

2012 BCSECCOM 3

December 30, 2011

Headnote

Multilateral Instrument 11-102 *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – National Instrument 51-102 *Continuous Disclosure Obligations* – National Instrument 52-109 *Certification of Disclosure in Issuer’s Annual and Interim Filings* – National Instrument 52-110 *Audit Committees* – National Instrument 58-101 *Disclosure of Corporate Governance Practices* – An issuer seeks relief from the requirement in s. 1.1 definition of “venture issuer”, that a reporting issuer not have any of its securities listed or quoted on a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc - Specifically, the Filer seeks relief from the requirement in the definition of “venture issuer” in section 1.1 of each of the following rules, that a reporting issuer not have any of its securities listed or quoted on a marketplace outside of Canada and the United States of America, in order to remain listed on the Risk Capital Segment of the Lima Stock Exchange (*Segmento de Capital de Riesgo de la Bolsa de Valores de Lima*) and admitted to trading on the Second Quotation Board of the Open Market of the Frankfurt Stock Exchange - A venture issuer with common shares listed on the TSXV wants to or has listed on an exchange that does not meet the requirements of the definition of a venture issuer; the relevant exchange is a junior market that has similar requirements as the TSXV; the exchange requires the issuer to comply with TSXV requirements in order to acquire and maintain listing on that exchange; the issuer has also been admitted to trading on the second board of the Frankfurt Stock Exchange; to remain a venture issuer, the issuer must continue to have its common shares listed on the TSXV, the exchange must remain a junior market, and trading on the second board of the Frankfurt Stock Exchange must not constitute a listing or quotation; the issuer does not have any securities listed or quoted on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the U.S. except the exchange, the AIM or the PLUS markets.

Applicable British Columbia Provisions

National Instrument 51-102 s.1.1 *Continuous Disclosure Obligations*

National Instrument 52-109 s.1.1 *Certification of Disclosure in Issuer’s Annual and Interim Filings*

National Instrument 52-110 s.1.1 *Audit Committees*

National Instrument 58-101 s.1.1 *Disclosure of Corporate Governance Practices*

In the Matter of
the Securities Legislation of
British Columbia
(the Jurisdiction)

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and

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

and

In the Matter of
Panoro Minerals Ltd.
(the Filer)

Decision

¶ 1 **Background**

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for relief from the requirement in the definition of “venture issuer” in section 1.1 of each of National Instrument 51-102 - *Continuous Disclosure Obligations*, National Instrument 52-109 - *Certification of Disclosure in Issuer's Annual and Interim Filings*, National Instrument 52-110 - *Audit Committees* and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* that a reporting issuer not, at the relevant time, have any of its securities listed or quoted on any of the Toronto Stock Exchange, a U.S. marketplace or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc (the Exemption Sought).

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

- (a) the British Columbia Securities Commission is the principal regulator for this application; and
- (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.

¶ 2 **Interpretation**

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

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In this decision:

“Frankfurt Exchange” means the Second Quotation Board of the Open Market of the Frankfurt Stock Exchange;

“Lima Exchange” means Risk Capital Segment of the Lima Stock Exchange (Segmento de Capital de Riesgo de la Bolsa de Valores de Lima) in Peru; and

“TSXV” means the TSX Venture Exchange.

¶ 3 Representations

This decision is based on the following facts represented by the Filer:

1. the Filer was amalgamated under the *Business Corporations Act* (British Columbia) and its registered and head office is in Vancouver, British Columbia;
2. the Filer is a reporting issuer in British Columbia and Alberta;
3. the Filer’s principal mineral exploration assets are located in Peru;
4. the common shares of the Filer (the Shares) are listed on the TSXV under the trading symbol “PML” and, since May 15, 2007, are listed on the Lima Exchange under the trading symbol “PML”;
5. the Filer was admitted to trading on the Frankfurt Exchange under the trading symbol “PZM” on February 14, 2005;
6. to the knowledge of management of the Filer, the Filer took no action to be admitted to trading on the Frankfurt Exchange and the Filer was simply picked up by the Frankfurt Exchange; the Filer submitted no documents to the Frankfurt Exchange, no fees have been paid by the Filer to the Frankfurt Exchange and the Filer is not aware of any filing requirements of the Frankfurt Exchange;
7. the Filer listed the Shares on the Lima Exchange due to the Filer’s connection to Peru and to facilitate the sale and transfer of the Shares in Peru;
8. the Filer is not in default of securities legislation in any jurisdiction;
9. the Lima Exchange is a junior market;

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10. the Lima Exchange is similar to the TSXV in terms of its requirements since the requirements of the Lima Exchange were modelled after those of the TSXV;
11. the Lima Exchange requires the Filer to comply with TSXV requirements in order to maintain its listing; the Lima Exchange also requires that the Filer file with the Lima Exchange copies of all public disclosure documents filed with Canadian securities regulators; and
12. the information the Filer has provided about the Lima Exchange (and its status as a junior market) is accurate as at the date of this decision.

¶ 4 **Decision**

The principal regulator is satisfied that the decision meets the applicable test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

- (a) the Filer is and remains listed on the TSXV;
- (b) the Lima Exchange is not restructured in a manner that makes it unreasonable to conclude that it is still a junior market;
- (c) the Frankfurt Exchange is not restructured in a manner that makes it unreasonable to conclude that trading on the Frankfurt Exchange does not constitute a listing or quotation and the Canadian Securities Administrators does not change its guidance in Revised Canadian Securities Administrators Staff Notice 51-311 *Frequently Asked Questions regarding National Instrument 51-102 Continuous Disclosure Obligations* with respect to its interpretation of the Frankfurt Exchange;
- (d) the representations listed in sections 9 to 12 above continue to be true; and
- (e) the Filer does not have any securities listed or quoted on any of the Toronto Stock Exchange, a U.S. marketplace or a marketplace outside of Canada and the United States of America other than the Lima Exchange, the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

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