

Evolution of the Canadian Venture Market in 2020

Amid a record-setting year for Canadian equity volumes, securities listed on exchanges other than the Toronto Stock Exchange (TSX), including those listed on the TSX Venture Exchange (TSXV), Canadian Securities Exchange (CSE) and NEO Exchange (collectively, Venture) experienced the most rapid growth and underwent a transformation that appears to be driven by retail behavior.

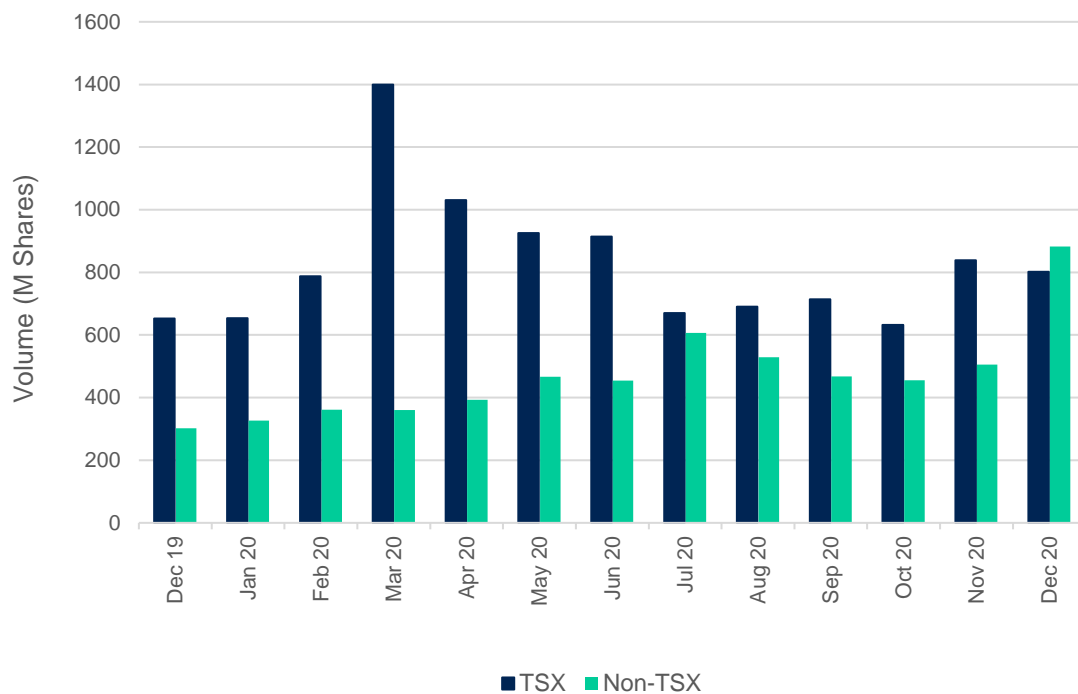
Observations for 2020 Include:

- Average daily Venture volume grew by nearly threefold YoY while average daily Venture value traded increased by 360% YoY.
- December 2020 was the first time that Venture trading volumes exceeded trading volumes of TSX-listed securities.
- Despite the sizeable market share of non-TSX listed securities, the average daily value (ADV) traded still pales in comparison: over CA\$16B ADV for TSX-listed securities in 2020 and only CA\$700M ADV for Venture securities.
- While securities which make up the S&P/TSX Composite and S&P/TSX60 indices saw a record shift of trading activity towards the close, Venture securities did not. The absence of a closing auction for most Venture securities (TSXV securities are not eligible for market-on-close with few exceptions and CSE does not have a closing auction), the lack of passive funds and institutional money tracking the Venture space makes the close a lower priority.
- By contrast, Venture listing names have seen the highest allocation of trading volume near the open; overnight news appears to be the biggest driver of trading activity.
- There has been a substantial shift in the activity taking place across the Venture space:
 - In December 2019, eight of the top ten traded names were marijuana companies and the other two were mining companies.
 - In December 2020, only two of the top ten traded names were marijuana companies, two were blockchain companies and the rest were biotech or pharmaceutical companies.

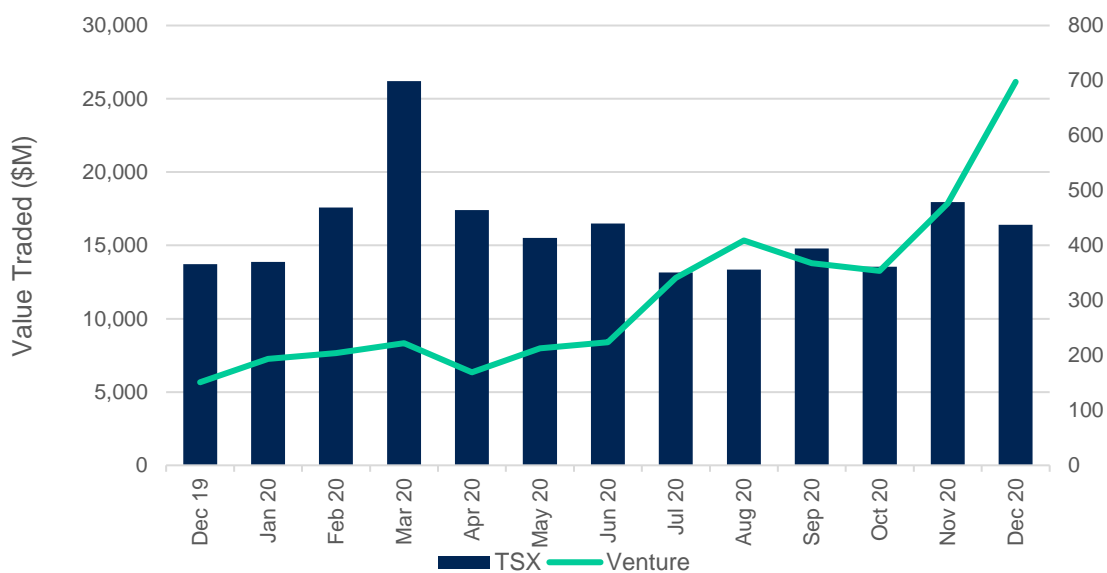
Charts and tables continued on next page.



TSX vs Venture—Average Daily Volume Traded

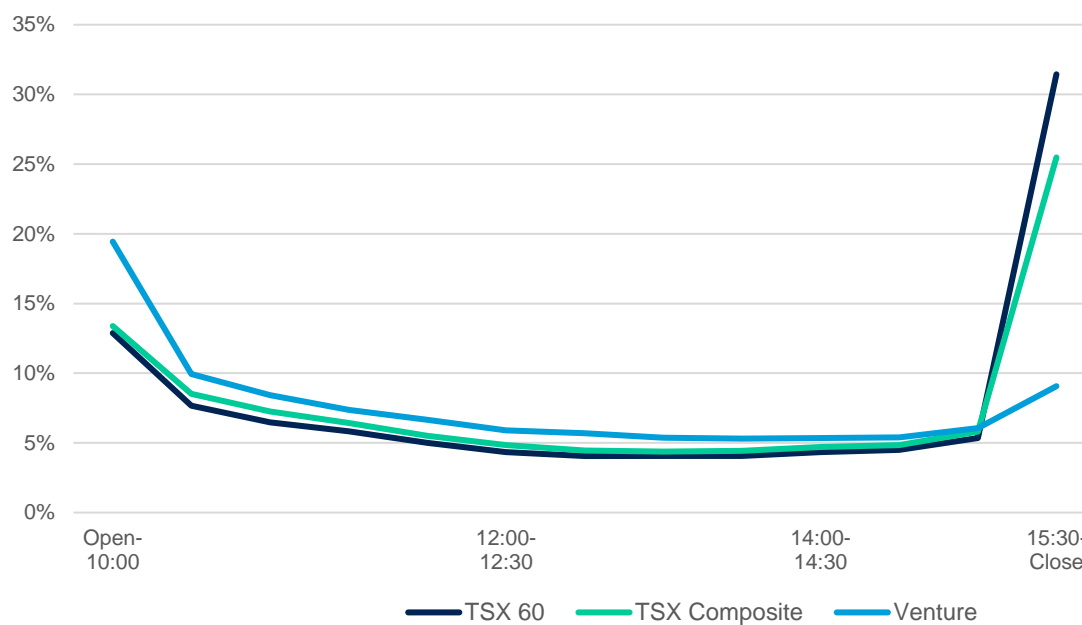


TSX vs Venture—Average Daily Value Traded





2020 Intraday Volume Distribution



Top 10 Traded Venture Names–December 2019

Symbol	Sector/Industry	Listing Exchange	Average Daily Volume	Average Trade Size	Average Price (VWAP)
AGRA	Marijuana	CSE	6,957,060	8,118	\$0.13
PUMP	Marijuana	CSE	3,558,070	19,933	\$0.07
EAT	Marijuana	CSE	3,377,872	19,887	\$0.04
EVE	Marijuana	TSXV	2,511,479	4,202	\$0.19
BTU	Metals & Mining	TSXV	2,360,017	4,901	\$0.32
QMX	Metals & Mining	TSXV	2,353,899	18,719	\$0.07
MMEN	Marijuana	CSE	2,351,795	1,948	\$0.70
IPOT	Marijuana	CSE	2,340,379	2,859	\$0.46
TBP	Marijuana	TSXV	2,290,263	3,433	\$0.50
GLH	Marijuana	CSE	2,274,508	25,119	\$0.02



Top 10 Traded Venture Names–December 2020

Symbol	Sector/Industry	Listing Exchange	Average Daily Volume	Average Trade Size	Average Price (VWAP)
HEM	Health Care	TSXV	22,401,445	69,714	\$0.02
BUZZ	Marijuana	CSE	20,089,191	18,459	\$0.09
CBDT	Health Care	CSE	17,622,813	7,461	\$0.25
TRIP	Marijuana	CSE	16,600,054	6,504	\$0.29
HIVE	Blockchain	TSXV	15,493,538	1,150	\$2.11
THRM	Health Care	TSXV	11,984,041	6,428	\$0.22
CSTR	Blockchain	TSXV	11,502,288	17,954	\$0.09
NUMI	Health Care	CSE	11,217,618	1,026	\$1.44
MMED	Health Care	NEO	10,693,407	635	\$4.01
MVMD	Health Care	CSE	9,087,211	7,168	\$0.40

Source: Virtu Analytics

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