

# Canada's Capital Pool Company

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We are all looking for ways to raise money and to build or rebuild our businesses. Canada has a unique means of sourcing capital and management. It is available to emerging businesses that want to become public at a time when a traditional IPO would not be suitable. The objective of the CPC Program is to facilitate a company becoming public and using the Venture Exchange as a springboard to a more senior listing.

The CPC Program consists of two stages. The first stage is the formation of a capital pool company and the completion of its IPO. The second stage involves the CPC completing an acquisition of a business that meets the minimum listing requirements of the Venture Exchange.

As part of the first stage the CPC will raise a minimum of \$300,000 and a maximum of \$2,000,000 of capital. The minimum listing requirements for a Tier 2 issuer require adequate working capital for 12 months, \$50,000 of pre-tax earnings in the last year (or two of the last three years) and \$500,000 tangible net assets. Failure to complete a Qualifying Transaction within 24 months of the date of listing on the Venture Exchange could result in the delisting of the CPC.

As a result of the Qualifying Transaction, the target company becomes or is acquired by a public company. There are numerous benefits to public company status. It offers capital, visibility, an exit strategy for investors and a means of management and employee participation in future growth. A public company is also well suited for follow on investments and using its shares as a "currency" for subsequent acquisitions.

We can help you to create the CPC, to setup the governance and administrative processes, and to go through the Qualifying Transaction. We take care of the process so you can focus on your business at hand.

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