



February 10, 2014

Via E-Mail

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

Dear Sirs/Mesdames:

Re: Multilateral CSA Notice 45-312 - Proposed Prospectus Exemption for Distributions to Existing Security Holders (the "Proposal")

We are writing in response to your request for comments on the Proposal.

Overall, we are in favour of implementation of the Proposal. We welcome the initiative to assist junior reporting issuers with options for growth during periods of market volatility. We think the policy reasoning behind the Proposal (specifically the combination of continuous disclosure records and previous investment decision-making) is sound and that the Proposal provides a more efficient and cost-effective way for issuers to access capital from their existing shareholder base in comparison to rights offerings and other existing alternatives.

We also offer two suggestions for improving the Proposal:

1) We believe the Proposal should be expanded beyond offerings of listed equity securities (with or without accompanying warrants) to include offerings of other securities convertible into listed equity securities. Many venture issuers, particularly in the resource sectors, rely heavily on acquisition financing, often in the form of subscription receipts and special warrants, in order to acquire new assets and properties to grow their businesses. Convertible securities in the context of acquisition financing are also attractive to investors as a means to participate in an issuer's success while providing greater investor protection than listed equity securities in the event that an issuer's acquisition is not successful. In some cases, market conditions prevent venture issuers from raising funds for an acquisition using offerings of listed equity securities and such issuers are only able to raise funds for their acquisitions by offering subscription receipts or special warrants convertible into listed equity securities. We believe this amendment to the Proposal would assist many junior issuers with the specific business problems that they face by providing them with greater flexibility to structure potential securities offerings in the context of current market conditions.

2) Based on client feedback to date, we believe that the combination of the \$15,000 individual maximum investment (over twelve months) and the four month hold period should be reconsidered to make the exemption described in the Proposal more attractive to investors. Clients have expressed concern that these restrictions in the Proposal reduce the economic incentive of an investor to participate in an offering effected using the exemption described in the Proposal versus simply purchasing the listed equity securities of the issuer through the facilities of the TSX Venture Exchange. As a potential solution, we suggest that the Proposal be amended such that the four month hold period be applicable to an offering effected using the exemption described in the Proposal only if such offering is undertaken at a lower price than the most recent closing price of the listed equity securities on the TSX Venture Exchange as of the date that the terms of the offering are publicly disclosed. We believe this amendment would significantly increase the usefulness of the Proposal to venture issuers and to investors, while still addressing potential regulatory concerns.

Sincerely,

"Adrian Harvey"

Adrian Harvey
For and on behalf of
BURSTALL WINGER LLP