

2012 BCSECCOM 409

Inmet Mining Corporation and Petaquilla Minerals Ltd.

Sections 114 and 161 of the *Securities Act*, RSBC 1996, c. 418

Panel	Brent W. Aitken Brad Doney Don Rowlatt	Vice Chair Commissioner Commissioner
Date of Hearing	October 30, 2012	
Date of Decision	October 31, 2012	
Appearing		
Robert Cooper Miranda Lam Shane D'Souza	For Inmet Mining Corporation	
Sean Boyle Alexandra Luchenko Craig Thorburn	For Petaquilla Minerals Ltd.	
Paige Leggat Gordon Smith	For the Executive Director	

Decision

Background

- ¶ 1 On September 5, 2012, Inmet Mining Corporation announced it was prepared to offer C\$0.48 in cash or .0109 Inmet shares for each Petaquilla Minerals Ltd. common share (or a combination thereof) implying a total equity purchase price of approximately C\$112 million.
- ¶ 2 The offer commenced on September 28, 2012 by way of a take-over bid circular dated September 27, 2012. On October 24, 2012, Inmet announced its intention to increase the consideration offered to Petaquilla shareholders pursuant to the offer and extended the expiry of the offer to November 5, 2012 at 11:59 pm, Pacific Standard Time.

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- ¶ 3 On October 18, 2012, Inmet applied to the Commission for an order, pursuant to section 161 of the Act, cease trading the shareholder rights plan adopted by Petaquilla on October 18, 2010.
- ¶ 4 On October 25, 2012, Petaquilla applied to the Commission for an order pursuant to section 161 of the Act cease trading any securities that may be issued pursuant to Inmet's offer or, in the alternative, an order pursuant to section 114 that Inmet amend or vary its take-over bid circular.
- ¶ 5 On October 29, 2012, Inmet amended its application and asked the Commission to also cease trade any securities that may be issued pursuant to a note offering announced by Petaquilla on July 17, 2012.
- ¶ 6 We heard the applications on October 30, 2012, during which the parties called evidence and made submissions.

Order

- ¶ 7 After considering the evidence and submissions of the parties:
1. we dismiss Petaquilla's application;
 2. considering it to be in the public interest, pursuant to section 161(1)(b) of the Act, we order that all persons cease trading in, and be prohibited from purchasing, any securities issued, or to be issued, under, or in connection with, Petaquilla's note offering, unless Inmet does not purchase Petaquilla shares pursuant to Inmet's offer; and
 3. we will issue an order under section 161(1)(b) of the Act, at 1:30 pm, Pacific Daylight Time on Friday, November 2, 2012, that all persons cease trading any securities issued, or to be issued, under, or in connection with, the Petaquilla shareholder rights plan, including, without limitation, any rights issued under that plan and any common shares of Petaquilla to be issued upon the exercise of those rights, unless before 1:30 pm, Pacific Daylight Time on November 2, 2012, Petaquilla
 - (a) disseminates to the public a news release confirming it has waived the shareholder rights plan as against Inmet's offer; and
 - (b) files with the Commission the news release and the directors' resolution waiving the shareholder rights plan.

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¶ 8 Our reasons will follow.

¶ 9 October 31, 2012

¶ 10 **For the Commission**

Brent W. Aitken
Vice Chair

Brad Doney
Commissioner

Don Rowlatt
Commission