



June 29, 2011

Secretary of the Commission
Ontario Securities Commission
20 Queen Street West
Toronto, Ontario
M5H 3S8

By email to: jstevenson@osc.gov.on.ca

Dear Sir,

I am pleased to respond to the Ontario Securities Commission Request for Comment on the TMX Group Inc. and TSX Inc. (TMX) proposed transaction with London Stock Exchange Group PLC (LSE Group). Specifically, my comments will address Question 15: *“What impact will the Proposed Transaction have on issuers’ ability to raise capital and on investors wanting to trade securities.”*

With extensive experience in the resources industry and with venture companies specifically, I have a unique and qualified perspective on the needs of issuers and the challenges of accessing capital. Following a successful law practice, I began my career in the resource industry in 1987, serving as Executive Director of Deak Resources Corporation and as Chairman and CEO of both MacDonald Mines Exploration Limited and MacDonald Oil Exploration Limited. I have also been a director of numerous resource companies including Northfield Capital Corporation, Northfield Minerals Inc., NFX Gold Inc., Genoil Inc., Nuinsco Resources Limited, Perrex Gold Inc., Conquest Resources Limited and Armistice Resources Limited. Currently, I am the President of Fletcher Nickel Inc. and in 1998 I was elected a director of a TSX Venture Exchange listed company, KWG Resources Inc., and became its CEO in 2004. KWG is currently involved in the development of the significant discovery of chromite in the James Bay lowlands of Northern Ontario (the “Ring of Fire”).

The vast majority of junior mining companies in Canada are at the exploration stage and thus have no income. With needs reaching beyond private equity and debt financing, these companies seek public equity to finance their projects. TSX Venture Exchange currently meets the needs of these companies, but the prospect of a merger with the London Stock Exchange Group shows great potential for our industry.

Richard Nemis, former President of the junior company Noront, which made the initial discovery in Ontario’s “Ring of Fire” chromium region, is just one of many in our industry

Executive Office: 141 Adelaide Street West, Suite 1000, Toronto, ON, M5H 3L5, (416) 642-3575

Corporate Office: 600 Boulevard de Maisonneuve Ouest, Bureau 2750, Montréal, QC, H3A 3J2

who sees this potential. In his words, "the merger of the TMX and LSE is possibly the single best thing that could happen for the junior mining industry." His confidence in the prospects of this merger is shared by many in our industry, including me.

A closer relationship with the LSE Group would open the door to a market that is double the population of Canada, and also one with great wealth. Investors in their market are predominantly what we call accredited investors, and by merging TMX and LSE Group, the junior mining industry in Canada will have access to many, many times more accredited investors than we do today.

When junior companies seek to raise money in public markets, they mostly do so through private placements to accredited investors. The merger of TMX and LSE Group will greatly expand the opportunities for junior mining companies to access capital through public markets and accredited investors.

The merger will also be good for junior public companies in terms of liquidity. Following the merger, we anticipate an increase in liquidity in junior stocks after they have been issued in private placements. Put simply, the buying and selling at a stock exchange is effectively an auction, as with the auctioning of anything, the more potential buyers there are in attendance, the more bids there will be for the offerings. The buyers will not just double in number, they will multiply, and liquidity will greatly expand for the shares in mineral exploration companies.

Because so much of the LSE Group's centuries of experience are built on international commodities trading, there is profound institutional expertise in resource risk analysis in London. They know mining. I predict that a merger of TMX and LSE Group will precipitate an entirely new era of exploration and discovery because more smart money will be shown the opportunities and understand what they are looking at.

The success that the mining industry has brought to Canada is centered in Toronto. Now Toronto is ready to grow this success on a world stage. With greater ties to London and Europe, the flow of expertise and capital through these international gateways will bring exponential growth to our industry.

In closing, I would like to emphasize my support of the proposed transaction and reiterate my confidence in the positive impact it will have on issuers' ability to raise capital and on investors wanting to trade securities.

Thank you for taking my comments into consideration. I would be pleased to speak further to these points at the public hearing in July.

Sincerely,



Frank C. Smeenk
President, KWG Resources Inc.