

2003 BCSECCOM 215

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to cease to be a reporting issuer – issuer’s securities are publicly traded, but not on any market in Canada – Canadian shareholders hold less than 10% of the outstanding shares – Canadian shareholders will continue to receive U.S. continuous disclosure documents

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 88

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 FRANKLIN LAKE RESOURCES INC.

MRRS DECISION DOCUMENT

- ¶ 1 WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia and Alberta (the “Jurisdictions”) has received an application from Franklin Lake Resources Inc. (“FLR”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that FLR be deemed to cease to be a reporting issuer in 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;
- ¶ 3 AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;
- ¶ 4 AND WHEREAS FLR has represented to the Decision Makers that:

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1. it is a corporation incorporated under the Canadian Business Corporations Act on May 23, 1986, as Naxos Resources Ltd. and continued to the United States as a Nevada corporation, under the name Franklin Lake Resources Inc.;
2. its principal office address is at 172 Starlite Street, South San Francisco, California, CA 94080;
3. it is not required by law to have, nor does it have, an office in Nevada;
4. it received a Certificate of Discontinuance from Industry Canada on January 3, 2002;
5. it is a reporting issuer in each of the Jurisdictions;
6. it is not a reporting issuer or the equivalent in any other jurisdiction in Canada;
7. it is not in default of any requirements under the Legislation;
8. as at February 28, 2003, its total issued and outstanding capital consisted of 9,282,062 common shares;
9. its common shares are traded on the OTC Bulletin Board and are not traded on any market in Canada;
10. it is subject to the United States *Securities Exchange Act of 1934* and is not in default of any of the requirements of that Act;
11. 8.4% of its total outstanding shares are held by 61 Canadian resident shareholders, of whom 54 are resident in British Columbia, 2 are resident in Alberta and 5 in other parts of Canada;
12. approximately 7.1% of the total number of its shareholders are Canadian residents, with 6.35% resident in British Columbia and 0.2% resident in Alberta;
13. it does not intend to seek financing by way of a public offering of its securities in Canada;
14. its management, assets and business are located in the United States; and

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15. all of its registered and beneficial shareholders resident in Canada will continue to be provided with the same continuous disclosure documents that are provided to its registered shareholders resident in the United States;

¶ 5 AND WHEREAS under the System, this MRRS Decision document evidences the decision of each Decision Maker (collectively, the “Decision”);

¶ 6 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;

¶ 7 THE DECISION of the Decision Makers under the Legislation is that FLR is deemed to cease to be a reporting issuer under the Legislation.

¶ 8 March 13, 2003

Brenda Leong
Director