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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
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory

Attention:

Sheryl Thomson
Senior Legal Counsel, Corporate Finance
British Columbia Securities Commission
PO Box 10142 Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
sthomson@bcsc.bc.ca

Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22^e étage
C.P. 246, tour de la Bourse
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consultation-en-cours@lautorite.qc.ca

Dear Ms Thomson and Ms Beaudoin:

Hunter Dickinson is one of the largest mine development groups in Canada, providing services to private and publicly traded companies with mineral exploration, development and mining projects around the world. This group of companies incurred expenditures of over \$135 million on exploration and development activities in 2009. Our technical team has a broad range of skills in project planning and execution, data collection and analysis, quality control and quality assurance, deposit modelling, resource and reserve estimation, mine planning, basic engineering and managing detailed engineering, environmental management, permitting, construction management, and mining operations. The following is a compilation of our comments on the proposed changes to National Instrument 43-101.

Comments on changes to the Instrument

(1) Recognized Professional Association

In the proposed changes to the Instrument, there are general guidelines on what constitutes a professional association, and in Appendix A to the Companion Policy, there is a revised list of recognized professional associations. We have some comments about the list in Appendix A.

- i. Canadian associations are established under law whereas some of the foreign associations listed are industry groups that have no legal status. The ability to mete out discipline has a real affect on Canadian practitioners, but it is not clear that some of the foreign associations have the same capacity; therefore we are concerned that this puts investors at risk.
- ii. Canadian-based experts are subject to civil liability provisions whereas foreign QPs may not be reachable. This puts Canadian practitioners at disadvantage. It also puts issuers at risk as damages that cannot be acquired from foreign QPs may be transferred to the issuer.

We recommend that a summary of the process undertaken to assess the different associations, including the criteria used to make the assessments, be described in the Companion Policy. The characteristics of each association should be presented as a matrix so that issuers and investors can directly compare them and their equivalence.

It is our understanding from discussions with securities commission staff that the associations listed in Appendix A are the only ones recognized under the newly proposed Instrument, and application would need to be made to the CSA to assess any other association prior to an expert being recognized as a qualified person under 43-101. We recommend that this information be clearly stated in the Companion Policy, along with the instructions on how to apply for a review.

(2) Acceptable foreign code

We recommend that a summary of the process undertaken to assess the different codes, including the criteria used to make the assessments, be included in the Companion Policy.

(3) Preliminary Economic Assessment

We support the proposal to broaden the scope of a Preliminary Economic Assessment.

We question why inferred resources are still restricted to a preliminary economic assessment, as this restriction has both commercial and technical implications.

- i. Large companies with multiple properties and companies in foreign jurisdictions use inferred resources in economic analyses. We think that 43-101 puts small Canadian firms with only one or two material properties at a disadvantage as these firms cannot establish reserves if inferred resources have been used in the study.
- ii. We suggest that the constraint on using inferred resources in an economic analysis implies that measured and indicated resources have an inordinately higher, essentially 100%, certainty,

whereas inferred are treated with 0% certainty. We question this assumption. We think that there are better ways to handle inferred resources. For example, in studies of deposits that would be mined through bulk methods, this could be dealt with by designating variable levels of confidence in different areas of the pit. The level of confidence in an inferred resource is variable, even in a bulk tonnage deposit. We recommend that the assessment of whether certain blocks should be in or out of a mine plan should be left to the qualified person(s).

(4) Historical Estimate

We agree with the proposed change to the definition of a historical estimate and with the proposal to allow companies which are acquiring properties to use technical reports done for the vendor as long as they are current. We wonder, however, why you have proposed that the new owner have six months to file a technical report. Rather than imposing a new and arbitrary six-month timeframe, we recommend that standard technical report triggers should apply and a new technical report would not be required until there has been sufficient fieldwork done to produce new material technical information.

(5) Consents

We support the proposal to make an issuer or an in-house QP responsible for ensuring that disclosure is consistent with the current technical report.

We also support the proposal to allow a firm to sign off on documents for a QP formerly in its employ.

(6) Metal equivalents and gross metal values

We disagree with the proposed additional restrictions on the use of metal equivalents and gross metal values.

- i. Metal equivalents (EQs) and gross metal values (GMVs) can be useful for comparing the results between drill holes and in presenting the results of mineral resource estimates of polymetallic deposits. EQs and GMVs can simplify disclosure, and are not misleading if appropriate back up information is provided. We recommend that EQs and GMVs be allowed as long as the grade and metal price of each element involved in their calculation is clearly stated with them.
- ii. Metallurgical testwork should be representative of the mineral deposit or the recovery information derived from it will be misleading. A thorough and systematic assessment of a deposit is necessary and this is usually achieved only at an advanced exploration stage. We believe that using a stated recovery of 100%, with the caveat that recoveries will change subject to final metallurgical testwork, is less misleading and confusing to investors than using recoveries based on ongoing and incomplete metallurgical testwork in metal equivalent calculations and mineral resource estimates for earlier stage properties. The qualified person should be responsible for deciding if 100% or the specific recoveries are used.

Comments on proposed changes to the Form

Overall, we think that the new outline for technical reports is good, and believe that it will be more useable for advanced stage projects; however, we have some comments on the title and prescribed content of some of the items.

(1) Illustrations

We think that the newly proposed guidelines on the content of illustrations at each stage of development will decrease the amount of information available to investors. We recommend that the content of the illustrations should remain at the discretion of the QP.

(2) Risk factors

Under the new proposed technical report form, risk factors are to be discussed in at least four places. We recommend that all salient risk factors be discussed in the Interpretation and Conclusions section. This would enable the reader to easily find and get a comprehensive view of the important project risks.

(3) Mineral Processing and Metallurgical Testwork and Recovery Methods (Items 13 and 17)

Many QPs have found the separation of the metallurgical testwork, recovery and design information under the old form somewhat arbitrary and confusing. We don't think that the proposed names for these items under the new form will resolve this; recovery information will likely continue to be discussed under Item 13, particularly for any project for which an economic analysis has not yet been completed. We recommend the following alternative titles: Item 13 - Metallurgical Sampling and Testwork and Item 17 - Mineral Processing Design.

(4) Infrastructure (Item 18)

The proposed name for Item 18 is very general and is likely to cause some confusion with Item 5 - Accessibility, Climate, Local Resources, Infrastructure and Physiography regarding whether certain content on infrastructure needs to be repeated. We recommend that Item 18 be called Planned Infrastructure or another more specific name that clearly indicates it is the proposed new infrastructure necessary for mine development.

(5) Environmental Studies, Permitting and Social or Community Impact (Item 20)

We have some recommendations about the name of this item and its content.

- i. Waste and tailings disposal. We think that waste disposal should be included with the mining method (Item 16) and tailings considerations should be included with recovery methods (Item 17).
- ii. We are concerned about including a section on social impacts in a technical report as it is a complex subject. It is unlikely that most QPs or staff members at the commissions have the appropriate background to assess it. Nevertheless if it is included, we recommend that it should be discussed in a separate section named Social or Community Aspects, and that the content be

factual, describing data collection, progress on socioeconomic planning and assessments in order to provide a more balanced perspective on potential project risks and opportunities.

(6) Economic Analysis

We think that economic analyses are important information for investors so we disagree with the proposal to allow producing issuers to exclude this section for their producing or material expansion properties. The existing allowances under the Instrument already provide producing issuers with cost and information advantages over exploration firms and these should not be expanded.

(7) Recommendations

We believe that this section should focus on what needs to be done to address gaps in data. We are aware of circumstances where QPs have had to establish or revise a budget to meet corporate capabilities rather than recommending a program based on what in their professional judgement needs to be done. As a result, we think that a budget should only be required for a technical report that supports a new listing.

Comments on the Companion Policy

(1) Scoping Study

Section 1.1 (3) of the Companion Policy states that a Preliminary Economic Assessment is scoping study and, as a result, the industry's use of the term "scoping study" has been severely restricted. Scoping studies are not necessarily equivalent to preliminary economic assessments; in fact, they have a much broader range. Since Preliminary Assessment is a defined term in the Instrument, there is no need to limit the use of the term scoping study. We strongly suggest that this reference to "scoping study" be eliminated.

Our comments on the specific questions posed

We agree with and support the CSA's proposal of eliminating the short form prospectus trigger. As an issuer, market conditions can limit access to capital markets to short periods of time and as such, significant regulatory burden that increase the length of time to complete a financing can cause detrimental effects to a company's financing. With respect to your specific questions:

- (1) Technical reports provide key information on a project and on which investment decisions are made. Key information on a project is also provided in other disclosure material such as press releases and Annual Information Forms. For a short form prospectus, we believe that certification that the content of the prospectus is both current and correct by the qualified persons, by filing a current consent, would be adequate assurance that the information presented is current and correct.
- (2) We support the elimination of the short form prospectus trigger. The intent of a short form prospectus is to enable a company to raise funds quickly based on the completeness of their continuous disclosure record. If that disclosure record is complete and updated (as could

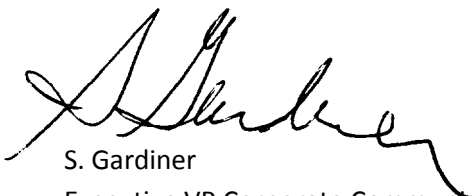
already be established under such provision as the BCSC's pre-file option), the technical report trigger creates a substantial and un-necessary delay, considerable additional expense and create delays in the issuer's fund raising activities. Furthermore, the added costs and time required as a result of the short form prospectus trigger in certain circumstances (i.e. Case 1 and 2) simply repeats disclosures that have already been previously provided in the public domain.

- (3) In Case 1, we agree with the proposal that there is no reason for a new technical report as there is no new material technical information. In Case 2, there are other triggers for the technical report so there is no need for the short form prospectus to trigger the report. In Case 3, a technical report would be required but would be subject to the 45-day delay provided for a news release.
- (4) The information in the Companion Policy is very useful as it answers most of our questions in (3). However, the required timing for filing the technical should be clearly set out in the Instrument.
- (5) The proposed exemption would be useful but we are unclear as to why six months was determined to be an appropriate time frame. Furthermore, if there is no new material technical information, we are unclear of the reasons for filing a new report. We believe that it is the responsibility of the new owners of the property to determine if there are material changes to the technical information.
- (6) We believe that the opportunity to defer a property visit is a useful exemption. There are definitely circumstances under which companies would use this exemption and so it should be included in the amended Instrument.

If you have any questions about our submission, please contact me.

Yours truly,

HUNTER DICKINSON INC.

A handwritten signature in black ink, appearing to read 'S. Gardiner', written in a cursive style.

S. Gardiner
Executive VP Corporate Communications and Reporting