

**From:** Graham Scott [mailto:gscott@vectorlaw.com]  
**Sent:** Tuesday, October 11, 2011 09:36 PM  
**To:** Alex Poole  
**Subject:** 41-101 Proposed Amendments

Dear Mr. Poole:

The CSA Notice dated July 15, 2011, contained the following section:

**Questions relating to Non-Issuer's Submission to the Jurisdiction and Appointment of Agent for Service**

As described in paragraph (g) of the "Summary of Key Proposed Amendments" section of this Notice, we are considering further extending the requirement to file a non-issuer's submission to the jurisdiction and appointment of an agent for service form to all foreign experts who have consented to the disclosure in a prospectus of information from a report, opinion or statement made by them.

We are interested in your general comments on this potential change. In particular, we welcome your comments on the following questions:

(a) Do you believe that it is appropriate to extend the requirement to file a non-issuer's submission to the jurisdiction and appointment of an agent for service form to foreign experts who have consented to the disclosure in a prospectus of information from a report, opinion or statement made by them given that these persons are liable under our statutory liability regime for misrepresentations in the prospectus that are derived from that report, opinion or statement? Why or why not?

(b) If foreign experts are required to file a non-issuers' submission to the jurisdiction and appointment of an agent for service form, do you anticipate that this obligation will impose any significant practical or financial burden on these experts or issuers? If so, please explain why. Would your response change if the form requirement for foreign experts only concerned either submission to the jurisdiction or an appointment of an agent for service?.

My answers are as follows, with particular reference to "Qualified Persons" under NI 43-101:

(a) No, it is not appropriate. The principle underlying 43-101 is that a QP is a member of a professional body which has internal disciplinary powers. The QP will be independent, and should not share the same liability as a director of the issuer. In the event of a misrepresentation, it is the duty of the QP's professional organization to investigate and to take whatever steps may be warranted.

(b) If the requirement to file is brought into effect, it would impose significant practical and financial burdens. Many Canadian issuers have mineral properties in jurisdictions outside North America. Requiring a QP to file will result in many QPs simply rejecting the engagement because of the additional cost and potential legal exposure, thereby reducing the pool of QPs who would be willing to prepare a technical report. As soon as the pool of QPs is reduced, the quality of the report will

inevitably deteriorate. Canadians deserve the best information in a prospectus in order to make an informed investment decision, and by effectively reducing the pool of QPs for an overseas property to primarily Canadian individuals, the Canadian investor will be deprived of this opportunity.

For these reasons, in my view the proposals are ill-advised, and should be rejected.

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