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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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Dear Sirs/Mesdames:

Re: Comments on Proposed Repeal and Replacement of National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, Form 43-101F1 *Technical Report*, and Companion Policy 43-101CP

We submit the following comments in response to the Canadian Securities Administrators Notice and Request for Comment published on April 23, 2010 ((2010) 33 OSCB) on National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"), Form 43-101F1 *Technical Report*, and Companion Policy 43-101CP.

Section 9.2 of proposed amendments to NI 43-101 – Exemption for Royalty Interests

We agree with the exemption from the requirement to file a technical report for issuers whose interest in a mineral project is only a royalty interest, but feel it should be extended to issuers with other similar interests. We would propose that this exemption be available to an issuer whose interest in a mineral project is (i) only a royalty interest, OR (ii) only an interest in minerals refined from, or measured or quantified based on, production from such mineral project.

The extension of this exemption would assist those issuers who are not owners/operators and who do not have royalty interests in mineral projects, but who instead have interests that are similar to royalty interests. In particular, extending this exemption would assist issuers who hold streaming/purchase agreements entered into with the owners/operators of mineral projects. These streaming agreements are economically similar to royalty interests; however, they have different legal and tax attributes. They are similar in the sense that both royalty and streaming companies do not have working interests in a property. Therefore, they are generally not responsible for, and have no obligation to contribute additional funds for any purpose, including, but not limited to, operating or capital costs, or environmental or reclamation liabilities. Typically, both royalty and streaming interests are established through a contract between the royalty or streaming holder and the property owner.

The streaming market has been very active over the past five years since the inception of Silver Wheaton Corp., the first metals streaming company, in late 2004. Since such time, other streaming companies have come online, such as Gold Wheaton Gold Corp., Sandstorm Resources Ltd. and until it was acquired by Silver Wheaton Corp., Silverstone Resources Corp. There may also be transactions entered into by other issuers such as Franco-Nevada Corp. and Royal Gold that would benefit from the extension of this exemption.

We would also suggest that the reference to “has disclosed the scientific and technical information” in paragraph 9.2(1)(c) be replaced by “has disclosed a preliminary economic assessment, mineral resources or mineral reserves” or “has disclosed the scientific and technical information in all material respects” given that: (a) a producing issuer may not disclose the same level of scientific or technical information relating to the mineral interest that is subject to the royalty/stream given the potential difference in materiality of the mineral interest to the producing issuer, and given the reduced interest of the producing issuer in that mineral interest as a result of the royalty/stream; and (b) a producing issuer whose securities trade on a specified exchange will not be subject to NI 43-101 or other Canadian securities laws and will therefore not necessarily have disclosed all scientific or technical information that would be required to be included in an annual information form under item 5.4 of Form 51-102F2 *Annual Information Form* or a prospectus under item 5.4 of Form 41-101 *Information Required in a Prospectus*.

Thank you for the opportunity to comment on the proposed amendments.

Yours truly,

A handwritten signature in black ink, appearing to read "Nolan Watson". The signature is fluid and cursive, with the first name "Nolan" on the left and "Watson" on the right, connected by a thin line.

Nolan Watson
President and Chief Executive Officer