

January 15, 2014

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

To Whom It May Concern:

Re: Multilateral CSA Notice 45-312
Proposed Prospectus Exemption for Distributions to Existing Security Holders

Based upon your invitation to offer feedback on the above noted proposal, I offer the following comments on two questions posed in the Notice as follows:

4. In what circumstances would it be suitable for an investor that is a retail security holder to invest more than \$15,000 in a TSXV issuer?

I believe this should be a three criteria test; first, accredited investors; second, insiders; and, third, retail investors who are neither insiders nor accredited investors (NINA). An accredited investor would not be restricted by the \$15,000 limit but would be subject to the current rules for accredited investors. If an insider does not meet the accredited investor criteria they would have a limit of \$25,000 rather than the \$15,000 limit to recognize they have a broader knowledge of the Company and recognizes that they currently have an exemption to participate in private placements without an investment restriction. Finally, the NINA would have the \$15,000 restriction reflecting the intent to limit their loss exposure based upon their financial wherewithal and knowledge of the Company.

7. What is the appropriate record date for the exemption? Should it be one day before the announcement of the offering or should it be a more extended period? If you think it should be a more extended period, what would be the appropriate period of time?

I believe the record date should be more than one day following the announcement of the offering. The rationale is based upon one of the fundamental considerations for extending the prospectus exemption to retail investors being to increase their opportunity for participation in TSXV issuer private placements where advantages in such investments are available to accredited investors such as: discounted pricing, avoidance of brokerage commissions, and the

acquisition of warrant “sweeteners” typically issued with shares in private placements to accredited investors. Accordingly, there should be a reasonable period for not only existing NINA at the time of the announcement but other NINA to acquire a position that would allow them to participate in the private placement. It would seem this should be a minimum of two calendar weeks to allow sufficient time for the information to be available in the market and for such news to be spread by various parties and communications means. Three calendar weeks seems like the right time as this allows for investor holiday periods both from a statutory perspective and common employment vacation periods of one or two weeks.

Thank you for the opportunity to provide some thoughts and I hope such have offered some value in the decision process.

Kind regards,

/signed/

Gene Kelly
Chief Financial Officer