The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario M5H 3S8
Fax: 416-593-2318
Email: **comments@osc.gov.on.ca**

Re: Discussion paper #58-481

Dear Secretary,

The following are my comments on OSC Staff Consultation Paper 58-401: Disclosure Requirements Regarding Women on Boards and in Senior Management:

Q. What are effective policies for increasing the number of women on boards and in senior management?

A. The most effective policy for increasing the number of woman on boards and in senior management is shareholder democracy. A good example of this in Canada was the CP Rail proxy vote initiated by William Ackman's Pershing Square Capital Management. By utilizing their rights as shareholders, investors were able to successfully bring about corporate governance changes. As such I believe that organizations that promote woman need to recruit qualified female candidates and get the support of institutional investors such as pension funds (OMERS, Teachers, CPIB) and financial institutions for their slate of candidates. To support this, regulators such as the OSC need to ensure that the nomination and voting processes are conducted in a fair manner and boards and management do not put up unfair barriers to nominees proposed by shareholders.

Q. What type of disclosure requirements regarding women on boards and in senior management would be most appropriate and useful?

A. I don't think additional disclosure requirements would be useful as shareholders can already find out who is on the board and in senior management by reading the Management Information Circular, Financial Statements, MD&A and the annual information form. Attached below is an example of how disclosure on its own may not lead to good governance. As discussed in the article in Exhibit A Inspiration Mining has been involved in certain transactions that have not been in the interests of shareholders and as shown in Exhibit B during this time the company has not been in compliance with the audit committee requirements in NI 52-110 which they disclosed publicly which did not result in any governance changes as no action was taken by shareholders or the OSC as the regulator of Inspiration Mining.

Sincerely,

Tom Smith

TomSimth6000@gmail.com

Exhibit A:

David Baines: Inspiration Mining generates lots of losses, not much inspiration, but CEO Randy Miller does OK

By David Baines, Vancouver Sun columnist March 12, 2013

Inspiration Mining Corp. is not a very inspiring company, as the name might imply. “Depressing” would be a better word.

The Toronto Stock Exchange-listed company is based in Toronto, but has many Vancouver connections, starting with its president, David Randall (Randy) Miller, who is also chairman and CEO.

Miller was working as a broker at Yorkton Securities, Pacific International Securities and Canaccord Capital in 1993 and 1994 when a Vancouver Stock Exchange company called International Hi-Tech Industries Inc. soared to $10.50 and became the most highly capitalized company on the exchange.

The stock hike was rather curious because the company had produced nothing but puffy news releases and hefty losses.

On closer inspection, it became clear that somebody was high-closing the stock — an illegal manipulative technique designed to ensure the stock closes the daily trading session on a high note.

That “somebody,” it turned out, was Miller, who was trading the stock on behalf of a Lebanese national who was living in Beirut in a house owned by International Hi-Tech’s president.

The exchange commenced a disciplinary action and in August 2000, Miller admitted his sins and agreed to a three-year suspension of his broker’s licence and to pay $30,000 in fines and costs.

By this time, Miller had become president and a director of Inspiration Mining, which was exploring some mineral claims on Vancouver Island.

In 2005, the company began to focus on a prospective nickel property it had acquired near Timmins, Ont. (the Langmuir claims).

It produced some promising drill results and nickel prices were soaring. The company also spent heavily on investor relations activities. During 2007, IR expenses totalled $2.17 million, up from $170,753 the previous year. In April 2007, the company obtained a listing on the Toronto Stock Exchange, which gave it additional credibility. The following month, the stock peaked at $7.69, enabling the company to raise large amounts of equity capital. During 2007 alone, it raised more than $40 million.

Meanwhile, the company became embroiled in an ownership dispute with the vendor of the Langmuir claims. To settle the matter, it agreed to pay $465,000 plus $50,000 US per year in advance royalties. Legal costs added another $70,931.

Miller had a personal interest in the Langmuir property. If it ever went into production, the company would have to pay him a one-per-cent net smelter royalty. In 2007, the company acquired this interest from him for a total of $687,738.

Miller was also making a handsome salary. In 2005, his compensation package jumped from $36,000 to $212,175. By 2007, it had reached $240,000.

In August 2007, he purchased a house at 4659 Woodgreen Drive in West Vancouver for $1,625,000 (the property is registered in his wife's name) and began an extensive renovation project. In 2011, he advertised it for sale for $4.2 million but has since taken it off the market. The property has remained vacant since he bought it (He and his wife continue to reside in Newmarket, Ont.).

In 2008, the company's fortunes reversed. Nickel prices plummeted and equity markets began to dry up. By July 2009, Inspiration's stock price had plunged to 60 cents.

Then the company did a very odd thing: rather than conserving capital, it agreed to lend up to $6 million to an unidentified Luxembourg company to buy European mutual funds.

The loan was initially payable on demand, but later converted to a term loan with repayment due in July 2014. Interest was initially payable at prime plus four per cent, then reduced to a straight four per cent.

Miller refused to tell shareholders who he loaned the money to, and why. He also refused to tell Luke van der Horst, a retired Vancouver lawyer who had joined the board in April 2010.

"When I asked who the borrower was, Mr. Miller became quite agitated and refused to tell me," van der Horst told me this week.

Van der Horst felt he was entitled to an answer, especially since he was a member of the company's audit committee. He said that, due to the lack of information, he quit after only

four months. (When he left, Miller issued a release saying van der Horst had resigned "to pursue personal projects.")

By September 2010, Inspiration had advanced the full $6 million to the mystery Luxembourg company. By the end of the following year, the amount owing had ballooned to $6.5 million with accrued interest.

Security was said to be a first charge over the borrower's assets, including the mutual funds, but the value of those funds rapidly declined.

By September 2012, the company had written down the amount owing by $2.65 million to $4.1 million (which was said to be the value of the mutual funds).

By Dec. 31, the reported value of those funds had further declined to $3.5 million. That's a $3.25-million writedown on account of Lord-knows-what.

Despite the dramatic reversal in the company's fortunes, Miller's compensation kept rising. In 2010, it peaked at $884,500, consisting of $382,500 cash and $502,000 in option-based awards.

During the year ending September 2012 — the company's last reporting period — he collected $498,000 cash. That consisted of $30,000 per month for consulting fees, a car allowance of $1,500 per month (at last report, he was driving a Porsche Panamera), and $10,000 per month for office space that he rents to the company.

Miller has also negotiated rich severance provisions. In the event of death, retirement or disability, he is entitled to two times his average salary and bonus.

If he resigns "for good reason" he is entitled to his pro-rated salary for that year, plus six times his annual salary. ("Good reason" includes any change in his title, responsibilities or compensation as a result of a change of control.)

As events unfolded, the Langmuir property never went into production, so all the money paid to Miller for his net smelter royalty was for naught. The company is reviewing options for the property, which include selling it. Cumulative losses now exceed $36 million.

The company is now shifting its focus to potash. Last June, it paid $2 million for a 20-per-cent interest in Potash Dragon Inc., a private company domiciled in Barbados. It has a potash project in Chile.

The market, apparently, could care less. The company's stock price closed Tuesday at eight cents, about one-hundredth of is peak price. Investors are obviously looking for inspiration elsewhere.

Exhibit B:

INSPIRATION MINING CORPORATION MANAGEMENT INFORMATION CIRCULAR 2010	There is an additional requirement for independence with respect to a member of the Audit Committee. To be considered an independent member of the Audit Committee, members must also meet the independence requirements set out in section 1.5 of NI 52-110. For the purposes of Audit Committee membership, Ian Stewart is considered to be independent, and Herbert Brugh and Stewart Jackson are considered not to be independent. Mr. Herbert Brugh is not considered independent as he received fees for professional services from the Corporation. Mr. Jackson is not considered independent as he received fees for geological and geophysical services he provided to the Corporation. All of the members of the Audit Committee are financially literate. **The composition of the Audit Committee does not currently comply with the requirements of section 3.1 of NI52-110.** **The Corporation is currently looking at prospective directors to add to the board and the Audit Committee to ensure compliance with NI 52-110.** After the Meeting, the Audit Committee will be comprised of Albert Louis van der Horst, Herbert Brugh and Ian Stewart.	**Not compliant with section 3.1 of NI52-110.**
INSPIRATION MINING CORPORATION MANAGEMENT INFORMATION CIRCULAR 2011	There is an additional requirement for independence with respect to a member of the Audit Committee. To be considered an independent member of the Audit Co mmittee, members must also meet the independence requirements set out in section 1.5 of NI	**Not compliant with section 3.1 of NI52-110.**

	52-110. For the purposes of Audit Committee membership, Victor Cantore is considered to be independent, and Herbert Brugh and Ian Stewart are considered not to be independent. Mr. Herbert Brugh is not considered independent as he received fees for professional services from the Corporation. Mr. Stewart is not considered independent as he is the President of the Corporation. All of the members of the Audit Committee are financially literate. **The composition of the Audit Committee does not currently comply with the requirements of section 3.1 of NI52-110. The Corporation is currently looking at prospective directors to add to the board and the Audit Committee to ensure compliance with NI 52-110.** After the Meeting, the Audit Committee will be comprised of Victor Cantore, Herbert Brugh and Ian Stewart.	
INSPIRATION MINING CORPORATION MANAGEMENT INFORMATION CIRCULAR 2012	There is an additional requirement for independence with respect to a member of the Audit Committee. To be considered an independent member of the Audit Committee, members must also meet the independence requirements set out in section 1.5 of NI 52-110. For the purposes of Audit Committee membership, Victor Cantore, George Heard and Herb Brugh are considered to be independent. All of the members of the Audit Committee are financially literate. **The composition of the Audit Committee does not currently comply with the requirements of section 3.1 of NI52-110. The Corporation is currently looking at prospective directors to add to the board and the Audit Committee to ensure compliance with NI 52-110.** After the Meeting, the Audit Committee will be comprised of Victor Cantore, Herbert Brugh and George Heard.	**Not compliant with section 3.1 of NI52-110.**

INSPIRATION MINING CORPORATION MANAGEMENT INFORMATION CIRCULAR 2013	There is an additional requirement for independence with respect to a member of the Audit Committee. To be considered an independent member of the Audit Committee, members must also meet the independence requirements set out in section 1.5 of NI 52-110. For the purposes of Audit Committee membership, Victor Cantore, George Heard and Herb Brugh are considered to be independent. All of the members of the Audit Committee are financially literate. **The composition of the Audit Committee does not currently comply with the requirements of section 3.1 of NI52-110 as Mr. Heard resigned as a director of the Corporation and was replaced by Mr. James Davis, who was the former Chief Financial Officer of the Corporation**. After the Meeting, the Audit Committee will be comprised of Victor Cantore, Herbert Brugh and Robert Maddigan.	**Not compliant with section 3.1 of NI52-110.**