CADILLAC MINING CORPORATION

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BRITISH COLUMBIA SECURITIES COMMISSION
Box 10142 Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2

Attention: Larissa Streu, Senior Legal Counsel, Corporate Finance

Sirs:

RE: MUTILATERAL CSA NOTICE 45-312: PROSPECTUS EXEMPTION FOR DISTRIBUTION TO EXISTING SECURITIES HOLDERS

I wish to express our limited support for the above-captioned initiative to relieve some of the regulatory constraints on the private financing of junior issuers. While we will in all likelihood use the exemption when the general market improves, I must state that the sole proposal falls far short of remedies required of the current situation.

Firstly, some general comments are necessary: To constrain financing sources as has developed over the past few years can only strangle our industry. It is obvious that the banking cartel will applaud this strangulation, but that is the only (short-sighted) group that possibly can enjoy or benefit from the demise of the sector. Further, the context within which regulations are formulated by the Securities Commissions appear to presuppose that all of us who participate in junior exploration are either latent or active criminals, and that all investors/speculators are brain-dead. I beg to differ, and would like to suggest that if you care to tar the professionals in our industry with such a brush, that the same instrument should also be applied to the professionals in your industry. Obviously the latter would be unreasonable; so is the former. As to the speculators, they are smarter than you think, to the extent that some are sharp enough to initiate lawsuits against brokers as a means of shirking personal responsibility for poor decisions. Reporting issuers disclose reams of information available to anyone to review. Still, it is agreed that the public needs some protection, but not to the level that all responsibility has been totally removed from the individual, which precept is helping to drive the junior sector over the cliff. Rather than condemn the insiders, and wet-nurse the remainder, the BCSC has the ability to more aggressively prosecute the malfeasants, (many of whom appear to operate in the non-reporting sector), which strategy the rest of us would applaud.

In its campaign to regulate, it appears the BCSC (and the other commissions) have limited or no understanding of the short and long-term wealth-creating capacity of the junior issuers. It is true that many die or absorb in the course of the business cycles we suffer (more severely than other sectors), but the writer must state that the monopolization of the financial industry by the big banks, the algorithmic trading (largely supported by the banks), the ability to short on down-ticks, without borrowing stock, and so on, as has been described in detail by many other parties, are going to cause such a contraction in our business that recovery of the sector to its former health and long-term effectiveness cannot occur. Our industry is responsible for the creation of wealth in both the short and

long term. Regarding the short-term effects, I suggest you survey your friends in the legal industry as to the number of paralegals laid off recently.

In summary, not only should the private financing regulations be overhauled for the long-term, with the current proposal as only a first step, (with no sunsets, thank you), but the very prejudicial trading regulations mentioned above must also be drastically revised particularly as applied to low-capitalization junior firms. Regulators destroyed the ability of the American exploration sector to finance; please do not repeat those errors, as the industry is definitely of much greater value in the Canadian context.

Turning to your nine "questions", it appears most are based on the premise that the "investor" (who in reality should be referred to as a "speculator") requires such a level of protection by regulatory and broker rules, that most are precluded from participating. Firstly, let's properly call him a "speculator", which term may scare off those who should in fact be discouraged. Next, I would suggest that if limits are deemed necessary, let us avoid the one-size-fits-all approach. The speculator should decide what is best for him, or failing that, set limits proportionate to net worth (brackets), and/or to a proportion of the issuer's specific funding. As to investment dealer advisory qualifications, those that know how to make a quick-flip are most abundant; those that truly know much about the minerals exploration business are very scarce. Consequently, I doubt many have any greater abilities to discern quality/risk than do the speculators. Further, attempting to restrict the exemption to TSXV issuers to the detriment of the CSE is ridiculous, as has likely been noted by Mr. Goodman by now. Finally, the undersigned has not considered the questions of hold period, or "record date", as they are but details that reason can resolve.

Prior to closing, the writer, as an experienced officer of Cadillac Mining Corp. and previously of other junior issuers, and a speculator in his own right, would like to reflect on the strong legalistic bias to most of the documentation we distribute and consume. The notes to financial statements contain as much "policy" verbiage as real data; the MD&A contains an unhealthy proportion of legalese; the Information Circular could be reduced by 80% to contain only useful data; and prospectuses are a legal field day. I personally believe that if the public is deemed by the regulators to be uninformed, it is due in part to the prescribed documentation the issuer must distribute. I personally cannot bear to read most of these repetitious documents. Let's educate the public by providing a far greater proportion of hard data in these instruments.

In closing, we support the initiative but it is far more important that the broader, systemic problems and prejudices be removed from the regulations and processes, if our industry is to survive in an effective form and critical mass.

Thank you for your consideration,

Victor F. Erickson, P.Eng.
President & CEO