

**From:** Khalid Elhaj (Toronto CFA Society)  
**Sent:** Thursday, July 22, 2010 8:56 AM  
**To:** sthompson@bcsc.bc.ca  
**Subject:** RE: NI 43-101 comments on the short form trigger

Hi Sheryl,

My response to the questions below:

- 1) This depends on the size of the company. Yes to smaller companies with one or two assets whereby the content of technical report could have a material impact on the stock price. For large companies with multiple assets, a technical change to one of the assets, although important, could possibly have little impact. It is important that material, technical changes highlighted in the short form prospectus be backed by a report and a qualified person (or the same firm the qualified person works for). However, a time delay between share issuance and the release of the technical report could be allowed as long as the information in the technical report is consistent with the claim made in the short form prospectus. A technical report backed by a qualified person, preferably independent, should have a positive impact on making investment decisions and increase investors' confidence.
- 2) Keep it, but do some modifications so a need to issue a technical report is triggered only for material changes. The definition of materiality could vary from company to company, however, some guidelines could be issued to assist companies in defining materiality as it relates to the trigger.
- 3) Case 1: No need for a technical report if the information is not material. Eliminate the trigger.

Case 2: For small companies, a technical report could be very useful even if the change is not material or first disclosure of reserves, resources or preliminary assessment. Keep the trigger in this case. For large companies, this could have little impact and a trigger is not be necessary.

Case 3: A technical report is needed and the trigger should be effective.

Regards,

Khalid Elhaj, P.Eng., CFA  
Toronto CFA Society

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### **Questions**

1. Do you rely on technical reports when making, or advising on, investment decisions in a short form prospectus offering? If yes, please explain how the content of a technical report, or the certification of a technical report by a qualified person, could influence your investment decisions or your recommendations.
2. Do you think we should keep, or eliminate, the short form prospectus trigger? Please explain your reasoning.
3. Please discuss how your answers to questions 1 and 2 might change in each of the three cases described in the table.