

Canadian Coalition for  
GOOD GOVERNANCE

THE VOICE OF THE SHAREHOLDER

July 23, 2010

British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission – Securities Division  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
New Brunswick Securities Commission  
Registrar of Securities, Prince Edward Island  
Nova Scotia Securities Commission  
Securities Commission of Newfoundland and Labrador  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Yukon Territory  
Superintendent of Securities, Nunavut

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Corporate Secretary  
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Montréal, Québec H4Z 1G3

Dear Sirs:

**Re: Proposed Changes to NI 43-101 Standards of Disclosure for Mineral Projects**

We were pleased to participate in the recent investor roundtable discussion and to provide feedback regarding the proposed changes to National Instrument 43-101. In preparing these comments, we have canvassed a number of our member firms on the following primary areas:

- the extent of their use and reliance on technical reports in the investment decision-making process for mining concerns,
- their views regarding the potential elimination of the short form prospectus trigger, and
- their views regarding potential exceptions to the current requirement for filing a technical report, as contemplated in the three cases contained on page 7 of the *Request for Comments* document dated April 23, 2010.

Technical reports are broadly considered to be a valuable and important tool for investors in evaluating the equities of mining issuers. The feedback we have received indicates that our members rely on and regularly review the contents of technical reports; particularly in the context of financial modeling and formulating views on valuation. In the case of smaller-scale, lesser known issuers (arguably the group that would benefit most from the contemplated changes), technical reports can play a primary role in the investment decision-making process. In these cases, updated technical information can have a significant impact on the merit and attractiveness of an investment. Recognizing that the proposed changes represent a reduction to the current standard in terms of timeliness of potentially relevant information available to investors in contemplating a short form offering, the outright elimination of the current trigger is not considered appropriate.

#### Potential Exceptions to the Current Trigger requirement

A common challenge presented in considering each of the three cases identified in the *Request for Comments* is determining the materiality of any change in the affairs of the issuer. While the answer may be readily apparent in the case of large-scale issuers, the challenge is potentially greater in the case of smaller issuers with limited scope of operations.

To the extent this concern may be addressed, the views expressed by our members regarding *Cases 1 and 3* were generally consistent. Elimination of the short form trigger in *Case 1* (no material change in the affairs of the issuer) is considered potentially acceptable. A similar change is not considered acceptable in *Case 3* (material change to the affairs of the issuer, including mineral resources, reserves or a preliminary assessment).

While *Case 2* (material change to the affairs of the issuer, but not first disclosure or change to resources or reserves) suggests that the technical report requirement would not necessarily provide incremental information relevant to the investment decision, an updated technical report is still considered valuable to investors, particularly in the context of a short form offering where the timeline for decision-making is generally compressed. While we do not consider the elimination of the short form trigger to be acceptable in *Case 2*, we do acknowledge that the time and expense associated with producing an updated technical report in this instance may be particularly onerous for non-producing issuers. Accordingly, an exemption may be developed to accommodate this specific situation.

Once again, thank you for providing us with the opportunity to comment on the proposed changes to NI 43-101.

Yours very truly,



David F. Denison  
Chair of the Board  
Canadian Coalition for Good Governance