

2012 BCSECCOM 110

March 30, 2012

Headnote

Multilateral Instrument 11-102 *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – National Instrument 51-102, s. 13.1 – *Continuous Disclosure Obligations* – An issuer wants relief from the requirements to file and/or deliver financial statements for a particular period – A compulsory acquisition procedure pursuant to corporate legislation has been undertaken, prior to the filing deadline, in relation to the issuer and its shareholders pursuant to which all of the issuer's securities will be acquired by the offeror by a fixed date

National Instrument 52-109, s. 8.6 – *Certification of Disclosure in Issuers' Annual and Interim Filings* – An issuer wants relief from the requirements in Parts 4 and 5 of NI 52-109 to file interim and/or annual certificates – The issuer has applied for and received an exemption from filing interim and/or annual financial statements

Applicable British Columbia Provisions

National Instrument 51-102, s. 13.1

National Instrument 52-109, s. 8.6

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
Goldbrook Ventures Inc.
(the Filer)

Decision

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

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the securities legislation of the Jurisdictions (the Legislation) that the Filer be exempt from the requirements:

- (a) Under National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) to prepare, file and, where required, deliver to shareholders interim financial statements and related management's discussion and analysis as at and for the interim period ended January 31, 2012 (the Interim Filings); and
- (b) National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109) to file the prescribed interim certification forms of its Chief Executive Officer and Chief Financial Officer in respect of the interim period ended January 31, 2012 (the Interim Officer Certificates),

(the Exemptive Relief Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual review 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; 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* 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 is a British Columbia corporation which continued into British Columbia on April 14, 2003 under the provisions of the *Business Corporations Act* (British Columbia) (BCBCA) and is governed by the BCBCA;

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2. the head office of the Filer is located at Suite 1500, 200 Burrard Street, Vancouver, British Columbia, V6C 3L6;
3. the Filer is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario and is not in default of the securities legislation in those jurisdictions;
4. as of March 26, 2012, the Filer had issued and outstanding 230,989,392 common shares (the Shares), 37,670,307 warrants to acquire Shares with an exercise price of \$0.25 per Share (the \$0.25 Warrants) and 4,000,000 warrants to acquire Shares with an exercise price of \$0.35 per Share (the \$0.35 Warrants and, collectively with the \$0.25 Warrants, the Warrants); the Filer has no other outstanding securities, including debt securities;
5. the Shares of the Filer are listed on the TSX Venture Exchange (TSXV) under the trading symbol "GBK";
6. on January 30, 2012, 0931017 B.C. Ltd. (the Offeror) commenced an offer (the Offer) to acquire all of the issued and outstanding Shares and Warrants of the Filer, other than Shares already owned, including all Shares that became issued and outstanding after the date of the Offer but before expiry of the Offer by filing and mailing to the Filer's security holders an offer and circular (the Offer and Circular);
7. the Offeror is a corporation indirectly wholly-owned by Jilin Jien Nickel Industry Co., Ltd., a corporation existing under the laws of the People's Republic of China;
8. on March 12, 2012, the Offeror filed a notice of extension to extend the expiry date of the Offer to March 22, 2012 at 8:00 p.m. (Toronto time) (the Expiry Date);
9. as of March 22, 2012, the Offeror had taken up a total of 201,760,639 Shares, representing approximately 87.34% of the issued and outstanding Shares and a total of 41,662,307 Warrants representing approximately 99.98% of the issued and outstanding Warrants, as a result of which the Offeror and its affiliates now hold a total of 220,875,139 Shares, representing a total of 95.62% of the issued and outstanding Shares and 41,662,307 Warrants, representing 99.98% of the outstanding Warrants;
10. excluding Shares held by an affiliate of the Offeror, the Offeror currently owns 201,760,639 Shares representing approximately 91.29% of the issued and outstanding Shares that were subject to the Offer;

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11. shareholders of the Filer holding, in the aggregate, not less than 90% of the issued and outstanding Shares of the Filer, other than Shares already held at the date of the Offer by the Offeror, or by a nominee for the Offeror, its affiliate, or any party acting jointly or in concert with the Offeror, accepted the Offer before the Expiry Date;
12. in the Offer and Circular, the Offeror disclosed that if the Offer was accepted by shareholders of the Filer who, in the aggregate, held at least 90% of the issued and outstanding Shares subject to the Offer, the Offeror would, to the extent possible, acquire those Shares not tendered to the Offer pursuant to the provisions of section 300 of the BCBCA;
13. on March 26, 2012, the Offeror sent to shareholders of the Filer who did not accept the Offer (the Remaining Shareholders) a notice of compulsory acquisition dated March 23, 2012, under the provisions of section 300 of the BCBCA (Acquisition Notice), that the Offeror will acquire the Shares held by the Remaining Shareholders (the Remaining Shares) for the same consideration and on the same terms contained in the Offer (the Compulsory Acquisition);
14. pursuant to section 300 of the BCBCA, the Acquisition Notice will entitle and bind the Offeror to acquire the Remaining Shares for the same price and on the same terms contained in the Offer;
15. pursuant to section 300 of the BCBCA, a Remaining Shareholder is entitled to make an application to the Supreme Court of British Columbia (the Court) in connection with the Compulsory Acquisition within two months of the filing date of the Acquisition Notice and the Court may, by order, set the price and terms of payment for the Remaining Shares and make consequential orders and give such directions as the Court considers appropriate; to the best of the Filer's knowledge, neither the Filer nor the Offeror has received notice of any such application nor are they aware that any Remaining Shareholder intends to make any such application;
16. provided that the Court has not ordered otherwise, on or about May 24, 2012, the Offeror intends to deliver to the Filer a copy of the Acquisition Notice and to pay to the Filer the aggregate consideration payable by the Offeror for the Remaining Shares that the Offeror is entitled and bound to acquire pursuant to the Compulsory Acquisition to be held in trust by the Filer for the Remaining Shareholders;
17. Section 300 of the BCBCA provides that such delivery and payment/transfer by the Offeror may not be made earlier than two months after the date of the

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Acquisition Notice; the completion of the Compulsory Acquisition will not occur earlier than two months after the date of the Acquisition Notice; the Filer expects the completion of the Compulsory Acquisition to occur on or about May 24, 2012 (the Acquisition Date);

18. The Remaining Shareholders will continue as shareholders of the Filer until the Acquisition Date; the Filer will continue to be listed on the TSXV until after the Acquisition Date;
19. section 300 of the BCBCA provides that the Filer must, upon receipt of the Acquisition Notice and consideration payable for the Remaining Shares, register the Offeror as the shareholder of the Filer in respect of all the Remaining Shares;
20. immediately after the Acquisition Date, the Offeror intends to make an application to de-list the Shares from the TSXV and make an application to the relevant securities regulatory authorities for an order that the Filer cease to be a “reporting issuer” under the laws of British Columbia, Alberta and Ontario; it is therefore expected that the Filer will be 100% owned by the Offeror by May 24, 2012 and estimates that it will cease to be a reporting issuer by mid-June 2012;
21. in a joint press release dated March 26, 2012 announcing the mailing of the Acquisition Notice, the Filer and Offeror announced that the Filer would apply to cease to be a reporting issuer and had applied to the securities regulatory authorities in the Jurisdictions to request an exemption from certain continuous disclosure obligations, including the requirement to prepare, file and mail to the Filer’s shareholders the Interim Filings and Interim Officer Certificates, pending the anticipated completion of the Compulsory Acquisition of the Remaining Shares;
22. absent the Exemptive Relief being granted, the Filer is required to:
 - (a) prepare and file on or before April 2, 2012, the Interim Filings and deliver copies of the Interim Filings to the Filer’s shareholders; and
 - (b) file the Interim Officer Certificates concurrently with the filing of the Interim Filings; and
23. the Offeror has advised the Filer that it has no immediate need to obtain, in the form of the Interim Filings and Interim Officer Certificates, the information set out in those documents.

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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 Exemptive Relief Sought is granted.

Paul C. Bourque, QC
Executive Director
British Columbia Securities Commission