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June 16, 2010

Headnote

Multilateral Instrument 11-102 *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – National Instrument 52-107, s. 9.1 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* - An issuer wants relief from the requirement to prepare its financial statements in accordance with Canadian GAAP in order to use IFRS before the January 1, 2011 changeover date - The issuer only recently became a reporting issuer; the issuer has not previously prepared financial statements for the public; the issuer's prospectus contains financial statements from the date of incorporation prepared in accordance with IFRS; the issuer has assessed the readiness of its staff, board, audit committee, auditors and investors

Applicable British Columbia Provisions

National Instrument 52-107, s. 9.1 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*

In the Matter of
the Securities Legislation of
British Columbia and Ontario
(the Jurisdictions)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
Tahoe Resources Inc.
(the Filer)

Decision

Background

- ¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Filer

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from the requirement in section 3.1 of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (NI 52-107) that financial statements be prepared in accordance with Canadian GAAP (the Exemption Sought), in order that the Filer may prepare financial statements for periods beginning on or after January 1, 2010 in accordance with Part I of the Handbook, that is International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IFRS-IASB).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, the Northwest Territories and the Nunavut Territory (the Passport Jurisdictions), and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in the Province of Ontario.

Interpretation

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

- ¶ 3 This decision is based on the following facts represented by the Filer:
- 1. the Filer was incorporated in British Columbia in November 2009; its registered office is at 1500 – 1055 West Georgia Street, Vancouver, British Columbia; the Filer's head office is in Reno, Nevada;
 - 2. on June 8, 2010, the Filer has completed an initial public offering of common shares in Canada (the Offering);
 - 3. in connection with the Offering, the Filer filed with the securities regulatory authorities in all jurisdictions of Canada a preliminary long form prospectus dated May 3, 2010, an amended and restated preliminary long form prospectus dated May 5, 2010 and a final long form prospectus dated May 27, 2010 (the

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Prospectus); the Filer obtained receipts for such filings on May 3, 2010, May 5, 2010 and May 28, 2010, respectively;

4. the Filer is a reporting issuer in the Jurisdictions and in all other jurisdictions in Canada; the Filer is not in default of securities legislation in any jurisdiction;
5. the Filer's common shares are listed on the Toronto Stock Exchange;
6. the Filer is a mineral exploration company and intends to complete the acquisition of the Escobal Assets, which comprise mineral exploration licenses and other assets located in Guatemala, contemporaneously with the closing of the Offering;
7. the Filer does not have any operating revenue as it is still in the exploration phase;
8. the Canadian Accounting Standards Board has confirmed that publicly accountable enterprises will be required to prepare their financial statements in accordance with IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011;
9. NI 52-107 sets out acceptable accounting principles for financial reporting under the Legislation by domestic issuers, foreign issuers, registrants and other market participants; under NI 52-107, a domestic issuer must use Canadian GAAP with the exception that an SEC registrant may use US GAAP; under NI 52-107, only foreign issuers may use IFRS;
10. in CSA Staff Notice 52-321 *Early Adoption of International Financial Reporting Standards, Use of US GAAP and Reference to IFRS-IASB*, staff of the Canadian Securities Administrators recognized that some issuers may wish to prepare their financial statements in accordance with IFRS-IASB for periods beginning prior to January 1, 2011 and indicated that staff were prepared to recommend exemptive relief on a case by case basis to permit a domestic issuer to do so, despite section 3.1 of NI 52-107;
11. the Prospectus contains consolidated statements of operations, comprehensive loss and deficit, changes in equity and cash flows of the Filer for the period from incorporation on November 10, 2009 to December 31, 2009 (audited) and for the three months ended March 31, 2010 (unaudited); these statements contain an explicit and unreserved statement of compliance with IFRS-IASB; except for the financial statements contained in the Prospectus, the Filer has

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not previously prepared financial statements that contain an explicit and unreserved statement of compliance with IFRS-IASB;

12. the Filer's financial year-end is December 31;
13. the Filer has evaluated its overall readiness to transition to IFRS, including the readiness of its staff, Board of Directors and Audit Committee, and has concluded that it is adequately prepared for adoption of IFRS effective immediately;
14. the Filer has considered the implications of adopting IFRS on its obligations under securities legislation including but not limited to, those relating to CEO and CFO certifications, business acquisition reports and offering documents;
15. early adoption of IFRS will eliminate the need to plan and perform a conversion from Canadian GAAP to IFRS;
16. early adoption of IFRS will also eliminate the requirement to provide reconciliations of financial statements prepared under both Canadian GAAP and IFRS; and
17. for the Filer, because it is in a start-up position, the main areas of accounting focus are exploration, issuance of share capital, stock based compensation and cash accounting, all of which have very few or no significant differences under the two accounting frameworks.

Decision

- ¶ 4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that the Filer prepares its financial statements for financial periods beginning on or after January 1, 2010 in accordance with IFRS-IASB.

Martin Eady, CA
Director, Corporate Finance
British Columbia Securities Commission