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January 17, 2014

**VIA EMAIL**

TO: 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  
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

AND TO: **c/o Larissa Streu**  
Senior Legal Counsel, Corporate Finance  
**British Columbia Securities Commission**  
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AND TO: **c/o Tracy Clark**  
Legal Counsel, Corporate Finance  
**Alberta Securities Commission**  
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Fax: 403-297-2082  
[tracy.clark@asc.ca](mailto:tracy.clark@asc.ca)

Dear Sirs and Madams:

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

This letter is submitted on behalf of Bennett Jones LLP ("**Bennett Jones**" or "**we**"), in response to the Canadian Securities Administrators ("**CSA**") request in the above identified notice ("**MI 45-**

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312") for comments concerning the adoption of a new prospectus exemption for distributions to existing security holders of securities of TSX Venture Exchange issuers (the "**Proposed Exemption**"). Bennett Jones welcomes the opportunity to make this submission.

We view the Proposed Exemption for existing security holders to be beneficial to the public venture capital market. We believe the Proposed Exemption will expand and expedite capital raising opportunities for small and medium sized enterprises listed on exchanges in Canada. We believe the current exemptions often prevent retail investors from participating in desirable private placements. It is common to see the same accredited investors on subscriber lists for private placement(s); it would be a positive development to liberalize the exemption regime as it would increase the opportunity for retail investors to participate in offerings.

We also believe the Proposed Exemption has the potential to assist venture issuers in raising capital more efficiently in Canada, particularly in difficult market conditions.

With respect to the Proposed Exemption being available to issuers listed on other Canadian markets, we believe it should be expanded. We believe that many reporting issuers could benefit from the Proposed Exemption and as they are all subject to continuous disclosure requirements, it would be appropriate to expand the Proposed Exemption accordingly.

As discussed above, we support the CSA's implementation of the Proposed Exemption and believe it will aid venture companies in raising additional capital while keeping shareholders engaged.

If you would like to discuss the foregoing, please feel free to contact me directly or my colleague Michael Lickver (lickverm@bennettjones.com) at your convenience.

Yours truly,

Darrell R. Peterson

DRP/mr

