

Dear Sirs/Mesdames:

I write in response to the Proposed Exemption. I work closely with several TSX Venture Exchange ("Exchange") listed issuers and issuers listed on the CSE.

I strongly support the Proposed Exemption. The current state of the financial markets and especially the situation of many Exchange listed issuers is dire. Finding the resources to run a public company has become an immense challenge. The cost of raising capital is also very high. The only real viable option for Exchange issuers is to complete non-brokered private placements. Any sort of prospectus offering or rights offering is ridiculously expensive, with most of the money raised going to lawyers, brokers and filing fees. The same is true for brokered private placements. Between corporate finance fees and lawyers' fees, there is little money left of the proceeds for actual use by an issuer.

In many cases, an issuer needs to raise money for working capital just to stay alive. The very heart of the venture markets, the search for and acquisition of grass roots resources properties, is not an option right now.

In completing a non-brokered private placement, an issuer realistically only has two exemptions available: the accredited investor exemption and the friends, family and business associates exemption. These two exemptions severely limit who can invest in a private placement. Many would-be investors either do not meet the requirements for accredited investor status or do not have a close relationship with an issuer's directors and officers. Because of this, I feel the Proposed Exemption would greatly benefit an issuer in raising capital. A current shareholder has a vested interest in the issuer and should be able to continue to support the issuer and have an opportunity to invest on par with accredited investors and insiders and their close friends, family and business associates. A current shareholder could purchase shares in the secondary market but with little or no benefit to the issuer. If they were able to purchase securities directly from the issuer through a private placement, they could support the issuer financially and benefit directly from the results.

Current shareholders have prior knowledge of an issuer by virtue of already investing in such issuer. They know enough about the issuer to have already become a shareholder. I think they should have an equal opportunity to participate in a private placement.

I provide the following answers to the questions set out in your Multilateral CSA Notice 45-312:

1. I believe many issuers will utilize the Proposed Exemption.
2. The Proposed Exemption should be made available to issuers listed on other Canadian markets, including the Canadian Securities Exchange.
3. I believe that the limit investors should be able to invest in a 12-month period should be at least \$30,000. The rationale behind this limit is that realistically, most of an issuer's current shareholders will not avail themselves of the Proposed Exemption simply because of the state of the venture markets; however, there will be some shareholders who will want to utilize the Proposed Exemption and if an amount above \$15,000 is available to be purchased, then those shareholders should be able to invest as much as

\$30,000. Also, if there are only a few shareholders willing to invest, the greater amount will make more sense from the offering standpoint.

4. Item 3 answers some of this question. Also, a shareholder who already has a significant interest in an issuer should be able to invest more, up to \$30,000.
5. I agree that there should be no investment limit if an investor receives suitability advice from a registered investment dealer.
6. I believe being a current shareholder enables an investor to make a more informed investment decision in that issuer.
7. I believe 10 days before the announcement of an offering is an appropriate record date.
8.
 - a) I agree that a four month hold period is appropriate for this exemption.
 - b) I do not believe additional continuous disclosure is required for this exemption. It is assumed that a current shareholder already knows about an issuer and any further disclosure would be an additional cost to the issuer and not necessarily reviewed by the shareholder.
 - c) I believe there should be some restrictions on insider participation.
 - d) I believe a news release outlining all the terms of the offering should be sufficient disclosure in order to ensure that investors are aware of and have had an opportunity to participate in the offering.
9. I believe pricing should be consistent with existing pricing structures applicable to issuers on the exchange on which they are listed.

Thank you for your consideration.

Carrie Cesarone