

# BRANT SECURITIES

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**ESTABLISHED  
1919**

**November 2018  
Relationship Disclosure**

## **Purpose of this document**

This Relationship Disclosure Document contains important information concerning our relationship with you. It contains information about us, the services and products that we offer, risks, the nature of the account(s) you have with us, the manner in which they are operated, fees you may be paying and how they are calculated, how we assesses the suitability of your investment, the reports that help monitor your financial assets, conflict of interest, statement of policies, National Bank Independent Network (NBIN) handling of orders, complaint handling procedures and a checklist of documents that will be provided to you.

## **Delivery of this Document**

The Relationship Disclosure Document will be delivered to you at the time you open your account(s) with us. If there is a material change to the information contained in this document, we will provide you with an updated document on a timely basis.

## **Who We Are**

We are a full service investment dealer, and are registered in the Provinces of Ontario, British Columbia, Alberta, Nova Scotia, Prince Edward Island and New Brunswick. We are members of the following organizations: The Investment Industry Regulatory Organization of Canada (IIROC) and The Canadian Investor Protection Fund (CIPF).

## **The Services and Products Brant Offers**

### **Services**

Brant provides **advised and managed accounts** to its retail clients.

### **Products**

We offer the following investment products:

- Stocks, Rights, and Warrants
- GICs and Treasury Bills
- Bonds, Strip Bonds and Debentures
- Mutual Funds
- Derivatives

Your advisor can explain these investment products to you, as well as how they work, their risks and possible returns, and whether they are appropriate for you.

## **Risks**

### **Volatility Risk**

The market prices of the securities held in a portfolio can be volatile. On any given day the market price of an investment can advance or decline, sometimes materially. The time duration of such advances and declines can last for an extended period of time.

### **Liquidity Risk**

You may not be able to sell your securities if there are not enough buyers in the market when you want to sell. This can happen even if the company whose securities you own is still profitable and viable.

### **Credit and Default Risk**

The company or institution whose securities you own may reduce or stop dividend or interest payments. The market price of your security may also fall significantly as a result of this action. The government or company whose fixed income security you own may not be able to repay your principal at maturity.

### **Foreign Currency Risk**

If you hold securities that are traded in a foreign currency, you will be paid in that currency when you sell. If the foreign currency has declined in value relative to the Canadian dollar you may suffer a loss when you exchange the currency in Canadian dollars. If Brant cannot hold an account in the foreign currency i.e. RRSP's, you will be forced to convert your investment to Canadian dollar at the time you buy and sell these securities.

### **The account(s) you have and how they operate**

We offer our clients one or more of three basic account types and your Investment Advisor will work with you to determine the right account(s) and best services for you.

### **Advisory Account Commission Based**

Your Investment Advisor is responsible for providing suitable and unbiased investment recommendations to you that meet the standard of care expected of a trained investment professional based on the KYC information that you provide to us. You (or your authorized representative) direct(s) all trading and is (are) responsible for all investment decisions in your account.

## **Advisory Account Fee Based**

Your Investment Advisor is responsible for providing suitable and unbiased investment recommendations to you that meet the standard of care expected of a trained investment professional based on the KYC information that you provide to us. You (or your authorized representative) direct(s) all trading and is (are) responsible for all investment decisions in your account.

## **Managed Accounts**

These are also referred to as “ non-advisor” or “ discretionary accounts” where your Investment Advisor independently exercises his or her authority ( uses his or her discretion) to make investment decisions within the framework of your overall directions.

## **The fees you may be paying and how they are calculated**

Your investment advisor before entering your order to buy or sell a security or investment product will disclose verbally to you all fees, charges, commissions, trailers, mark ups, mark downs associated with that investment product. Also we will provide you on account opening with our Fee schedule detailing our other fees and charges.

We offer you a choice of commission and fee based accounts:

### **Commission-based account**

Brant charges a commission for each trade made in your account, based on either a flat dollar amount or a percentage of the value of the securities purchased or sold. The commission is negotiated between you and your investment advisor before the trade is executed in your account. The commission is also disclosed on your trade confirmation.

### **Fee-based account**

Brant charges a fee that will be applied monthly or quarterly and charged against your account. It is calculated as a percentage of assets held in your account at month or quarter end.

### **Embedded Commissions and Fees**

These fees and commissions do not appear on trade confirmations and they are the least transparent method of payment. The most common of these are Deferred Sales Commissions (“DSC”) on mutual funds and Annual Service Fees on mutual funds. BSL may receive compensations from the buying or selling of mutual funds, limited

partnership units, tax shelter securities, Canada and Provincial saving bonds commissions and trailers from these third parties.

Fees and commissions for mutual funds are fully disclosed to clients in each mutual fund prospectus and are further disclosed as part of each mutual fund's Management Expense Ratio ("MER"). A comparison of an F Series versus DSC Series for the same mutual fund quantifies the embedded amount of fees and commissions. Please ensure that you read the prospectus of the mutual fund that you are buying for all charges, commissions, fees, trailer fees, mutual fund manager fee and early redemption fees. If you need assistance in determining this amount, your Investment Advisor will be pleased to assist you.

In addition to DSC and Service Fees, New Issues and Principal Trades have embedded commissions. Brant does conduct Principal Trading as part of its business model. If such a trade were to occur, you will be notified via your trade confirmation with the message "PRINCIPAL". If such an event occurs, please speak with your Investment Advisor to determine the embedded cost. When you buy certain fixed income products, our Carrying Broker, (NBIN) may act as principal. BSL does not share in any price mark-up charged by (NBIN). Embedded New Issue commissions are disclosed in each new issue prospectus. If you are unable to determine the amount of commission disclosed in the prospectus, please speak with your Investment Advisor.

### **Interest charge**

If your accounts are in a debit position, we will deduct an interest charge from these account(s). The interest rates are available upon request.

### **Foreign Exchange**

Exchange rates are available upon request.

### **Investment Performance Report**

Your investment Performance Report will be sent to you each January. The report will indicate the performance for each of your accounts, net of the fees you have paid.

### **Fees and Compensation Report**

Fees and Compensation Report will be sent to you each January. The report will help you understand the fees you paid to us as well as the amounts we have received for servicing your account. All amounts displayed are in the currency of the account.

## **How Brant assesses the suitability of your investments**

We will assess whether a purchase or sale of a security is suitable for you prior to making a recommendation to, or accepting trade instructions from you. We will also assess the suitability upon the occurrence of the following:

- If securities are transferred or deposited into your account;
- If there is a change in your investment advisor; and,
- If there is a material change in your KYC information.

If during the suitability review we identify any concerns, we will discuss them with you and may be required by our regulators to document our discussion and, if we are strongly concerned with your decision to maintain unsuitable or proceed with investment, we may refuse to execute the transaction or to terminate our relationship.

In order to ensure that the holdings in your accounts are suitable for you as time passes, we will review the suitability of your investments in your accounts on an annual basis and when required to one of the reasons described above.

Brant will not review the investment held in your accounts in the event of a major market correction or any other factors not described above. However, your investment advisor is ready to discuss the effect of market fluctuations on your portfolio with you when you request.

## **Know Your Client (KYC) Information**

Your KYC information is about you, your personal circumstances and current financial situation and includes, but not limited to your:

- Age;**
- Annual Income:** the approximate annual income of you and your spouse combined;
- Net Worth:** calculated as your fixed assets and liquid assets less liability;
- Investment Objectives:** – what you would like to achieve from your account;
- and,
- Risk Tolerance:** the degree to which you are willing to accept a fluctuation in value of your investments.

We will explain in more detail these concepts: Investment Knowledge/Experience, Investment Objectives, Investment Time Horizon and Risk Tolerance.

### **Investment Knowledge/Experience**

Your investment advisor needs to understand your level of investment knowledge and experience in order for him to make suitable investment recommendations.

Investment knowledge and experience encompass an understanding of the characteristics of various types of securities, experience in investing in those securities, and experience holding investment in various market cycles. Your level of investment knowledge and experience may change over time.

Investment knowledge and experience levels are described as follows:

#### **Sophisticated**

You have traded in most types of investment products including knowledge of alternative investments (options, private equity, hedge funds) speculative and short selling strategies and an appreciation of the risks and rewards involved in trading these securities.

#### **Good**

You have either traded in or have some knowledge of the basic characteristics of investment securities, as well as basic understanding of the degree of risk and reward inherent in these types of securities.

#### **Limited**

You have had some investment experience but may not have a full understanding of the basic characteristics of the various types of securities and the degree of risk associated with these securities.

#### **Poor/none**

You have very limited or no knowledge of the basic attributes of investment securities

## Investment Objectives

Your investment objectives are subject to the risk you are able and willing to take.

Your investment objectives are to allocate the following (approximate) percentages of the assets held in my account(s) with our firm to:

**Liquidity (M)** the ability to quickly and easily convert to cash

**Safety (X)** you want to preserve the initial principal in the account

**Income (B)** you want to establish a source of periodic income

**Growth (G)** your investment objective is capital growth

**Speculative (S)** you want to invest in high risk securities and/ or trading strategies

You can chose to have specific investment objectives and risk tolerance for each account held at Brant.

## Time horizon

The investment time horizon plays an important role in setting return objectives and defining liquidity constraints. Investment time horizon should be determined by considering when you will need to access some or all of the money in your accounts.

It should be indicated by one of the following ranges:

Year

<b>0-1</b>	<b>Year</b>
<b>1-3</b>	<b>Years</b>
<b>3-5</b>	<b>Years</b>
<b>5-10</b>	<b>Years</b>
<b>10 +</b>	<b>Years</b>

When Brant recommends an order to you or accepts an order from you or your legal representative, we will review each order or strategy in the context of your KYC described above.

Our understanding of your KYC is critical in helping us in recommending the proper assets allocation for your account(s).



## **The reports that help monitor your financial assets, their performance, and the fees & charges you may pay to Brant or to third parties**

### **Confirmations**

We will provide you with written trade confirmations of the details of every purchase and sale in your accounts by mail on the day the transactions are completed. Please review your trade confirmation as soon as you receive it.

### **Account statements**

We will mail you a statement for the month of March, June, September and December and for any month in which a transaction has occurred in your account.

Every confirmation, statement or other communication sent by (NBIN) and Brant shall be deemed to have been acknowledged as correct by you unless we have received written notice to the contrary within 25 days of month end.

### **Performance**

You can request from your investment advisor a special performance report regarding your accounts held at Brant. This service is provided free of charge to you. This report will provide you with the position cost and account activity information and the percentage return of your account(s) for investment purchased after January 1, 2016.

### **Performance Benchmarks**

Investment benchmarks are a standard against which the performance of a security, mutual fund or portfolio can be measured. Generally, broad market stock and bond indexes are used for this purpose. There are dozens of indexes that be used to gauge the performance of any given investment including the S&P/TSX Composite, the S&P 500 and the Dow Jones Industrial Average. When evaluating the performance of your investments, it is important to compare it against an appropriate benchmark. Given the importance of having the correct comparison and the diverse nature of our client portfolios, Brant will not include benchmarks on the monthly statements we send to our clients.

### **Future reporting enhancement**

We regularly look at ways to improve the reporting and documents we provide to you to make them more informative, clearer and useful to you. As part of our service commitment, we will keep you posted on the timing of changes and how to interpret new report formats. Please speak with your investment advisor or visit us at [www.brantsec.com](http://www.brantsec.com) for updated information.

## Client Fee Schedule

### Registered Plan Annual Administration

The annual administration fee for your registered account (s) is automatically deducted from your account in October. The Trustee for your Registered Plan is Natcan Trust Company.

### Annual Fees (per account)

RRSP, RRIF, RESP, LIRA, RDSP and LIF	\$125
TFSA	\$ 50
Full Deregistration	\$125
Partial Deregistration	\$ 50
Unscheduled RRIF withdrawal per request	\$ 25
Ineligible fund custody per month per security	\$ 10
Account transfer out per account full or partial	\$135
CCPC holdings per issuer/transaction	\$200
CCPC holdings - annual fee per security	\$100
Deposit/Withdrawal at Custodian (DWAC) per issuer	\$ 75

### Certificates and DRS Handling

Security Registration per Certificate	\$100
Rush Security Registration per Certificate	\$250
Security Registration per U.S. Certificate	\$100 (USD)
Rush Security Registration per U.S. Certificate	\$250 (USD)
Securities Borrowing (Negotiated)	
Transfer of Securities requiring special handling	Cost + \$200

### Funds Issuance

Cheques and EFT	No Charge
Certified Cheque (per cheque)	\$ 15
NSF Cheque (per returned item)	\$ 25
Stop Payment (per stop item)	\$ 25
Bank Wire In (per wire)	\$ 10
Wire Transfer out Domestic (per wire)	\$ 25

### **Address Unknown, Inactive & Unclaimed Accounts**

The above accounts will be charged an annual fee of \$ 125 per account that will be automatically deducted from your account in October.

### **Minimum Account Fees**

Brant Securities Limited reserves the right to charge a minimum account fee. The account holder will be notified of the minimum asset level and the fee amount, no less than 60 days prior to the charging of the fee.

### **Miscellaneous Fees**

Any miscellaneous fees for service provided by other financial institutions will be charged through at cost. Details are available upon request.

All fees are subject to sales taxes where applicable. For further information, please contact your Investment Advisor.

## **Conflicts of Interest**

### **General Description**

Actual, potential and perceived conflicts of interest exist in almost all human interactions. Our relationship with you is no different. For instance, Brant Securities Limited (“BSL”) is a “for profit” business and has a responsibility to maximize economic returns for our shareholders. As well, BSL has various other stakeholders, all of whom rely on BSL to operate profitably in order to honor the interests of those stakeholders as expected under the *Business Corporations Act (Ontario)* (“OBCA”) and pursuant to securities industry financial compliance regulations. We believe the best way to achieve our goals is to provide you with trusted advice and personalized financial solutions that help you achieve your financial goals. Our objective is to serve your financial goals, which is our best way to retain your continued patronage and, in turn encourage you to recommend our services and products to others.

We have prepared these summaries as part of our commitment to conflict of interest management practices, and also to help you better understand conflict issues that may arise. In addition to our objective to serve your financial goals in alignment with our business interests, Canada has comprehensive and extensive securities regulatory rules and regulations, many of which are directed at protecting client and investor interests, including dealing with conflicts of interest. We suggest that you refer to the websites and publications of the provincial securities commissions through the Canadian Securities Administrators (“CSA”) and Investment Industry Regulatory Organization of Canada (“IIROC”) for more information on how Canadian securities regulations address conflicts of interest in order to safeguard the investing public.

### **Description of Member Firm**

BSL is what is referred to as an “introducing broker” (“IB”) investment firm. Our client accounts are held in a custody arrangement with our “carrying broker” (“CB”), National Bank Independent Network (“NBIN”). All investments shown on our/your client statements are held by (NBIN in segregation from the accounts of other brokerage firms. (NBIN) executes, settles, and reports all your trade activity to you and provides BSL (and consequentially to you) with a contractual indemnity assuring you that the investments shown on your statements are held by them as custodian. If, under any circumstance, any trade activity for your account is not reported on a trade confirmation and your monthly statement, immediately report such omission to BSL Head Office Compliance since such an event is a violation of our operating policies and procedures. We provide a broad range of service in corporate finance, investment management, and retail client services and products. We recognize that by definition some of these activities are more susceptible to

conflicts of interest than many other commercial activities since we may periodically represent both sides of a transaction, namely, the buyer and the seller. As an IB we will have fewer cases of such conflicts of interest than an “integrated” firm. In fact, our business model choice to be an IB was significantly driven by our purposeful choice to reduce potential conflicts of interest with our retail investing clients. Nonetheless, conflicts of interest may still arise despite the intentions of our strategic planning to limit them.

You can learn more about our firm at [www.brantsec.com](http://www.brantsec.com)

**The general types of conflicts of interest which can arise are:**

Conflicts of interest between you and us;  
Conflicts of interest between you and our other clients; and,  
Conflicts of interest between us and our related and associated companies.

**Description of Role of an Investment Dealer**

As an investment dealer, we are a financial intermediary. It is common practice in the brokerage industry that sometimes we may be the party on the other side of the transaction (referred to as a “principal” trade) where we own the security we sell to you, or buy the security from you for our own account. However, as an IB our business model is to act primarily as an agent. We simply facilitate transactions between you as our client and a third party on the other side of the transaction. Through such an “agency” trade we have no ownership interest in the security traded. This financial intermediary role for our retail clients is BSL’s primary line of business. To a lesser extent we offer corporate finance services to advise an issuer of securities on how to best raise funds by selling securities, while contemporaneously recommending that our clients buy those same securities. In such issuer advisory service arrangements, we offer our services to the issuer on a “best efforts basis” where we do not guarantee the issuer that we will sell any amount of such securities to our clients.

**Management of Conflicts of Interest**

In general, we deal with and manage relevant conflicts as follows:

**Avoidance:** This includes avoiding conflicts that are prohibited by law as well as conflicts that cannot effectively be addressed;

**Control:** We manage acceptable conflicts through means such as physically separating different business functions and restricting the internal exchange of information; and,

**Disclosure:** By providing you with information about conflicts, you are able to assess independently their significance when evaluating our recommendations and any actions you and we may agree to take.

The following information is intended to assist you in understanding and assessing material potential and actual conflicts of interest, including how we address them. This is an overview of a complex subject. Despite that, we believe the simplest control is the most effective — your continued satisfaction and patronage. ***If you ever have any questions or concerns, whether they involve conflicts of interest or any other matter, do not hesitate to say so and ask your Advisor for an explanation and more information. If you are not satisfied with the response you receive contact BSL Compliance at our Head Office.***

### **General Information**

We encourage you to be proactive and understand the issues relating to conflicts of interest. As previously recommended in this document, refer to the websites and publications of the provincial securities commissions through the Canadian Securities Administrators (CSA) and Investment Industry Regulatory Organization of Canada (IIROC) for more information on how Canadian securities regulations address conflicts of interest to safeguard the investing public.

We document our core values, mission statement and standards, including general standards for how we deal with conflicts of interest in our internal policies and procedures. You should refer to the BSL Statement of Policies that appears on the New Account Application (“NAA”), which alternatively is often referred to as a New Client Application Form (“NCAF”); and our Statement of Policies which appears on our website at [www.brantsec.com](http://www.brantsec.com) . You can also obtain a copy of any of these documents from your Advisor on request.

## Possible Conflicts and How They Are Managed

Conflict of Interest	Address By	How Conflicts Will Be Addressed
<b>Ongoing Conflict of Interest</b>		
We earn compensation by selling products and services to you for which you pay us.	Disclose Control	We endeavour to be fully transparent in disclosing fees and commissions, and to fully inform you in advance when possible, so that you know what you will be paying. Please see our “Fee Transparency Statement” and “Fee Schedule” which are available on our website at <a href="http://www.brantsec.com">www.brantsec.com</a> . Choice, on a disclosed basis, is your most viable method to control how you pay us. We offer a wide variety of pricing options to choose from, including Traditional Transaction Commission, Fee Based, and Embedded Fees/Commission as disclosed in the “Fee Transparency Statement”. Work with your Advisor to choose the method that suits you best.
Different products and services have differing levels of compensation.	Disclose  Avoid	Our compensation is disclosed to you and we offer pricing alternatives intended to reduce the conflicts associated with commission-based pricing. We are required by industry regulations and firm policy only to make “suitable” investment recommendations. We may choose not to offer a complex product that carries a high commission.
We would like you to use more of our services and buy more of our products.	Avoid  Control	We do not engage in “tied selling”, where purchase of one service is conditional on buying another as well. Such tied selling is prohibited by regulation. We have policies and procedures prohibiting recommendations solely for the purpose of generating revenue for us without any benefit to you.
If you have a managed account, we have discretion or control over transactions in your account	Control	When we have discretionary power to manage your account for you, regulations require that we disclose to you and obtain

		your specific approval to buy securities of either related and connected companies or issuers for whom we are offering securities as syndicate agent
<b>Conflict of Interest May Occur</b>		
Our compensation, organizationally and individually, may involve commissions based on sales volume	Disclose	We offer fee-based and managed accounts, as well as similar products such as no-load mutual funds, which have pricing structures designed to reduce commission incentives.
We would like you to use more of the services offered by an external organization or group; and/or buy more of the products offered by an external organizations or groups.	Control Disclose Avoid	Where we use referral arrangements, we disclose and manage them according to regulatory standards. We have policies and procedures, against which we monitor our advisors' activities, prohibiting recommendations solely for the purpose of generating revenue for us without any benefit to you.
We may receive compensation from securities issuers and other third parties based on products we sell to you, such as "trailer fees" on mutual funds and commissions and "trailer fees" on segregated funds and insurance policies	Disclose	We disclose to you the situations and type of third party compensation we may receive. Please refer to our website at <a href="http://www.brantsec.com">www.brantsec.com</a> under Fee Transparency Statement Securities regulations require issuers to provide specific disclosure in the offering document (e.g. prospectus) of such arrangements and the compensation we will receive.
We may be compensated in other ways as a result of the business you may do with us, including interest spreads on uninvested cash deposits with us and foreign exchange spread when you convert currencies.	Disclose	Various forms of other compensation we may receive are disclosed to you. Please refer to our website.
We may sell you securities which we own ( <b>called principal trades</b> ) and profit by doing so.	Disclose	We will tell you whether we acted as principal or agent for each transaction on the trade confirmation. In the case of fixed-income securities {which our CB will sell as principal} our CB is required to provide you with a stated yield to maturity so you can assess the competitiveness of our pricing.
We may sell you securities of companies that are related or		We are required by regulation to disclose this when we make a recommendation to



<p>connected to us</p> <p><b>Atlanta Gold Inc</b>  <b>Monarca Minerals Inc</b>  <b>Bonterra Resources Inc.</b>  <b>Pacton Gold Inc.</b>  <b>Renaissance Oil Corp.</b></p>	<p>Disclose</p>	<p>you.</p> <p>All of our related and connected parties are disclosed in the Brant Securities Limited Statement of Policies. Please ask your advisor for the most current version or you can find it on our website at: <a href="http://www.branstec.com">www.branstec.com</a>.</p> <p>We inform you whether a transaction involved a related or connected security on the trade confirmation.</p> <p>Our advisors receive the same commission compensation payout as a percentage of gross revenue regardless of the product originator.</p>
<p>We have discretion or control over transactions in your account if it is a <b>managed account</b> or <b>pooled investment fund</b>.</p>	<p>Control</p> <p>Disclose</p> <p>Avoid</p>	<p>Regulations require that we disclose and obtain your specific approval to purchase securities of related and connected entities when we have discretionary power to do so.</p> <p>Regulations require that we disclose and obtain your specific approval to purchase securities for issuers for whom we are offering securities as a syndicate agent when we have discretionary power to do so.</p> <p>We are required by securities legislation to prohibit transactions where the individual advisor may have an interest or have influence or control.</p>
<p>We may need to select which clients will be offered certain securities if availability is limited</p>	<p>Control</p>	<p>We have a “fair allocation” policy for managed accounts and pooled investment funds.</p> <p>For non-discretionary accounts, individual advisors make the determination based on individual client relationships and suitable trade considerations.</p>
<p>We are paid by issuers of securities when we advise on or underwrite a new issue which we may recommend to you.</p>	<p>Control</p> <p>Disclose</p>	<p>We have structurally segregated our institutional corporate finance and retail advisory businesses, which prevents the sharing of non-public information by our institutional corporate finance business (with the relationship with the issuer) with our retail advisory businesses (with the relationship with clients like you).</p>

		The offering documents provide full disclosure of all relationships we may have with the issuer.
When we advise on or underwrite a new issue, we are acting for the issuer that wants to obtain the highest price while recommending the investment to purchasers who are interested in obtaining the lowest price.	Control	We operate our corporate finance and retail advisory businesses separately and all relationships and other material facts about our relationship with the issuer are described in the offering documents. When the offering is a Non Brokered Private Placement for sale to Accredited Investors, BSL performs no due diligence. BSL will receive a finder's commission paid by the issuer.
If you hold an applicable security, we may be paid by issuers, offerors or others to solicit your proxy or vote in their favor with respect to takeover bids, corporate reorganizations, solicitation of proxies and other corporate actions.	Disclose	Securities regulations require specific disclosure of such arrangements and the compensation we will receive in documents such as information circulars, takeover bid circulars and issuer bid circulars.
As a result of business relationships with issuers of securities, we may know confidential information that we cannot disclose to you when we recommend the securities to you, even if that information might lead us not to recommend buying the securities.	Control	We operate our corporate finance and retail advisory business separately so that such information is tightly controlled and not shared by corporate finance with our retail advisory businesses. Our internal information barriers are designed to ensure regulatory requirements are complied with and retail advisory employees do not have access to any non-public information that may be available to our corporate finance businesses.
We may have access to commercially sensitive or inside information.	Avoid	We may decline to provide a service to avoid insider trading provision in securities legislation. We have specific procedures for responding to conflicts of interests that involve inside information and for complying with insider trading provisions.
BSL does not produce its own research on securities. BSL distributes investment research that is produced by third parties.	Control	Industry regulations provide for formal and required standards of practice to produce and distribute research. If BSL begin to produce its own securities research, we will comply with all regulations. If we do produce our own

		<p>research, you will find the standards that our analysts are required to comply with at <a href="http://www.brantsec.com">www.brantsec.com</a></p> <p>IROC regulations govern the distribution of third party research and BSL has written procedures to address such requirements.</p>
We engage in trading of securities for our own account( called proprietary trading)	Control	<p>We maintain information barriers between our corporate trading activities and retail advisory business.</p> <p>Firm and employee trades are identified as such and client trades are given priority to firm and employee trades in accordance with industry “ client priority” regulations</p>
Your advisor or representative may make permitted personal investments in private companies that manufacture investment products.	Control	Your advisor or representative must declare and have approved by us any such private investments before they are made. If such personal investments have been approved, your advisor or representative will and we will disclose such an investment to you in writing.
We may receive compensation by trading destinations, including electronic communication networks, market makers and exchanges in connection with trades on markets we direct to such destinations through affiliates or directly.	Control	Industry regulations dictate our best price and best execution obligations to you. If we have ownership interests in marketplaces, we will disclose our ownership to you.
Individuals registered with us may also be registered with BSL’s related Insurance Agency and provide insurance services to you or other clients from that firm.	Control	These relationships are subject to legislative and industry requirements that impose restrictions on dealings between related firms and/ or individuals that are dually registered with each related registered firm. Such restrictions are intended to minimize the potential for conflicts of interest and address privacy concerns resulting from these relationships.
Individuals may serve on board of directors or take on other activities	Avoid	Securities legislation prohibits an individual from serving as a director of

that could take time or attention away from your account.		another registered firm that is not an affiliate of our firm. When an advisor or representative sits on a board of directors of a charity or undertakes other community activities in any substantive way, they are subject to regulatory guidance on the disclosure and approval of outside business activities.
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Note: Potential relevant conflicts may arise from: (i) gifts and entertainment from third parties with which BSL has active or potential business relationships;(ii) directorships with other firms or other organizations; (iii) connections to outside political or charitable activities (iv) other outside of BSL activities; and (v) interest in the business of a supplier, contractor, competitor etc. These types of potential conflicts are monitored and supervised by BSL on an internal basis and, if appropriate, will be disclosed to clients.

## Statement of Policies

Securities laws of certain jurisdictions of Canada require securities dealers and advisors, when they trade in, or advise with respect to, their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. In certain provinces and territories, these rules require dealers and advisors, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuers of the securities. Clients and customers should refer to the applicable provisions of those securities laws for the particulars of these rules and their rights or consult with a legal advisor.

### General

Under certain circumstances Brant may deal with or for you in securities transactions where the issuer of the securities or the other party to the transaction is Brant Securities Limited or a party having an ownership or business relationship with us.

Since these transactions may create a conflict between our interests and yours, Brant is required by securities laws to disclose to you certain relevant matters relating to the transactions. This Statement contains a general description of the required disclosure.

### Important Concepts

#### “Related Issuer”

A party is related to us if, through the ownership of or direction or control over voting securities or otherwise, we exercise a controlling influence over that party or that party exercises a controlling influence over us.

#### “Connected Issuer”

A party is connected to us if, due to indebtedness or certain other relationships, a prospective purchaser of securities of the connected party might question our independence from that party.

### Required Disclosure

We must make certain disclosures where we act as your broker, advise you, or exercise discretion on your behalf with respect to securities issued by us, by a related party or, in the course of an initial distribution, by a connected party. In these situations, we must disclose either our relationship with the issuer of the

securities, or that we are the issuer. We must also make a disclosure to you where we know or should know that, as a result of our acting as your broker or advisor, or of our exercising discretion on your behalf, securities will be purchased from or sold to us, an associated party or, in the course of an initial distribution by a connected party.

The following is a list of the time and manner in which these disclosures must be made:

Where we underwrite securities, the required disclosure will be contained in the prospectus or other document being used to qualify those securities;

Where we buy or sell securities for your Account, the required disclosure will be contained in the confirmation of trade that we prepare and send to you;

Where we advise you with respect to the purchase or sale of securities, the disclosure must be made prior to our giving the advice; and,

In addition, where we exercise discretion under your authority in the purchase or sale of securities for your managed Account, we may not exercise that managed Account discretion for the types of transactions described above.

We may, from time to time, be deemed to be related or connected to one or more issuers for the purpose of the disclosure and other rules of the securities laws referred to above. We are prepared to act as an advisor, dealer and underwriter in the ordinary course of our business to, and in respect of, any such related or connected issuer and in connection therewith to provide the full range of services customarily provided by us to and in respect of securities of the other issuers. In any such case, such investment dealer and other services shall be carried on by us in the ordinary course of our business as an advisor, dealer or underwriter in accordance with our usual practices and procedures and in accordance with all applicable disclosure and other regulatory requirements.

**Brant Securities Limited or its directors, officers, partners, salespeople or other employees may, from time to time, recommend that you trade in, or provide to you advice about, a security issued by these listed persons or companies. If you wish further information concerning the relationship between Brant Securities Limited and these listed persons or companies, or if you have any questions, please contact our Chief Compliance Officer at (416) 596-4595 or 220 Bay Street, Suite 300, Toronto, Ontario M5J 2W4, fax: (416) 596-4546.**

**List of Connected Issuers:**

**Atlanta Gold Inc.  
Monarca Mineral Inc  
Bonterra Resources Inc.**

**Pacton Gold Inc.  
Renaissance Oil Corp.**

**List of Related Issuers:**

## **NBF Best Execution Public Disclosure Statement**

For clients who do not have access to the online Best Execution public disclosure statement, a hardcopy version is available upon request. All clients who request a hardcopy version will be placed on a distribution list and will receive updates to this Best Execution public disclosure statement within 90 days of the update.

Please contact your Account Executive or Relationship Manager for further information.

### **Best Execution Overview**

National Bank Financial Inc. (NBF) is committed to using all reasonable efforts to ensure that clients achieve Best Execution of their orders in respect to all securities, including listed securities, foreign-exchange traded securities and transactions in OTC securities. At NBF, our main endeavor is to constantly strive to achieve Best Execution for all clients, while providing consistent liquidity to all Canadian marketplaces.

NBF Best Execution Policy (the “Policy”) applies to all divisions under NBF, including: National Bank Financial Markets (NBFM) , National Bank Financial Wealth Management, National Bank Direct Brokerage Inc. (NBDB), and National Bank Independent Networks Inc. (NBIN).

### **This Policy meets IIROC requirements under Rule 3300 – Best Execution of Client Orders:**

- Outlines the process designed to achieve Best Execution for all clients
- Explains how NBF follows the instructions of the client
- Explains the process for taking into account order and trade information from all appropriate marketplaces and FORM
- Describes how NBF evaluates whether Best Execution was obtained from an overall perspective.

Best Execution represents the obligation on marketplace participants to diligently pursue the execution of each client order on the most advantageous execution terms reasonably available under prevailing market conditions at the time of execution. Best Execution includes, but is not limited to the best price available at the time of execution. It also includes optimizing liquidity, minimizing order signaling effects, speed and certainty of execution.

### **Best Execution Criteria Considerations:**

- Price at which the trade would occur
- Speed of execution

- Certainty of execution / % Fill Criteria
- Overall cost of execution
- Market disclosure/signaling
- Prices and volumes of the last sale and previous trades
- Prevailing market conditions at the time of execution
- Direction of the market for the security
- Posted size on the bid and offer
- Size of the spread
- Liquidity of the security
- Execution quality over the order duration, determines the price at which the order was executed relative to the time of entry and average execution price over the time in which the order was actively traded in the market
- Client instructions when received, are always considered and will execute the order in accordance with those instructions, so far as reasonably possible
- FORM including the consideration of FX rates

**NBF meets its Best Execution obligations to client orders through:**

- **Use of SOR technology:** NBF endeavors to employ the most technological advanced SOR technology available relevant to the trading application and execution venue. NBF is responsible for adjusting our own SOR strategies, utilizes Third-Party SOR's, and typically uses a spray strategy.
- **Provision of client liquidity:** In order to minimize price, certainty of execution, and adverse market signaling impacts of large client order types, NBF may at its discretion enhance visible market liquidity through the provision of principal liquidity facilitation.
- **Marketplace access/information:** NBF is a member of all Canadian marketplaces. Information from all appropriate marketplaces (including unprotected marketplaces, protected marketplaces, and FORM) are taken into account in accordance to the Best Execution criteria considerations.
- **Unprotected Marketplaces:** Unprotected Marketplaces are taken into account if that marketplace has demonstrated a reasonable likelihood of liquidity for a specific security relative to the size of the client order.
- **Speed Bumps:** Marketplaces with Speed Bumps are taken into account if that marketplace has demonstrated a reasonable likelihood of liquidity for a specific security relative to the size of the client order.
- **Access dark liquidity:** NBF accesses dark liquidity facilities when market factors indicate a reasonable likelihood of material liquidity for a security in these trading venues.



- **Access FORM:** NBF accesses FORM liquidity in a security when market factors indicate this can be accomplished on terms advantageous to the client in the context of both price and other execution factors with considerations given to Canadian marketplace conditions.
- **Monitoring order execution quality:** NBF performs periodic, systemic reviews of order routing criteria to ensure optimum routing for client orders and by order execution performance against relevant quantitative metrics.
- **Personnel:** NBF is committed to employing professional and experienced trading personnel capable of evaluating market characteristics and suitable execution strategies in the context of market conditions. Trading personnel are registered with IROC, where required, and have a responsibility to comply with their continuing education requirements.

## **Hours of Operation for Trading in Listed Canadian Securities**

### **Hours of Operation**

Exchanges in Canada offer trading between the hours of 9:30 a.m. and 4:00 p.m., Eastern Standard Time

(EST0), Monday through Friday, not including statutory Canadian holidays. Most Alternative Trading

Systems (ATS) in Canada offer trading between the hours of 8:00 a.m. and 5:00 PM EST. Client orders placed during normal business hours will be transmitted to the NBF trading staff or trading systems and executed based on the instructions of the client and in accordance with the hours of operation on the market where the order is placed.

### **Pre-Open/Opening Auction**

For marketplaces that support an opening auction, trade allocation and imbalance/price volatility

management methodology may differ. An order received prior to 9:30 a.m. EST will be booked to the preopening of the principal listed marketplace for that particular security. Orders may be entered on a marketplace that has offers trading prior to 9:30 a.m. EST.

### **Post-open/ Continuous Auction**

Where markets support an opening auction, unfilled orders from the auction will rollover to the post-open market session of the market that they were entered on. New Market and Limit Orders received by NBF during the Post-open session will be routed using a smart order router that will direct the order to the best available market at the time of receipt. Changes to an outstanding order, or a portion of an outstanding order, will be handled in the same capacity as if a new order was received.

## **Orders received after 4 p.m.**

An order received after 4:00 p.m. EST is typically held for transmission until the next business day and will be booked to the pre-opening on the principal listed marketplace. Orders may be entered on a marketplace that offers after-hour trading if specifically directed per client instructions.

## **Order Handling**

**Order Execution** In a multiple marketplace environment, certain types of orders may have specific handling implications. Unless otherwise specified, orders will be handled in accordance with the description provided in this document. Duration refers to the lifespan of the order within a trading system.

### **Day Orders**

A Day Order instructs the receiving marketplace to automatically expire the order if it is not executed in the same trading day.

### **Good Till Date Orders**

Good Till Date Orders (GTD) have an order duration that specify that the order remain open until it is either filled or until it expires at a specified date.

## **Order Types**

### **Market Order**

A market order is an order to buy or sell a security at whatever prices are available in the marketplace at the time of order entry. Market Orders are therefore used when certainty of execution is a priority over price of execution. Caution should be taken given the different treatment that market orders receive in a multiple market environment. NBF will route market orders through its automated system that examines each available marketplace and enters the order in the market that secures the best price.

### **Limit Order**

A Limit Order is an order for a security at a specific minimum sale price or a maximum purchase price not to be exceeded. A limit order provides control over the execution price but reduces the certainty of execution. If a Limit Order is not immediately executable, NBF will route this order to the marketplace, which in its judgment, provides the Best Execution possibility. These orders will remain until the order is filled, cancelled or expired.

## **Special Terms Orders**

Special Terms Orders are orders with specific terms that are not executable in the regular marketplace.

These orders are only booked to the Special Terms Market of the principal listed marketplace, unless they are immediately executable on an alternative marketplace at the time of entry. Any unfilled portions of the Special Terms Orders will expire at the close of the principal listed marketplace. Note that the use of special terms orders can delay or decrease the chance of execution, as the receiving market must ensure the “special terms” of the order are satisfied prior to executing the order.

## **Stop Loss Orders**

Stop Loss Orders are orders that are triggered when a board lot trades at or through the stop price (trigger price) on the principal marketplace of that security.

## **Market on Close Orders**

Markets on Close Orders (MOC) are intended to trade at the calculated closing price of the principal listed marketplace. To participate in the MOC, orders must be received by 3:40 p.m. and can be both Market and Limit MOC Orders. Offsetting MOC Limit orders can be entered to satisfy the imbalance published from 3:40 p.m. until 4:00 p.m. The principal listed marketplace will then calculate the closing price and publish it at 4:10 p.m. There is no guarantee that the MOC Order will be completed. The TSX MOC is an anonymous price facility, so the price and volume information will not be known until after executions have completed.

## **NBF Treatment of Marketplace Trading Fees, Rebates, and Payment for Order Flow**

NBF does not charge marketplace trading fees or pass on marketplace rebates onto clients. However, “Cost-Plus” arrangements may be available to certain eligible clients, under which the client is ultimately responsible for their own marketplace trading fees and rebates.

## **Best Execution Governance**

### **Best Execution Committee**

NBF trading products Best Execution Committee meets at least quarterly with ad hoc meetings as required (new marketplace, change in liquidity patterns, change in fees, technology, and market place events, etc.). The principal purpose of the committee is to ensure the ongoing integrity of NBF’s Best Execution regime.

## **Mandate**

- Ensure NBF Best Execution Policies remain current in the context of market and regulatory developments.
- Ensure order routing logic is consistent between trading applications, where applicable.
- Ensure that order routing criteria is consistent with the goal of optimizing client order execution
- Review order routing assignments on a periodic basis to ensure the assignments are consistent with optimized client order execution.
- Review Best Execution quality criteria and metrics on an ongoing basis and re-evaluate quantitative and qualitative valuation criteria as required.
- Review trading technology to ensure most appropriate applications are implemented.
- Review NBF Best Execution Policy and public disclosure statement at least annually and/or after each material change to the trading environment or market structure that warrants a review
- Ensure pricing for OTC securities are considered “fair and reasonable”

## **Order Routing Criteria**

NBF evaluates order routing based on the criteria noted below. NBF does not take into consideration our ownership or partnership of a marketplace into our routing strategy. It is our philosophy that marketplace liquidity, primarily defined by traded volume, represents the single, best indicator of the potential for superior client order execution. However, NBF believes technology considerations and innovation as well as other factors are an important consideration in determining the most appropriate default order routing criteria. Marketplace liquidity combined with subjective evaluation of factors noted below are used to determine the appropriate order routing destination for individual securities:

- Volume
- Order to trade ratios
- Technology and support
- Broker attribution
- Market making and primary markets
- Costs and rebate models
- Other criteria influencing Retail & Institutional Routing Strategy:
  - Latency of execution
  - Latency of data
  - Client preference
  - Potential crossing/internalization opportunities

## **Technical and Self-Help**

This Policy dictates the diligent pursuit of the execution of client orders on the most advantageous terms reasonably available. Part of this Policy necessitates the execution of client orders at the best price available at the time of execution and based on the client instructions.

Consistent with our Best Execution obligations, NBF endeavors under all circumstances to access visible liquidity on all marketplaces at the best price available at the time of execution. NBF management may invoke "Technical-Help" in the event there are reasonable grounds to believe client executions may be adversely affected by system malfunctions or excessive latency originating from a marketplace system malfunction, vendor infrastructure, or proprietary systems. When dealing with a marketplace that is experiencing a failure, malfunction or material delay of its systems, equipment or ability to disseminate marketplace data of a temporary or longer-term nature, NBF may rely on "Self-help" in these particular circumstances.

If either "Technical-Help" or "Self-Help" is invoked, the affected marketplace may be removed from existing SOR systems until such time as the cause of the malfunction has been determined and there are reasonable grounds to believe that the identified issues have been resolved. In addition, NBF Compliance will advise the marketplace, IROC Market Surveillance and any relevant application vendors. NBF will endeavor to limit the impact of "Technical-Help" or "Self-Help" to affected systems and SOR's with the primary consideration being the preservation of Best Execution on behalf of our clients.

## **Execution on Foreign Marketplaces**

Orders for Canadian and non-Canadian listed equities to be traded on marketplaces outside of Canada may be executed by third party broker dealers ("Third Parties"). Third Parties may execute such orders as either agent or principal. The fees or commissions charged to us by Third Parties for such orders may be reported as a net price.

Third Parties who may execute order flow on behalf of NBF, the following steps are taken to ensure that each Third Party has policies and procedure in place that are reasonably designed to achieve Best Execution for our clients (Third Party Best Execution Policy):

- NBF will perform an initial review of each Third Party Best Execution Policy and any subsequent changes to it, and a determination is made whether it will effectively achieve Best Execution for our clients.
- NBF obtains an annual attestation from each Third Party to confirm it has complied and tested its Third Party Best Execution Policy.

- NBF will follow up with each Third Party should NBF identify any execution results that are inconsistent with the Third Party Best Execution Policy.

NBF accesses foreign market liquidity in a security when market factors indicate this can be accomplished on terms advantageous to the client in the context of both price and other Best Execution factors with considerations given to Canadian marketplace conditions. Conversions to Canadian dollar currency are processed at current FX rates to ensure that the required conditions are met beneficial to the client.

NBF does not have any agreements regarding the sending of orders outside of Canada.

### **Over the Counter (OTC) Fair Pricing**

An aggregate fair and reasonable price will be used for executing over the counter securities (OTC) including fixed income, contracts for difference, and foreign exchange contracts excluding primary market transactions and OTC derivatives with non-standardized contract terms.

“Reasonable efforts” must be made to provide or procure a fair market price for each order under the circumstances of the prevailing market conditions. Markup/down, commissions, and services charges cannot be excessive. A markup/down refers to remuneration on a principal transaction. It is an amount added and subtracted from the price in the case of a purchases and sale respectively. Commissions and services charges are forms of compensation for agency transitions.

### **Conflicts of Interest Relating to Best Execution**

NBF considers a conflict of interest to be any circumstance where the interests of different parties, such as the interests of a client and those of NBF, are inconsistent or divergent. NBF takes reasonable steps to identify all existing material conflicts of interest, and those we would reasonably expect to arise with regards to Best Execution.

### **TMX Group Limited**

National Bank Financial & Co. Inc. one of our affiliates owns or controls an equity interest in TMX Group Limited in excess of 5% of the issued and outstanding equity securities thereof and has a nominee director serving on the board. In addition, NBF is an indirect wholly-owned subsidiary of National Bank of Canada. From time to time, National Bank of Canada may enter into lending or financial arrangements with companies that are the subject of NBF research reports or that are recommended. At the present date, National Bank of Canada, is a lender to TMX

Group Limited under its credit facilities. As such, NBF may be considered to have an economic interest in TMX Group Limited. No person or company is required to obtain products or services from TMX Group Limited or its affiliates as a condition of doing business with TMX Group Limited or its affiliates.

## Complaint Handling Procedures

Written client complaints can be submitted by mail to the Designated Complaints Officer (DCO) of Brant Securities Limited attention Keith McMeekin, Suite 300, 220 Bay Street, Toronto, Ontario M5J 2W4. You can also reach our DCO via e-mail at [keith@brantsec.com](mailto:keith@brantsec.com) or by phone at (416) 596-4596.

The DCO will send you an acknowledgment letter within five business days of the receipt of your complaint. In this acknowledgement letter, the DCO may request additional information in order to investigate your complaint. The DCO will also send you the following IIROC brochures: Making a Complaint A Guide for Investors and How Can I Get My Money Back? A Guide for Investors. You will also receive this brochures at the time of your account opening.

The DCO will provide you with a substantive response within (90) calendar days of the receipt of your complaint. If the DCO is unable to respond to your complaint within the above time frame, he will provide you with a written explanation.

In his final decision letter, the DCO will provide you with a summary of your complaint, the results of his investigation, an explanation of his final decision, and the other options you may have for seeking compensation, if you are not satisfied with his response.

If you are dissatisfied with Brant's final response you have received, you may contact the following organizations: Ombudsman for Banking Services and Investment (OBSI) Investment Industry Regulatory Organization of Canada (IIROC) Or you may choose to go to Arbitration or pursue legal action.

### **Checklist of documents to be provided to you**

Copy of your New Client Application Form (NCAF)

Relationship Disclosure Document (Brant)

Strip Bonds and Strip Bond Packages Information Statement (IIROC)

Making a Complaint A Guide for Investors (IIROC)

How Can I Get My Money Back? A Guide for Investors (IIROC)

Canadian Investor Protection Fund (CIPF)

Accounts And Services Agreement and Disclosures (NBIN)

How IIROC protects investors

National Bank Financial Inc Best Execution Public Disclosure Statement Jan 2018

Welcoming letter from the President