



*Via Email*

January 14, 2014

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The Secretary  
Ontario Securities Commission  
20 Queen Street West, 22nd Floor  
Toronto, Ontario, M5H 3S8  
comments@osc.gov.on.ca

Dear Sirs and Mesdames:

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

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We write in response to your request for comments on the Exemption. The writer is the President and Chief Executive Officer of Canadian International Minerals Inc.

We believe that the Exemption will be beneficial to the public venture capital market. We support the introduction of the Exemption and believe it will aid junior companies to raise needed capital and will attract and empower shareholders. We urge you to implement the Exemption as soon as possible. The costs involved in raising capital through prospectus offerings or brokered private placements are very high, so we expect that the Exemption when implemented will allow companies to raise funds quickly and with much lower costs similar to non brokered placements.

We strongly support the Exemption, and see a critical need to bring it into effect as soon as possible. We offer the following comments to the questions posed by you in Multilateral CSA Notice 45-312:

- We feel the “record date” for security ownership should be a maximum of 10 days before the date of announcements of the offering. Much of an investor’s knowledge of an issuer is acquired before he or she makes the decision to invest. Accordingly, we do not see any reason why investors should be unable to participate in an offering of an issuer’s securities immediately after their purchase of the issuer’s securities in the public market. We believe that in many instances, the day after making a decision to purchase an issuer's securities in the public market may be one of the times an investor is most familiar with, and best informed about, that issuer.



- We believe the \$15,000 limit on the total amount that can be invested in any 12-month period (without suitability advice from a registered investment dealer) is too low. The success of the Exemption, assuming it is implemented, will not only be measurable in how many shareholders participate in such offerings, but also in the amount of money issuers are able to raise in reliance on the Exemption. We acknowledge that limiting the amount of total loss is a valid consideration in implementing a prospectus exemption; however we feel that a \$30,000 limit strikes a fairer balance between the need to protect investors, the right of investors to make their own investment decisions and the need to allow junior issuers to raise meaningful levels of capital in reliance on the Exemption.
- While we do not oppose a seasoning or hold period, we feel that, generally, the traditional “four month hold period” is no longer necessary with the current amount of public disclosure and should be revised or removed in the context of most, if not all, prospectus exemptions. SEDAR and SEDI are well established and technology has allowed the pace of capital markets and the amount of public access to information concerning companies to increase considerably, and accordingly the resale restriction regime should be reviewed. Imposing a four month hold period on securities issued in reliance on the Exemption decreases the attractiveness of such securities from the perspective of an investor, and accordingly would decrease the potential effectiveness of the Exemption.
- We agree that there should be no investment limit if an investor receives suitability advice from a registered dealer.
- We strongly oppose coupling the use of the Exemption with any disclosure requirements beyond a comprehensive news release. Requiring an offering document to be delivered or an annual information form to be filed runs counter to the spirit and purpose of the Exemption, being that issuers should have an opportunity to distribute securities from treasury to those investors who are already familiar with the issuer and its business without prohibitively expensive and cumbersome disclosure obligations and filing requirements.

In closing, we applaud the participating jurisdictions for taking the initiative to propose the Exemption and hope that you implement it as soon as possible.

Yours truly,

**CANADIAN INTERNATIONAL MINERALS INC.**

Per: “*Michael Schuss*”

President and Chief Executive Officer