

2002 BCSECCOM 309

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief granted from the requirement in National Instrument 43-101 to have a qualified person inspect the property that is the subject of a technical report – access to the property is not possible due to winter conditions

Applicable British Columbia Provisions

National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, ss. 6.2 and 9.1

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA AND ALBERTA

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF BLUE LAGOON VENTURES INC.

MRRS DECISION DOCUMENT

- ¶ 1 WHEREAS the local securities regulatory authority or regulatory (the “Decision Maker”) in each of British Columbia and Alberta (the “Jurisdictions”) has received an application from Blue Lagoon Ventures Inc. (the “Filer”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the requirement contained in the Legislation that at least one qualified person preparing or supervising the preparation of a technical report inspect the property that is the subject of the technical report (the “Personal Inspection Requirement”) will not apply to the Filer in respect of the technical report to be prepared in connection with the Filer’s public offering of securities;
- ¶ 2 AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”) the British Columbia Securities Commission is the principal regulator for this application;
- ¶ 3 AND WHEREAS the Filer has represented to the Decision Makers that:

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1. the Filer is incorporated under the *Company Act* (British Columbia) with its head office located in British Columbia;
2. the Filer is a reporting issuer under the Legislation of each Jurisdiction and is not in default of any requirements of the Legislation;
3. the authorized capital of the Filer consists of 10,000,000 common shares without par value, of which 4,653,119 common shares were outstanding as at March 28, 2002;
4. the Filer's common shares are listed on the Canadian Venture Exchange, Inc. (the "CDNX");
5. under an agreement (the "Property Acquisition Agreement") dated March 22, 2002, the Filer acquired certain mineral claims in the Otish Mountains of Québec known as the BLG Property;
6. the BLG Property is a material property of the Filer;
7. the BLG Property has not had any exploration work performed on it and no resource has been defined to date;
8. a technical report (the "BLG Report") relating to the BLG Property has been prepared for the Filer by Thomas H. Carpenter, P. Geo., a qualified person as defined in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("43-101");
9. the proposed exploration program for 2002 on the BLG Property is an early stage mapping and prospecting program;
10. the Filer intends to complete an offering (the "Offering") of its securities to the public in the Jurisdictions through the facilities of the CDNX under a Short Form Offering Document (the "Offering Document");
11. the Filer intends to utilize a portion of the proceeds from the Offering to perform work on the BLG Property as required under the BLG Agreement;
12. to utilize the Offering Document, the Filer must file an annual information form ("AIF");
13. the Offering Document and AIF will describe the mineral project on the BLG Property based on information contained in the BLG Report;

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14. section 6.2 of 43-101 requires at least one qualified person preparing or supervising the preparation of the technical report to inspect the property that is the subject of the technical report; and
15. the BLG Property is currently covered in snow, accordingly, a qualified person is not able to complete a personal inspection of the BLG Property prior to the filing of the Offering Document;

- ¶ 4 AND WHEREAS under the system, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);
- ¶ 5 AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;
- ¶ 6 THE DECISION of the Decision Makers under the Legislation is that the Filer is exempt from the Personal Inspection Requirement in respect of the BLG Report for use in connection with the Offering provided that the Offering Document and the BLG Report include a statement that a personal inspection has not been conducted by the qualified person, as defined in 43-101, and the reasons why a personal inspection was not conducted.
- ¶ 7 April 17, 2002

Brenda Leong
Director