

29<sup>th</sup> of June, 2007

Canadian Securities Administrators  
c/o Manitoba Securities Commission  
500 – 400 St. Mary Avenue  
Winnipeg, MB



re: Proposed 31-103

To the Canadian Securities Administrators and the Public:

My company and I, as President, wish to strenuously object to this proposed unnecessary regulation of exempt offerings on several grounds:

1. The new exemptions for accredited investors, a class of individuals deemed sufficiently capable of reaching their own investment judgements, were deemed acceptable and there has been no evidence presented that this is not functioning well.
2. The proposal would greatly encumber small companies like Exploratus in their efforts to gain financing, as well as increasing the costs of doing so, especially as Investment Dealers frequently refuse to raise smaller amounts of funds.
3. The proposed registration burden will effectively drive out of business many of the current consultants who help small companies raise capital from accredited investors and institutions.

It seems that this is indirectly an effort by Investment Dealers to corral all of the capital markets activities and trading of junior companies which has fallen outside of the Investment Dealers' reach due to their cost structure and focus.

Yours truly,

S. Mark Francis  
President