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Headnote

Trades in securities of an issuer for the acquisition of an asset by the issuer's subsidiary - The asset is an interest in a resource property; in consideration for the issuer's securities, the owner of the asset will transfer the asset to the issuer's wholly-owned subsidiary

Exemption Order

Trigon Uranium Corp.

Sections 48 and 76 of the *Securities Act*, R.S.B.C. 1996, c. 418

Background

- ¶ 1 Trigon Uranium Corp. (Trigon Uranium) has applied for an exemption from the requirements to be registered to trade and to file and obtain receipts for a preliminary prospectus and prospectus in sections 34(1)(a) and 61 of the Act (the registration and prospectus requirements) for certain intended trades.

Representations

- ¶ 2 Trigon Uranium represents that:
1. it was incorporated on November 2, 2002;
 2. its authorized share capital consists of an unlimited number of common shares, of which 62,672,387 shares were issued and outstanding as at September 30, 2008;
 3. it is a reporting issuer under the Act and is not in default of any requirements of the Act or the *Securities Rules*, B.C. Reg. 194/97;
 4. its common shares are listed for trading on the TSX Venture Exchange (Exchange);
 5. it is the beneficial owner of 100% of the issued and outstanding share capital of Trigon Exploration Red Canyon Inc. (Trigon Utah);

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6. Trigon Utah is a corporation incorporated under the laws of the State of Utah, U.S.A., and is not a reporting issuer under the Act;
7. Trigon Utah entered into an agreement (Option Agreement) with William Reed Hurst, Deen Lyman, Daryl Shumway, Mitch Shumway and Shumway Brothers Mining LLC (together, the Vendor) and Trigon Uranium effective June 4, 2007, as amended, to lease and obtain an option to purchase certain federal unpatented mineral claims and state leases located in the State of Utah, United States (the Property);
8. under the laws of the United States, only U.S. citizens or U.S. corporations can hold federal unpatented mining claims;
9. in order to maintain the lease, the Option Agreement requires Trigon Uranium to issue an aggregate of 350,000 common shares (Trigon Shares) in the capital of Trigon Uranium;
10. in order to exercise the option, Trigon Utah must have maintained the lease up to the time of exercise and pay the Vendor US\$8 million;
11. upon exercise of the option under the Option Agreement, Trigon Utah will have acquired all of the Vendor's right and interest in and to the Property;
12. the Exchange has accepted the Option Agreement, including the issuance of the Trigon Shares, for filing; and
13. if Trigon Uranium acquired the Property directly, rather than through its wholly-owned subsidiary Trigon Utah, Trigon Uranium could rely on the registration and prospectus exemptions in sections 45(2)(21) and 74(2)(18) of the Act or section 2.13 of National Instrument 45-106 *Prospectus and Registration Exemptions* to distribute the Trigon Shares as part of the consideration.

Order

¶ 3 Considering that it is not prejudicial to the public interest, the Commission orders that:

1. under sections 48 and 76 of the Act, Trigon Uranium is exempt from the registration and prospectus requirements for trades of Trigon Shares to the Vendor or the Vendor's designees under the Option Agreement, provided that Trigon Uranium files a Form 45-106F1 and pays the required fees within 10 days of each distribution; and

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2. under section 76 of the Act, any trade in the Trigon Shares issued under this order is deemed to be a distribution unless the conditions in subsection 2.5(2) of National Instrument 45-102 *Resale of Securities* are satisfied.

¶ 4 October 17, 2008

Noreen Bent
Manager, Legal Services
Corporate Finance
British Columbia Securities Commission