

February 7, 2022

Canadian Securities Exchange  
100 King Street West, Suite 7210  
Toronto, ON  
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Attention: Mark Faulkner

Ontario Securities Commission  
20 Queen Street West, 22nd Floor  
Toronto, ON, M5H 3S8  
Email: [marketregulation@osc.gov.on.ca](mailto:marketregulation@osc.gov.on.ca)

British Columbia Securities Commission  
701 West Georgia Street  
P.O. Box 10142, Pacific Centre  
Vancouver, BC, V7Y 1L2

Attention: Larissa M. Streu, Senior Legal Counsel, Corporate Finance.

Email: [lstreu@bcsc.bc.ca](mailto:lstreu@bcsc.bc.ca)

Dear Sirs/Mesdames:

Re: Proposed CSE Policy Amendments

I have had the opportunity to review the proposed policy amendments and have had the opportunity to discuss some of the same with fellow practitioners and with members of the CSE. I would like to offer my thoughts on a number of the proposals.

Let me start by saying that I am not opposed in principal to the proposed increase of review and approval inherent in most of the proposed rule changes – unfortunately a number of opportunistic actors in the market have proven that there are numerous ways shareholders can be victimized by management.

In respect to the proposed increase in minimum expenditure requirements for listing a junior mining company, I have no concern in raising the dollar limit. I would however suggest that the current requirement of such funds being spent in the previous 36 months be increased. Given the long valleys and peaks in the mining

exploration cycle, there can be many years between expenditures on the property. The property attributes don't change, so as long as the technical report is encouraging, I would suggest changing that 36 months to 10 years.

The next area of proposed changes that I would like to comment on are the addition of shareholder approvals for share issuances and divestitures of more than 50% of the company's assets.

Dealing with the latter first, given the aggressive nature of write downs with IFRS accounting rules, it would be easy to write down the asset to nothing to avoid this rule. There will be significant confusion as to value and percentage. Given that this requirement is not consistent with other exchanges, I would suggest not following through on this particular suggestion.

I understand the rationale for shareholder approval on creating new control blocks but am not convinced 100% of the issued and outstanding shares is significant in and of itself. If an issuer is part of a transaction that sees shares issued over and above the 100%, as long as it is arms-length and the board signs off, I don't see where the shareholder is put at undue risk. Perhaps the concept of arms-length should take the place of an arbitrary percentage. There are already stringent securities law policies that already deal with this situation.

I don't understand the concern of rights offerings at a reduced rate. All shareholders get the same opportunity to buy. Perhaps there is a market risk that I am not aware of.

Finally I would like to address the posting requirements of form 7, and then annual listing statements or forms. I appreciate the additional information for investors and additional discipline for issuers in the form 7 requirements. Simple, easy to complete and informative. However, you lose me in the requirement for an annual listing statement update. That document is long, complex and bewildering to both issuer and investor. If someone is interested, the AGM information circular on SEDAR as well as financial statements, md&a and press releases should give the reader all the information they need over and above the form 7s. A significant number of listed issuers do not complete the annual filings because of the cost and complexity. Most issuers and practitioners would like to see that requirement gone.

Those are the areas I have comments on. Any questions, please let me know.

Very truly yours,

Dentons Canada LLP

  
Rick Skeith

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