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Dear Sirs and Mesdames:

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

I am the President of a TSXV listed issuer and write in response to your request for comments on the Exemption.

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 10 days before the announcement 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 between \$20,000 to \$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,

GLOBAL MET COAL CORPORATION



George W. Heard

President