



British Columbia Securities Commission

Citation: 2013 BCSECCOM 91

Alamos Gold Inc.

and

Aurizon Mines Ltd.

Section 161 of the *Securities Act*, RSBC 1996, c. 418

Panel	Brent W. Aitken Don Rowlatt Audrey T. Ho	Vice Chair Commissioner Commissioner
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Date of hearing March 15, 2013

Date of ruling March 18, 2013

Appearing

Andrew Gray For Alamos Gold Inc.

Sean K. Boyle For Aurizon Mines Ltd.
Alexandra Luchenko
Kathleen P. Keilty
Bob Wooder

Stephen R. Schachter, QC For Hecla Mining Corporation
Wendy Berman
Jeff Roy

Gordon Smith For the Executive Director
Leslie Rose

Order

Background

- ¶ 1 On January 14, 2013, Alamos Gold Inc. offered to acquire all outstanding common shares of Aurizon Mines Ltd. for either \$4.65 in cash or 0.2801 of an Alamos share for each Aurizon common share (the Offer), at the election of the shareholder. The offer initially expired on February 19, 2013 at 5:00 pm, Toronto time.
- ¶ 2 The Offer was conditional on there being deposited under the Offer such number of Aurizon shares which, together with Aurizon shares directly or indirectly owned by



Alamos and its affiliates, constitutes at least 66 $\frac{2}{3}$ % of the total outstanding Aurizon shares, on a fully diluted basis (the Minimum Tender Condition).

- ¶ 3 On January 22, 2013, Aurizon adopted a shareholder rights plan (the Rights Plan).
- ¶ 4 On February 5, 2013, Alamos applied to the Commission for an order pursuant to section 161 of the Act that trading cease in respect of any securities issued, or to be issued, under or in connection with the Rights Plan. Alamos represented to the Commission that upon granting the order it sought, it would extend the expiry of the Offer to March 5, 2013 at 5:00 pm, Toronto time.
- ¶ 5 On February 18, 2013, the Commission ordered, by consent, that trading cease in respect of any securities issued, or to be issued, under or in connection with the Rights Plan, effective at 5:00 PM Vancouver time on March 4, 2013, unless before 5:00 PM, Vancouver time on March 4, 2013, Aurizon:
 - 1. disseminated to the public a news release confirming it had waived the Rights Plan; and
 - 2. filed with the Commission the news release and the directors' resolution waiving the Rights Plan.
- ¶ 6 On February 19, 2013, Alamos extended the expiry of the Offer to March 5, 2013 at 5:00 pm, Toronto time.
- ¶ 7 On March 3, 2013, Aurizon entered into an arrangement agreement with Hecla Mining Corporation (the Arrangement Agreement). Included in the Arrangement Agreement is a provision pursuant by which Aurizon is to pay Hecla a break fee if Alamos acquires more than 33 $\frac{1}{3}$ % of Aurizon's common shares (the Break Fee). Aurizon announced the Arrangement Agreement on March 4, 2013.
- ¶ 8 Also on March 4, 2013, Aurizon disseminated to the public a news release confirming it had waived the Rights Plan and filed with the Commission the news release and the directors' resolution waiving the Rights Plan.
- ¶ 9 On March 5, 2013, Alamos waived the Minimum Tender Condition and extended the expiry of the Offer to March 19, 2013 at 5:00 pm, Toronto time.
- ¶ 10 On March 11, 2013, Aurizon adopted a second shareholder rights plan (the Second Rights Plan).
- ¶ 11 On March 11, 2013, Alamos applied to the Commission for orders



1. cease trading any securities issued, or that may be issued, under or in connection with the Second Rights Plan;
2. removing prospectus exemptions in respect of the distribution of the rights issued under or in connection with the Second Rights Plan and in respect of the exercise of the rights; and
3. cease trading in respect of the Hecla transaction, and in particular the acquisition of any Aurizon common shares by Hecla, pending removal of the Break Fee provisions of the Arrangement Agreement.

¶ 12 On March 15, 2013, the Commission heard Alamos' application and reserved its ruling.

Order

¶ 13 After considering the evidence and submissions of the parties, and 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, the Second Rights Plan.

¶ 14 Our reasons will follow.

¶ 15 March 18, 2013

For the Commission

Brent W. Aitken
Vice Chair

Don Rowlatt
Commissioner

Audrey T. Ho
Commissioner