a solid financial model. They're experienced in guiding these companies through a round of financing and will shoulder the due diligence. They're also the key to securing meetings with fund managers with whom they have longstanding relationships. And TSX is an excellent exchange to take a company public on, if it comes out with a market capitalization of less than C\$500 million.



FOR MINING ISSUERS, A GLOBAL BRAND ATTRACTS CAPITAL

Barry Hildred

CEO, Aquila Resources Inc.

TSX has an international brand. That's very important when you're trying to attract capital in foreign markets.

Particularly for a mining company, being listed on TSX is important. We raise capital all over the world. Even as a relatively small company, we have a strong shareholder register with institutional shareholders in the UK, the U.S. and Canada.

TMX OFFERS ACCESS AND OPPORTUNITY

James R. Swayze

CEO, Symbility Solutions Inc.

We started on TSXV with a business plan and a prototype. Our listing gave us immediate access to capital. We had an interesting story and a unique platform in an age when people were looking for new mobile tools. This capital allowed us to build our foundation.

As we looked to expand into newer markets around the world, we went back to the market to raise the capital we needed. We also raised additional capital when we did a couple of acquisitions that helped us to grow our global footprint and augment some of our services.

From here on, TSXV offers a great springboard. We're now at a size to go from TSXV to the big board, TSX, and the two exchanges create that opportunity for us.

CANADA'S CLEAN-TECH CLUSTER

David Rozin

National Director, Client Segment Strategy, RBC

By far, Toronto offers the most concentrated cluster of financing and legal, trade and tax advisory capabilities of any city in Canada. Given the cluster of companies in the city that leverage talent and expertise from more established industries such as extraction, technology and energy, Toronto offers support in a variety of ways for clean tech to grow, ranging from advice and connections to capital and skilled labour. Toronto also boasts the strongest cluster in the country of incubators, research labs and accelerators that can influence a clean tech company's success.

This concentration of expertise reduces the time and cost inefficiencies involved in identifying competent and willing advisors, lenders and investors for clean tech companies. Successes are more quickly shared and supported. Access to capital, information and other forms of support are more readily identifiable and accessible.

Clean tech companies are capital intensive. They face greater demands to demonstrate their effectiveness and often face much higher barriers to adoption. Most clean tech ventures spin out of research labs too quickly, and their technologies have such wide applications that they've rarely put together a focused business plan with capital-efficient milestones. For this reason, they often need government subsidies and programs to reduce the risks involved and make them more attractive to investors.

The presence in Toronto of incubators, accelerators, accessible investment professionals and service providers provides a layer of support that can help to direct and focus the efforts of clean tech ventures and their management teams toward successful outcomes.



The Toronto Financial Services Alliance (TFSA) is a unique public-private partnership dedicated to building Toronto as a global financial services centre.

For more information on the TFSA and Toronto's financial services sector, please visit [tfsa.ca](https://www.tfsa.ca) or call 416-933-6780.