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COMMENTS ON PROPOSED CHANGES for "AMENDED MINING RULE"

National Instrument 43-101

Item 23: Adjacent Properties.

The real intent of this item is to ensure that the assay data are from the Subject Property, not from outside that property, except in very limited cases. Regional geology is a different matter.

The QP should be required to state that:

- a) the samples and assays used to define any disclosed Mineral Resources were taken entirely from the Subject Property, or, if some were from Adjacent Properties, the nature, amount, credibility, and import of those from Adjacent Properties should be discussed.*
- b) any disclosed Mineral Resources are located entirely on the Subject Property.*

Appendix A. Short Form Prospectus Distributions

Modification is strongly urged of the requirement for Q.P. Consent Letters, not only for Short-Form Prospecti, but for AIF's, MDA's and other documents, filings subsequent to filing of a Technical Report. Such "Subsequent Filings" often occur months after the Technical Report was filed. Currently, Qualified Persons are routinely asked by Issuers to provide a Consent Letter BEFORE the Subsequent Filing is completed, basing their Consent on a draft-only document provided by the Issuer. This practice is most unfair to the Qualified Person, who has no assurance that the Issuer will not modify the Subsequent Filing, after the Consent Letter has been sent to the Issuer.

The CSA should specify that Consent Letters for Subsequent Filings are not needed, or if needed, need not be filed until the Subsequent Filing is available on SEDAR for the Qualified Person to

review. A period of say twenty days should be allowed for preparation of a Consent Letter, said period not delaying the clock triggered by a Subsequent Filing.

Definitions and Interpretations.

Qualified Person.

The proposed amendments are clearly intended to disqualify persons who are registered in one state or another of the United States, without membership in the AIPG or Canadian provincial associations. What are the statistics about how the Canadian provincial associations enforce their ethics rules. There are some perfectly qualified potential QP's outside North America and Europe, whose countries do not have a qualifying Professional Association.

The CSA should erect an explicit mechanism for persons to petition the CSA for Qualified Person status, based on his/her own qualifications, experience, and submitted peer recommendations, rather than simply on membership in a Professional Association. Otherwise, this amendment should be entitled "The Canadian Geologists' Full Employment and Xenophobia Act".

Other aspects of the 43-101 process

One glaring deficiency of the 43-101 process is that it is open-ended. Currently, the CSA have infinite flexibility in deciding whether to approve or disapprove a report, or whether to simply ignore it. There have been cases where a report was rejected over a year after submittal.

There should be a firm deadline (say 90 days) for the CSA to review a report and issue a decision that it is either a) Accepted, or B) Rejected for specified reasons.

The 43-101 process is designed to regulate disclosure of Mineral Resources, but is used to disclose Mineral Reserves which normally encompass extensive metallurgy, engineering, and economics, far outside the realm of geology and geostatistics.

1) A parallel process should be designed to regulate disclosure of Mineral Reserves, where the onus is no longer on geologists and geostatisticians.

2) Once a 43-101 with Mineral Resources is approved, it should remain as a standing, and separate, source for Mineral Reserves defined in subsequent Feasibility Studies and annual revisions to Reserves at operating mines. Any change in Resources, would, of course, have to be documented in a new 43-101.

Respectfully signed, Fred Barnard, Q.P