CSA PROPOSES CHANGES TO BENEFICIAL OWNER COMMUNICATIONS

On April 10, 2010, the Canadian Securities Administrators (“CSA”) published for comment proposed amendments to National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer and related National Instruments. The comment period ends August 31, 2010 but an implementation date has not been proposed. The CSA Proposal improves the current system and should reduce the cost of conducting a security holders meeting and reduce the complexity of the process that confronts security holders.

Simplification of the Beneficial Owner Proxy Appointment Process

The current voting instruction system for beneficial owners requires owners to communicate with their financial intermediary their desire to be appointed as a proxy holder and to instruct the financial intermediary to provide them with a legal proxy. This process results in a back and forth exchange that is time consuming and confusing to the beneficial owner.

The CSA proposal eliminates the legal proxy and uses a more streamline process by which owners may complete the voting instruction form appointing themselves as a proxy holder. The form must be submitted to the intermediary who will then pass the form to the proxy tabulator or meeting scrutineer for processing. As a result, owners will be able to attend and vote at the shareholders meeting without further action on their part.

Notice and Access

In January, 2009, the Securities and Exchange Commission introduced its Notice and Access process to its registrants. The CSA is now following suit with a similar process. The CSA proposal provides for the issuer to (1) post the information circular and related materials to a website (other than the SEDAR website) and (2) send a notice to the beneficial owners informing them that the proxy related materials have been posted and how to access them. The voting instruction form would be sent with the notice of meeting to the owner. The introduction of this process should result in reduced printing and mailing costs to the issuer.

Under the proposal, the owner has the option of requesting a paper copy of the circular to be provided by the issuer at its expense. The CSA has also limited the use of Notice and Access to non-special meetings. Special meeting is defined as a meeting where fundamental changes to the company are being considered; normally requiring a special resolution to be passed with a two-thirds majority.

Olympia’s Vancouver Office Expands

We are pleased to announce that Olympia has outgrown its Vancouver office and has had to move to expanded premises. Effective July 7, 2010, we are located at 750 West Pender Street Suite 1003 Vancouver, BC V6C 2T8. Our contact information remains the same: telephone 604-484-8637, fax number 604-484-8638. Should you require our assistance, please feel free to directly call Laurie Waddington, Manager, Corporate & Shareholder Services, Vancouver at (604) 484-8612.
Additional Disclosure Regarding the Beneficial Owner Voting Process
The CSA is also proposing that issuers disclose additional information about their beneficial owner voting process. First, the CSA will require an issuer to disclose if it chooses not to mail to Objecting Beneficial Owners and to disclose that it’s the OBO’s responsibility to make arrangements with their intermediary to exercise their voting rights. Second, if Notice and Access is used, the issuer must disclose in the information circular whether some and not all owners have been communicated with and the reasons for its decision.

Access to Beneficial Ownership Information
The CSA proposes to expand access to obtaining the beneficial ownership list beyond the current policy of having all requests filter through transfer agents. The proposal allows proxy solicitation firms and “any person with technical capacity to receive the beneficial ownership information” to requisition a list.

The current process requires the request to be made to the issuer’s transfer agent who in turn advises the issuer of the request. Under the proposal, requests can be made directly to the issuer or Broadridge who would be bound by the Instrument to notify the issuer.

The use of the beneficial ownership list will be more focused on influencing the voting of security holders or an offer to acquire securities of the reporting issuer. The provision permitting the list to be used for “any other matter relating to the affairs of the reporting issuer” has been deleted from the Instrument.

Conclusion
The proposed amendments, if enacted, will improve the current system, eliminate some of the confusion about the communications process and may result in cost reductions.

SECURITIES REGULATORS REVIEWING VENTURE ISSUER REGULATION
On May 31, 2010, the security regulators in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick and Nova Scotia published Multi-Lateral Consultation Paper 51-403 Tailoring Venture Issuer Regulation, a consultation paper seeking comments on developing a more tailored approach to regulating venture issuers. “Venture issuers” are defined as reporting issuers that trade on a Canadian junior exchange i.e. TSX Venture Exchange or the Canadian National Stock Exchange (“CNSX”) as well as other reporting issuers trading over the counter in Canada or certain international junior exchanges such as the AIM market.

The securities regulators in these provinces recognize that a “one size fits all” regulatory regime does not work and that the corporate governance requirements of large publicly traded companies and their related costs may not serve venture issuers well. In fact, excessive corporate governance would take away from their ability to execute their business plan. The regulators also recognize that investors in these early stage companies are different: they are either a retail investor who holds a small position because they have heard and like the company’s story or they are founders or management who have controlling interest. Further, there is limited analyst research and the investor must conduct their own research into the company. The securities regulators are proposing the introduction of one regulatory instrument for venture issuers replacing a number of national instruments that would normally apply.

Key Proposals
Annual Report – The regulators are purposing that venture issuers prepare and file an annual report within 120 days of their financial year-end. The annual report would require disclosure that is currently found in the annual information form, management discussion and analysis and annual audited financial statements. It would also contain corporate governance and executive compensation disclosure. The Annual Report would replace the requirement to file the above-noted reports.

William Speirs named President of the Securities Transfer Association of Canada
We are pleased to announce that William (“Bill”) Speirs, Assistant Vice President, Product Management & Compliance, has been elected as President of the Securities Transfer Association of Canada (“STAC”).

STAC is an association that represents most transfer agents in Canada. STAC is solely supported by volunteers. Through STAC, transfer agents advocate policy and regulatory initiatives on behalf of transfer agents and the companies they represent.

SIGNIFICANT TRANSACTIONS:

ATHABASCA OIL SANDS CORP.
Initial Public Offering
• 75 Million Shares for proceeds of $1.4 Billion

CONTINENTAL GOLD LIMITED
Subscription Receipt Offering of Common Shares & Warrants
• 19 Million Subscription Receipts Issued for proceeds of $ 28.8 Million

LITHIUM AMERICAS CORP.
Initial Public Offering
• 24 Million Shares for proceeds of $45.0 Million

CAPITAL POOL COMPANIES
China 88 Capital Corp.
Capricorn Business Acquisitions Inc.
PrimeWest Exploration Inc.
Noravena Capital Corporation
Aquarius Capital Corp.
Dauntless Capital Corp.
Jinhua Capital Corporation
Camisha Resources Corp.
LW Capital Pool Inc.
Petro Viking Energy Inc.
Interim Reporting – The regulators are proposing to eliminate the current quarterly reporting requirements of financial statements and associated MD&A. In their place will be a mid-year report with associated MD&A and certain supplemental information.

Certification – The annual and the mid-year reports must be certificated by the Chief Executive Officer, the Chief Financial Officer and two directors.

Corporate Governance Standards – will be tailored for the venture issuer with the proposed obligation of directors and executive officers to act honestly and in good faith for the benefit of the venture issuer and to exercise the care, due diligence and skill that a reasonably prudent person acting for a venture issuer would exercise. This standard, which is not found in all corporate statutes or within the constating documents of all issuers, will raise the bar for those acting on behalf of the issuer.

Further, there will be specific governance obligations covering conflicts of interest and related party transactions, and insider trading policies.

Enhanced Material Change Reporting – Venture issuers will be required to report “Disclosable Events” which would include material related entity transactions and significant transactions such as significant acquisitions, significant dispositions, restricting transactions and the re-filing of documents. The reporting of these disclosable events will be streamlined and it is proposed that the “business acquisition reports” be eliminated.

Consultation Process
The participating security regulators are soliciting comments until September 17, 2010. They will also be holding consultation sessions to solicit feedback from stakeholders. The Consultation paper can be found on the websites of the participating securities commissions.