

2002 BCSECCOM 566

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the site visit requirement for a report to be used in connection with a prospectus offering and to be filed on first becoming a reporting issuer, provided that a site visit is done as soon as is practicable

Applicable British Columbia Provisions

National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, ss. 4.1(1), 4.2(1)1, 6.2 and 9.1

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, QUÉBEC, ONTARIO AND NOVA SCOTIA

AND

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

AND

IN THE MATTER OF UEX CORPORATION

MRRS DECISION DOCUMENT

- ¶ 1 WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Ontario and Nova Scotia (the “Jurisdictions”) has received an application from UEX Corporation (the “Filer”) for a decision under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (the “Instrument”) that the requirement that at least one qualified person preparing or supervising the preparation of a technical report inspect the properties that are the subject of the technical report (the “Personal Inspection Requirement”) will not apply to the Filer in respect of a technical report prepared in connection with the Filer’s final prospectus and to be filed upon the Filer first becoming a reporting issuer in certain of the Jurisdictions;
- ¶ 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;

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¶ 3 AND WHEREAS the Filer has represented to the Decision Makers that:

1. the Filer was incorporated under the laws of Canada on October 2, 2001 and has its head office in Vancouver, British Columbia;
2. the Filer currently has no operating properties or operating revenues;
3. the Filer was formed for the purpose of implementing a plan of arrangement (the “Plan”) with Pioneer Metals Corporation (“Pioneer”);
4. upon implementation of the Plan, Pioneer will transfer to the Filer its uranium exploration properties which include the Riou Lake, Black Lake and Serendipity Lakes properties in the Athabasca Basin area of Northern Saskatchewan (collectively, the “Riou Lake Project”); once the Plan is completed, shareholders of Pioneer will also become shareholders of the Filer; immediately following implementation of the Plan, Cameco Corporation will transfer to the Filer its Hidden Bay uranium exploration property also located in the Athabasca Basin area of Northern Saskatchewan (the “Hidden Bay Property”) in exchange for common shares of the Filer;
5. a detailed description of the Plan is set out in the Management Information Circular of Pioneer dated November 27, 2001 available on SEDAR; following implementation of the Plan, the Filer will be engaged in the further exploration of the Riou Lake Project and the Hidden Bay Property and the acquisition and exploration of additional properties;
6. the Filer’s authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares, of which one common share is issued and outstanding as of May 13, 2002;
7. the Filer is not currently a reporting issuer in any jurisdiction of Canada; upon implementation of the Plan, the Filer will become a reporting issuer in British Columbia, Alberta, Ontario and Nova Scotia (the “Reporting Issuer Jurisdictions”);
8. on March 20, 2002, the Filer filed a preliminary prospectus and technical reports in the Jurisdictions for a proposed public offering of its common shares (the “Offering”);
9. technical reports were completed for the Riou Lake Project and for the Hidden Bay Property; the technical reports were prepared by David A. Rhys who is a “qualified person” as defined in the Instrument;

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10. Mr. Rhys personally inspected the Hidden Bay Property; Mr. Rhys did not complete a personal inspection of the properties comprising the Riou Lake Project as required by the Instrument;
 11. Mr. Rhys has extensive geological experience in the Athabasca Basin through his work as a consultant to Cameco Corporation from 1998 to 2001; during that time he became very familiar with the region, through his work on uranium deposits and prospects in different parts of the area;
 12. the final prospectus will contain disclosure of a scientific or technical nature that is based upon the technical report for the Riou Lake Project (the “Riou Lake Report”);
 13. the Instrument requires that, upon first becoming a reporting issuer in a Canadian jurisdiction, an issuer must file with the regulator in that Canadian jurisdiction a current technical report for each property material to the issuer;
 14. access to the Riou Lake Project at this time of year is very limited due to winter conditions and spring break-up;
 15. the Riou Lake Project has had limited exploration work on it and no deposit has been discovered and no resource has been defined to date; and
 16. there is sufficient data available on the Riou Lake Project, prepared by unrelated third party sources, for the preparation of a technical report by a qualified person without a property inspection;
- ¶ 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 Instrument that provides the Decision Maker with the jurisdiction to make the Decision has been met;
- ¶ 6 THE DECISION of the Decision Makers is that the Filer is exempt from the Personal Inspection Requirement in respect of the Riou Lake Report for use to support the disclosure in the final prospectus and for filing with the Reporting Issuer Jurisdictions upon the Filer first becoming a reporting issuer, provided that:
1. a personal inspection of the Riou Lake Project is done by the qualified person, namely, Mr. Rhys, who prepared the Riou Lake Report as soon as is practicable and the certificate to the Riou Lake Report is updated and re-filed with the Decision Makers; and

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2. the final prospectus and the Riou Lake Report include a statement that a personal inspection has not been conducted by the qualified person, as defined in the Instrument, the reasons why a personal inspection was not conducted, and that relief will be requested from, or has been granted by, the Decision Makers from the Personal Inspection Requirement.

¶ 7 DATED June 25, 2002

Derek E. Patterson
Acting Director