September 12, 2011

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Nova Scotia Securities Commission
New Brunswick Securities Commission
Prince Edward Island Securities Office
Office of the Superintendent of Securities, Government of Newfoundland and Labrador
Department of Community Services, Government of Yukon
Office of the Superintendent of Securities, Government of the Northwest Territories
Legal Registries Division, Department of Justice, Government of Nunavut

Care of

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Attention: Anne-Marie Beaudoin, Corporate Secretary

Subject: Proposed National Instrument 51-102 *Ongoing Governance and Disclosure Requirements for Venture Issuers*

It is our view that the proposed mid-year financial reporting proposal is not an adequate disclosure system for venture issuers. Specifically, it creates too much of a distinction between the regulatory requirements applicable to TSXV listed issuers as compared to those applicable to TSX listed issuers resulting in a framework where the reporting of continuous information for venture issuers could be compromised and become too subjective. The TSX listed issuers will have continuous disclosure each quarter for financial information, venture issuers will not.

TSX listed issuers and the current system for venture issuers require quarterly financial statements and Management Discussion and Analysis. By going to mid-year reporting for venture issuers, there will be too much of a gap of continuous important information that (i) shareholders or potential investors will require in determining if a venture issuer is a viable business to invest in; and (ii) regulators will have minimal oversight as a result of the proposed rules. The proposed rules will allow venture issuers to operate for six months before they have to disclose their cash position, operating expenses, accounts payable, stock options and warrants status and related party transactions. Potential investors will have limited information to make an investment decision other than through the disclosure of press releases. TSX issuers will be seen by the investment community as full disclosure reporting issuers while venture issuers will be considered a sub-tier investment with limited information.

The CSA has also suggested voluntary disclosure. Most boards, in our opinion, will have difficulty in determining what is needed to be disclosed and the detail of the information. The process of preparing quarterly financial

statements provides a structure where the audit committee and the directors of the issuers are reviewing the presentation, carrying values and determining if there are any going concern issues that need to be disclosed. The disclosure and materiality of the venture issuer and resulting disclosure will be left to management and or the directors with no structured process.

The proposed amendments will allow for a longer period of information to be reported under which the regulators will not readily have access to current information to review and investigate possible issues. The regulators will need to seek and obtain the timely co-operation of the venture issuer to obtain more current information if they should need to investigate or review any matters during the six month period. Presently we understand it is the regulators mandate to review all issuer disclosure to ensure each issuer is complying with the accepted rules. Investors should have this protection and this review provides for the development of a standard among the issuers in disclosing information. It is our view as mentioned that the issuers especially if they are active should not be segregated in this manner.

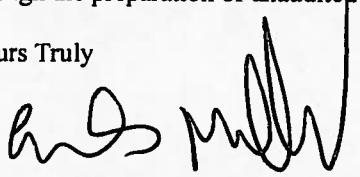
The perceived benefits of tailored regulation do not outweigh the costs associated with the distinct regulatory framework of tailored regulation. In particular, less regulation will create a sub-tier system where, as discussed above, will provide potential investors with time lagged information, subjective information and as a result may deter investors to continue to invest in those issuers who adopt this reduced continuous disclosure.

Our experience is that most issuers as a result of previous rules and regimes and timely reporting requirements take corporate governance seriously. However, those issuers with weak management teams and board of directors are the ones that will recommend that the CSA go to mid-year reporting as this will save companies on time and money. It is ironic in our view that the less diligent issuers will have an opportunity of not having to provide timely information.

We do agree that adding the Management Information Circular to the yearend financial information (ie annual financial statements and Management Discussion and Analysis) is a sensible idea. This will limit duplication of information that is presently separately disclosed in these various documents. We would encourage that this streamlining not be limited to venture issuers but provided for all issuers. At this time, other than the reporting through an Annual Information Form, all issuers are providing relatively the same information in the same format which is providing the investors the information in one standard format with which they are familiar.

We do recognize the burden of the reporting on the venture issuers who have limited resources both in financial and staff. Also many issuers are not in production and while in the development stages are carrying out programs of research and development, exploration or starting up their business. It is in this stage that the detail reporting through the Management Disclosure and Analysis is probably not providing that much additional information in each quarter. We therefore suggest that if there is to be a compromise of changing the regulatory requirements for venture issuer (voluntary disclosure is not one of them), we would suggest eliminating the Management Discussion and Analysis for Q1 and Q3. However as we have set out above we believe the reporting of financial information through the preparation of unaudited interim statements on a quarterly basis should remain.

Yours Truly



Marrelli Support Services Inc.
Per: Carmelo Marrelli, President