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April 2, 2012

Headnote

Multilateral Instrument 11-101 *Principal Regulator System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* - National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, s. 9.1 – requirement to file technical report with AIF – An issuer wants relief from the timing requirements for filing a technical report – The issuer has disclosed a revised reserve and resource estimate prepared by an independent qualified person; the updated estimate will form the basis of the disclosure about the property in the issuer's AIF; the issuer did not become aware of the need for an updated estimate in sufficient time to allow for the completion of a new independent technical report by the deadline for filing its AIF; the issuer will file the supporting technical report within 45 days of the news release announcing the updated estimate and will file a revised AIF within the following five days; the AIF will include appropriate cautionary language.

Applicable Legislative Provisions

National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, ss. 4.2(1)(f), and 9.1

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
Primero Mining Corp.
(the Filer)

Decision

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Background

- ¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer is exempt from the requirement in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101) that an issuer file a supporting technical report not later than the time it files its annual information form (AIF) which contains new material scientific or technical information (the Requested Relief).

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, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories, and Nunavut; and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in 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.

Representation

- ¶ 3 This decision is based on the following facts represented by the Filer:
- 1. the Filer was incorporated under the Business Corporations Act (British Columbia) on November 26, 2007;
 - 2. the Filer's head office is located at Suite 1640, One Bentall Centre, 505 Burrard Street, Vancouver, British Columbia, V7X 1M6, it has a corporate office located at Richmond Adelaide Centre, 120 Adelaide Street West, Suite 1202, Toronto, Ontario, M5H 1T1, and its registered office is located at Royal Centre, 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia, V6E 4N7;

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3. the Filer is a reporting issuer in each of the provinces and territories of Canada, except Québec;
4. the Filer's common shares are listed and posted for trading on the Toronto Stock Exchange under the symbol P and on the New York Stock Exchange under the symbol PPP;
5. Ontario Securities Commission staff take the view that the Filer is in default of the requirements of section 4.2(1)(j)(ii) of NI 43-101 because a technical report has not been filed within 45 days of the press release issued by the Filer on January 17, 2012; except with respect to the foregoing, with which the Filer does not agree, the Filer is not in default of the securities legislation in any of the jurisdictions in which it is reporting;
6. the Filer's sole mineral property is the San Dimas Mine in Mexico, which it acquired in August 2010;
7. in its January 17, 2012 press release, the Filer disclosed that it was initiating a number of operational improvements as well as a review of its current reserve and resource estimation methods (the Estimation Method Review); the Estimation Method Review was intended to assess whether the use of other estimation methods would allow the Filer to improve mine planning and more accurately predict actual production;
8. in the January 17, 2012 press release, the Filer announced it had retained AMC Consultants (AMC), which is independent of the Filer and has not previously reported on the San Dimas Mine, to assist in the Estimation Method Review; the Filer disclosed that it would reflect any changes that result from the review in an update of its NI 43-101 compliant mineral reserve and resource statement (the Updated Estimate), which would be reflected in a technical report prepared by the Filer's internal qualified person;
9. the Filer further disclosed in the January 17, 2012 press release that the adoption of any new estimation methods may result in (i) the Filer reporting different and potentially lower total mineral reserve and total mineral resource numbers, and (ii) the reclassification of the Filer's mineral resources and mineral reserves, including potentially reporting categories of measured and indicated in addition to the currently reported categories of inferred mineral resources and proven and probable mineral reserves; the Filer stated that it did not expect that any potential change in estimates would affect the level of confidence management has in the ultimate mineral potential of the San Dimas Mine;

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10. on February 27, 2012, the Filer issued a press release announcing that AMC had been retained to prepare an updated NI 43-101 technical report on the San Dimas Mine (the Updated Technical Report);
11. AMC advised that it expected to be able to provide the Updated Estimate before March 30, 2012, but that the Updated Technical Report would not be completed until 45 days after the Updated Estimate has been prepared; as such, the Filer will be unable to file the Updated Technical Report at the time the AIF is filed, which will be no later than March 30, 2012;
12. on March 28, 2012, the Filer issued a press release announcing the Updated Estimate and filed the related material change report; the press release disclosed that (i) the Updated Estimate has been prepared by Mr. Rodney Webster MAusIMM (CP), Mr. Herbert A. Smith P.Eng and Mr. J. Morton Shannon P.Geo, all of AMC and all qualified persons for the purposes of NI 43-101, and (ii) all such qualified persons have reviewed and approved the contents of such March 28, 2012 press release with respect to the Updated Estimate; the press release also disclosed that (i) scientific and technical information regarding exploration results contained in such press release is based on information prepared by or under the supervision of Mr. Joaquin Merino-Marquez P.Geo., Vice President, Exploration of the Filer, who is a qualified person for the purposes of NI 43-101, and (ii) Mr. Merino-Marquez has reviewed and approved the contents of such March 28, 2012 press release with respect to the scientific and technical information regarding exploration;
13. the Filer believes that in order to provide up-to-date, full, true and plain disclosure, it is necessary that the information contained in the Updated Estimate form the basis of the AIF; accordingly, the Filer's AIF will reflect the Updated Estimate and the related supporting disclosure (including QA/QC) that will be included in its press release disclosing such estimate; however, it will not contain the full updated scientific and technical disclosure supporting such estimate, since such disclosure will only become available once the Updated Technical Report is complete;
14. the Filer is working with AMC to complete the Updated Technical Report as soon as practicable, and the Filer will file the Updated Technical Report as soon as practicable, but in any event, not later than May 15, 2012;
15. under the Filer's internal policies, insiders are not permitted to purchase or sell securities of the Filer until the Updated Technical Report is filed;

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16. under NI 43-101 sections 4.2(1)(j) and 4.2(5), the Filer would have 45 days following the issuance of a press release announcing the Updated Estimate to file the supporting Updated Technical Report; this 45-day period will be truncated when the Filer files its AIF on or before March 30, 2012;
17. the AIF will contain the following statement (the Cautionary Language) in close proximity to the information regarding the Updated Estimate:

“Certain technical disclosure in this annual information form relating to the mineral resource and mineral reserve estimate for the San Dimas Mine (and the disclosure supporting such estimate, including quality assurance / quality control (QA/QC) disclosure) has not been supported by a technical report prepared in accordance with NI 43-101. The technical report is being prepared by qualified persons under NI 43-101 and it will be available on the SEDAR website located at *www.sedar.com* under Primero’s profile on or before May 15, 2012. Readers are advised to refer to that technical report when it is filed.”;
18. the Filer has no reason to believe that the information in the Updated Technical Report will be materially different from the information disclosed in the AIF;
19. the Filer will revise its AIF to give effect to the completed Updated Technical Report (the Revised AIF), and the Filer will file the Revised AIF within five business days of filing the Updated Technical Report; and
20. the Filer will not undertake any prospectus distributions of its securities before the Updated Technical Report is filed.

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 Requested Relief is granted, provided that:

- (a) the AIF includes the Cautionary Language;
- (b) the Filer files the Updated Technical Report as soon as practicable but, in any event, not later than May 15, 2012; and

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- (c) the Filer files the Revised AIF within five business days of filing the Updated Technical Report.

Sheryl Thomson
Acting Director, Corporate Finance
British Columbia Securities Commission