

INTERNATIONAL

NORTHAIR MINES LTD.

A NORTHAIR GROUP COMPANY

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October 31, 2000

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
The Manitoba Securities Commission
Ontario Securities Commission
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Division, Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Registrar of Securities, Nunavut
c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario M5H 3S8

and to:

Claude St Pierre, Secretary
Commission des valeurs mobilières du Québec
800 Victoria Square
Stock Exchange Tower
PO Box 246, 17th Floor
Montreal, Québec H4Z 1G3

Dear Sirs:

Re: Proposed National Instrument 54-101 and Related Documents
Communication with Beneficial Owners of Securities of a Reporting Issuer

Further to our initial comment letter dated December 13, 1994, we wish to offer our comments on your most recent draft of NI 54-101. This submission is being made on behalf of the following reporting issuers: International Northair Mines Ltd., Stornoway Ventures Ltd. (formerly Camnor Resources Ltd.), NDT Ventures Ltd., Tenajon Resources Corp., Northern Empire Minerals Ltd. and Norcal Resources Ltd.

As we have previously advised the CSA, the maintenance of NOBO & OBO lists on an account-by-account basis is not adequate. These lists must be maintained on an issuer-by-issuer basis. The requirement to update these lists every three years is too long. It should be done on an annual basis.

Issuers must be allowed to suppress the names of NOBOs from future mailings, if they do not exercise their voting rights in the first meeting to which this proposed policy would apply.

We object to being forced to use a transfer agent to obtain the NOBO list. Transfer agents will pass whatever costs they incur to handle this on to issuers. We do not wish to incur these additional costs.

We note that the sections of the proposed NI 54-101 dealing with applicable fees is vague. We wish to advise that from each issuer in the Northair Group point of view a reasonable amount for ALL fees under the draft instrument is \$15.00. We submit to you that the CSA should mandate that no fees are applicable for the NOBO list or for beneficial ownership details. In our opinion this is the cost of doing business for the intermediaries as it is a service to their clients.

We also object to not being able to have access to a NOBO's e-mail address. Please note that we likely have this information already in our databases of supplemental mailing lists and interested parties lists.

The proposed policy of requiring a beneficial owner to obtain a legal proxy if he wishes to attend and vote directly at a meeting will be confusing to many shareholders just as the existing system is confusing. We have never had a beneficial shareholder arrive at a meeting with a properly completed proxy. Both our information circular and proxy contain plain language on the procedure a beneficial owner should follow. When we explain all this again to the beneficial owner at the meeting his or her eyes glaze over and they generally shrug their shoulders in resignation. Sometimes, they even stay for the meeting! We note that the draft policy contains no time frame for a beneficial owner to request a legal proxy from an issuer or his intermediary. Please note that we will be unable to process a legal proxy request unless it is received at least three weeks prior to the meeting date.

We are absolutely astonished that the CSA has not focused its initiatives on the application of SEDAR to this communication process. Having implemented SEDAR why doesn't the CSA use it?

We remind you that all reporting issuers are required to file, through SEDAR, a notice of record and meeting dates, proxy-related material, interim and audited financial statements and annual reports. In our view, NI 54-101 should recognize that once these filings have been made, a reporting issuer will be deemed to have communicated with the beneficial owners of its securities regardless of whether they are Canadian or foreign beneficial owners.

It cannot be difficult to add all depositories to the list of reporting jurisdiction under SEDAR.

In our view, the filing of a notice of meeting and record date by a reporting issuer through SEDAR, would then trigger the intermediary search request to depositories. The depository would then obtain the usual information from the intermediaries and deliver to the issuer the participants/nominee list and omnibus proxy. A data base of record and meeting dates already maintained by CDS could be included on the SEDAR website.

Using SEDAR, there would be no need, on the part of intermediaries, to maintain a list of NOBOs and OBOs. Nor would there be any need for intermediaries to provide their clients with a client response form or to review the NOBO or OBO lists. Intermediaries should be encouraged to independently advise their clients of an issuer's meeting and to request voting instructions. Intermediaries (or their agents) could easily generate a label that the client can affix to the proxy which they've downloaded from SEDAR or use the information on the label to vote their positions by telephone through IICC's system.

We agree that an issuer's information circular should contain clear and plain instructions to beneficial owners as to how they can exercise their voting rights including instructions on how to obtain documentation from their intermediary which will allow them to attend and vote at a meeting in person. Securities commissions should revise their respective forms of Information Circular to set out precisely the language required.

The use of SEDAR to communicate with beneficial owners will reduce the costs associated with this process to both the issuer and the intermediaries. It would place the onus on the beneficial owner (where it belongs) to exercise their voting rights. We strongly urge the CSA to adopt the use of SEDAR for the communication to beneficial owners.

Another advantage to using SEDAR would be that the CSA's policy could be implemented sooner than July 1, 2001 as currently proposed under NI 54-101.

In summary, we are of the opinion that the CSA's most recent draft of NI 540-101 has made the process of communicating with beneficial owners more complicated than it needs to be. We strongly urge you to take advantage of SEDAR as a communication tool.

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