July 23, 2010

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Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
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Dear Members of the Canadian Securities Administrators:

Re: Notice and Request for Comment – Proposed Repeal and Replacement of National Instrument 43-101 S*tandards of Disclosure for Mineral Projects*, Form 43-101F1 Technical Report and Companion Policy 43-101CP

TMX Group Inc. welcomes the opportunity to comment on behalf of both Toronto Stock Exchange ("TSX") and TSX Venture Exchange ("TSX Venture") (collectively, the "Exchanges") on the proposed repeal and replacement of National Instrument 43-101 S*tandards of Disclosure for Mineral Projects* ("NI 43-101"), Form 43-101F1 Technical Report ("Form 43-101") and Companion Policy 43-101CP ("CP 43-101), as published by the Canadian Securities Administrators (the "CSA") on April 23, 2010 (the "Request for Comments").

All capitalized terms have the same meanings as defined in the Request for Comments or NI 43-101, Form 43-101 or CP 43-101, unless otherwise defined in this letter.

The Exchanges have drawn upon their extensive experiences with mining companies and technical reports in formulating these comments. The Exchanges appreciate the opportunities they have had to contribute to the initial discussions regarding the Amended Mining Rule and have taken those discussions into account.

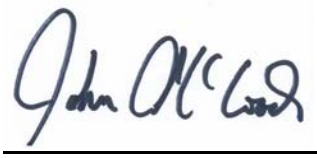
The Exchanges are strongly supportive of the substance and purpose of the Amended Mining Rule. We are pleased that the Amendments will align the Rule more closely with the needs of mining issuers, while maintaining high standards of disclosure and investor protection, as well as Canada's competitiveness in the mining industry. In particular, we support the elimination of the short form prospectus trigger (4.2), the new definition of an "historical resource" (2.4), the expanded definition of "producing issuer" (5.3), the relaxation of the requirement for fresh consent of qualified persons (8.3) and the exemption for certain royalty interests (9.2). We also support the new requirements in Form 43-101, particularly the required cautionary language.

Attached as Schedule A to this letter are specific suggestions for your consideration regarding amendments to NI 43-101, Form 43-101 and CP 43-101. Attached as Schedule B are responses to certain of the specific questions set out in the Request for Comments.

Thank you for the opportunity to comment on the Amended Mining Rule. Should you wish to discuss any of the comments with us in more detail, we would be pleased to respond.

Yours truly,

Ungad Chadda
Senior Vice President
Toronto Stock Exchange



John McCoach
President
TSX Venture Exchange

APPENDIX A

PART I - NATIONAL INSTRUMENT 43-101

1. Definition of "producing issuer", Section 1.1

The producing issuer definition was intended to release operating companies from the necessity and expense of an arms-length, independent technical report. The Exchanges submit that there is a loophole in that NI 43-101 only specifies a revenue trigger and not an actual production requirement. A company can therefore have three years of production and close down, yet still be exempt from the requirement to have an independent technical report.

We believe that the issuer should be required to be currently producing to be considered a "producing issuer". Consider revising the introductory language in the definition as follows to include the italicized words "…means an issuer *that is in production* with annual audited financial statements…"

In the alternative, the revenue trigger should be a continuing revenue stream requirement in order for an issuer to continue to qualify as a "producing issuer".

2. Definition of "professional association", Section 1.1

For news releases, a person may declare themselves a QP of a body listed in CP 43-101, Appendix A and sign off on it.

The Exchanges will assume only QPs listed in CP 43-101, Appendix A will be acceptable QPs.

By listing the professional associations in an appendix to NI 43-101, the Exchanges are concerned that it will be difficult to update the list. Consider instead providing a link/reference to a current approved list of professional associations. Also consider how the public/companies/regulating bodies will be alerted to updates and changes to the list of acceptable professional associations.

3. Definition of Preliminary Economic Assessment, Section 1.1

The Exchanges do support the proposed definition. While we understand that "PEA" is a commonly used acronym for preliminary economic assessment, we also note that the inclusion of the word "economic" in the definition may be misinterpreted as suggesting something more substantial has been concluded in the preliminary assessment than is actually the case.

4. Definition of "Specified Exchange", Section 1.1

Consider providing a link/reference to a current list of specified exchanges to permit updates to the list.

5. Definition of "Feasibility Study", Section 1.1

The Exchanges propose that issuers should not be permitted to add descriptors to the defined term "feasibility study". For example, the term "bankable feasibility study" should be prohibited as it is potentially misleading. Consider providing guidance in CP 43-101.

6. Addition to Definitions, Section 1.1

Consider adding a definition for "**filed**" as meaning the issuer has filed the documents on SEDAR.

7. Requirements applicable to all disclosure, Section 2.1

We note that there is a discrepancy between the requirement in this section that information may be "prepared by or under the supervision of a QP" and Appendix B of the TSX Company Manual which requires disclosure to identify the QP and "such person shall have read and approved of the technical disclosure" (Part 1.0, Introduction). Consider reconciling the securities law requirement with the more stringent requirements of TSX.

8. Restricted disclosure, Section 2.3(d)

The Exchanges agree with the prohibition of Gross Metal Equivalents. Consider expanding the metal equivalent grade disclosure to require that the QP must also comment on recovery and metal prices used.

The Exchanges prefer the current reporting for metal equivalents in Item 19(m) of Form 43-101.

9. Historical Resource Estimation definition, Section 2.4

The Exchanges support the new definition of an Historical Resource, but note that any historic resource, i.e., whether completed in 1910 or 2010, will be accorded equal status with regard to being called historic.

10. Sampling, Section 3.3(2)(a)

Consider requiring the issuer to clearly state the location, type and number of samples collected.

11. Requirements applicable to written disclosure of mineral resource or mineral reserves, Section 3.4(d)

Consider retaining the words "title, taxation, socio political or other relevant issues" in the text.

12. Exception for written disclosure, Section 3.5

In Section 3.5, the assumption has been that "previously filed document" means previously filed by the issuer, and this was consistent with the rest of NI 43-101.

However, because of revisions, which state in Section 4.2(7)(a)(iii) "a technical report filed by the other issuer" and in Section 4.2(7)(b)(i) "title and effective date of the previous technical report", both of which refer to technical reports filed for other issuers, it is no longer clear that "previously filed" means filed by the issuer. Section 3.5 should be clarified.

13. Report triggers – requirement for a report can be triggered from any media source, Section 4.2

The Exchanges support this update.

14. Short Form Prospectus trigger, Section 4.2(1)(h)

The Exchanges support removal of the short form prospectus trigger for a technical report. See also Question 4 in Appendix B.

15. Trigger for disclosure of a current resource, Section 4.2(7)(c)

The Exchanges are concerned with an issuer being able to call a resource "current" but have six months to file a technical report. In particular, TSX Venture rules require a technical report in conjunction with the review of a variety of transactions, such that issuers will not benefit from a six month delay under securities law in certain circumstances.

The definition of an "historical estimate" is an estimate of the quantity, grade or metal or mineral content of a deposit that an issuer has not verified as a current mineral resource or mineral reserve and which was prepared before the issuer acquiring or entering an agreement to acquire an interest in the property that contains the deposit. For an issuer to disclose an historical resource as a "current resource" in a news release, contradicts the definition of an historical estimate at the time of the news release.

Issuers should not be permitted to disclose an historical resource as "current" in a news release. It should be disclosed as an historic resource and the issuer should identify when and how they intend to make it a current resource. Under NI 43-101, Section 3.1, if an issuer is disclosing a resource as current then the qualifications/suitability of the QP who supports that disclosure should also be included.

In addition, with respect to news releases, consider how to verify the qualifications and suitability of an in-house QP who signs off on the current resource for the purposes of the news release. In the event of a "property flipper", the QP who signs off on the resource is invariably not independent, and, if the property is flipped within six months, there is no onus on the issuer to produce a technical report.

See also Question 5 in Appendix B.

16. Exemption for Independent QP for producers, Section 5.3(2)

The Exchanges support this exemption.

17. Preparation of a Technical Report, Section 5.3(3)

The Exchanges support the expanded producing issuer exemption for an independent author of reports written to support a listing on a Canadian exchange. This will allow offshore senior "producing Issuers" to list in Canada using an in-house report, eliminating a potential barrier to entry.

18. Definition of Foreign resource codes, Section 7.1

The Exchanges are concerned that the requirement for reconciliation to CIM requirements has been deleted. The Exchanges will only accept a foreign code if it has been accepted by the CSA. The QP should reconcile the foreign codes with Canadian codes for resource reporting to ensure consistency in resource classification

There should be a list of currently acceptable foreign codes maintained.

19. Certificate of Qualified Person, Sections 8.1(c), (e)

The Exchanges are concerned that if a QP is taking responsibility for the resource or reserve, the QP should disclose their relevant experience to support their qualification to do so.

Consider adding:

> "If a QP is taking responsibility for a resource or reserve estimation, they must provide additional details about their relevant experience to support their suitability to do mineral resource/mineral reserve estimation."

20. Modification of Consent requirements for QP, Section 8.3(3)

The Exchanges support removal of the annual consent requirement. Consider secondary liability for the QP. Which QP is responsible for the report at the time of investment?

21. Exemption for Royalty holders to file a technical report, Section 9.2

The Exchanges support this amendment and the clarity provided in this section.

22. Cautionary language, (Various sections)

The Exchanges strongly support these additions and the requirements for prominence and proximity. The Exchange would further support cautionary language being bolded or otherwise visually brought to the attention of readers.

PART II - FORM 43-101F1

1. Instructions

The Exchanges support the instructions. Consider whether there should be additional wording stating (again), "Cautionary statements are triggered; they should be prominently displayed and used immediately after the relevant data, interpretation and conclusion given in the report."

2. Illustrations

Consider a requirement that detailed maps be shown relative to property boundary (inset image) and/or easily recognizable geographic grid co-ordinates be used on the map.

Consider requiring the scale in bar form only and removing the option to include a scale in "grid form" which can be confusing.

Consider adding that if the QP is using UTM coordinates, the projection/ellipsoid and zone should be disclosed.

All maps should be required to contain grid coordinates using an easily recognizable geographic grid location system.

3. Introduction (Item 2)

The Exchanges agree with these amendments but consider that if site inspection is not recent (*i.e.*, more than two years), but the property has been dormant according to the issuer, the QP should be required to state what additional steps they have undertaken to independently verify there has been no additional work done on the property.

4. History (Item 6)

The Exchanges agree with this amendment, but consider reinforcing that this section refers to historical work completed on the issuer's property, and not to current work or work outside of the issuer's property.

5. Exploration (Item 9)

The Exchanges agree with these amendments, but consider clarifying that additional information under the "procedures and parameters" relating to the survey and investigations is also provided for geophysical surveys.

Items 9(b) and 9(c): Consider requiring the disclosure of measurement methods in addition to sampling methods, i.e., (i) a discussion of the sampling and/or measurement methods and sample and/or measurement quality, including whether the samples and/or measurement are representative, and any factors that may have resulted in biases; and (ii) a brief description of relevant information of location, number, type, nature and spacing or density of samples and/or measurement collected, and the size of the area covered.

6. Drilling (Item 10)

The Exchanges agree with these amendments, but consider clarifying that this section refers to drilling work completed by the issuer.

7. Sample method and approach (former Item 14)

The Exchanges agree with the way this section has been merged with exploration/drilling.

8. Sample preparation, method and security (Item 11)

The Exchanges agree with these amendments, but consider clarifying that this section refers to sampling completed by the issuer.

Consider requiring recommendations under Item 11(c) to instead be included in Item 26, Recommendations.

9. Mineral Resource and Mineral Reserve Estimates (Items 14 and 15)

Consider maintaining the original requirement to name the QP responsible for the resource.

10. Mining methods, Recovery methods, Infrastructure, Market Studies, Environmental contract, Capital and operating costs, economic analysis (Items 16 to 22)

Consider maintaining the original requirement to name the QP responsible for the resource.

11. Adjacent Properties (Item 23)

Consider requiring an issuer to disclose NI 43-101 compliant resources on an adjacent property, and to provide full details of the report on SEDAR, instead of the company website, to ensure the technical report remains accessible even if the company dissolves or sells the property.

12. Certificate of Qualified Person

Consider requiring the Certificate to be given equal prominence with the Date and Signature Page in 43-101F1, to ensure the Certificates are submitted.

PART III - CP 43-101

1. Definitions, “technical report”, Section 1.1(7)

NI 43-101, Form 43-101F1 and CP 43-101 generally require the issuer to determine materiality. In Section 1.1(7), the QP determines materiality for the technical report.

The Exchanges suggest the reference to “materiality” be replaced with “relevance” or some other appropriate term to prevent inconsistency or confusion of responsibility.

2. General Guidance, (6)

Consider providing links/references to a current list of industry best practice guidelines to permit updates to the list.

APPENDIX B

Specific requests for comment:

2. **Do you think we should keep, or eliminate, the short form prospectus trigger? Please explain your reasoning.**

The Exchanges support the elimination of the short form prospectus trigger for a technical report. Particularly in the case of TSX Venture issuers, the current requirement severely limits the ability to complete short form prospectus offerings. The Exchanges agree that where issuers are eligible to file a short form prospectus, the reduced costs and time delay to issuers outweigh the benefit of maintaining the current requirement.

3. **Please discuss how your answers to questions 1 and 2 might change in each of three cases described in the table.**

The Exchanges are comfortable that investors have sufficient information to make an informed investment decision in each of scenarios 1 and 2. The Exchanges do find scenario 3 more problematic, since no technical report that supports the information which is disclosed in the short form prospectus is available at the time of investment. We are supportive however of providing issuers with an alternative to raising funds under private placements. We are also supportive of security holders in the primary and secondary market being treated equally, and being entitled to the same information.

Where there are significant risks that a technical report may not support the disclosure in the prospectus, an issuer will likely prefer a private placement to a prospectus which may be required to be amended and risk rescission by investors. We therefore think the practical risk is minimized. We are also satisfied with the disclosure required identifying the new information and the responsible QP, and in particular regarding the risk that the technical report may not support the disclosure. We believe these are appropriate safeguards to inform investment decisions.

4. **If we decide to eliminate the short form prospectus trigger, is the proposed guidance in subsection 4.2(13) of the Amended Companion Policy useful? Do you have any suggestions concerning this guidance?**

The Exchanges do find the guidance in CP 43-101 useful, and relevant to supporting the removal of the short form prospectus trigger.

5. **Is the proposed new exemption relating to an acquired property helpful? Is it reasonable to expect that issuers will use the new exemption in light of the attached conditions?**

This exemption does not have any impact for TSX since it would not require a new technical report in such circumstances. For TSX Venture, many issuers will not benefit from the exemption since the technical report will be required under TSX Venture rules in a shorter time frame.

6. Do market participants use this exemption? Should we keep it in the Amended Instrument?

Although use of this exemption is not common, TSX Venture supports maintaining the exemption in the Amended Instrument, but suggests clarifying Section 6.2(3)(b) to indicate that a second technical report with certificates and consents in required.