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Headnote

Relief from the requirement to file a report of exempt distribution for distributions made in connection with an arrangement.

Exemption Order

Bema Gold Corporation

Section 76 of the *Securities Act*, R.S.B.C. 1996, c. 418

Background

- ¶ 1 Bema Gold Corporation applied for an exemption from the requirement under section 139 of the *Securities Rules* to file a report of exempt distribution in the required form on or before the 10th day after a distribution (the Reporting Requirement) for distributions in connection with an arrangement (the Arrangement) involving Bema, its wholly-owned subsidiary, and EAGC Ventures Corp. (EAGC).

Representations

- ¶ 2 Bema represents that:
1. it was continued under the *Canada Business Corporations Act* (CBCA) in July 2002;
 2. its head office is located in Vancouver, British Columbia;
 3. its authorized capital consists of an unlimited number of common shares (Bema Shares), of which 242,184,464 Bema Shares were issued and outstanding as at November 8, 2002;
 4. it is a reporting issuer or the equivalent under the securities legislation of each province and territory of Canada;
 5. its shares are listed on the Toronto Stock Exchange (TSX) and the American Stock Exchange (AMEX);

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6. EAGC was amalgamated under the *Ontario Business Corporations Act* in May 1996;
7. EAGC's head office is located in Vancouver, British Columbia;
8. EAGC's authorized capital consists of an unlimited number of common shares (the EAGC Shares), of which 12,755,805 EAGC Shares were issued and outstanding as at November 18, 2002;
9. as at November 18, 2002, 1,840,000 EAGC Shares were reserved for issuance under outstanding EAGC Options, 3,785,000 EAGC Shares were reserved for issuance under outstanding warrants of EAGC, 47,723,500 EAGC Shares were reserved for issuance under outstanding special warrants of EAGC (EAGC Special Warrants) and 23,861,750 EAGC Shares were reserved for issuance pursuant to the exercise of warrants obtainable on the exercise of the outstanding EAGC Special Warrants (such warrants, together with the warrants of EAGC currently outstanding, are collectively referred to as the EAGC Warrants);
10. the outstanding EAGC Warrants have terms of two years or five years;
11. EAGC is a reporting issuer under the securities legislation of British Columbia, Alberta, Ontario and Québec;
12. until the effective date of the Arrangement (the Effective Date), the EAGC Common Shares were listed on the TSX Venture Exchange (TSX Venture);
13. a special meeting (the Meeting) of the shareholders of EAGC and the holders of EAGC Options was held on December 18, 2002;
14. in connection with the Meeting, EAGC delivered to the relevant EAGC securityholders, and filed with the applicable securities regulatory authorities, a management information circular containing prospectus level disclosure of the Arrangement and the business and affairs of Bema;
15. the requisite securityholder approval for the Arrangement was obtained at the Meeting;
16. on December 20, 2002 the Ontario Superior Court of Justice (the Court) granted its final order in connection with the Arrangement and approved, among other things, the fairness of the Arrangement;

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17. prior to the Effective Date, all EAGC Special Warrants were automatically exercised in accordance with their terms and the EAGC Shares and EAGC Warrants issuable upon such exercise were issued;
18. the Arrangement involves a number of trades and distributions of securities, including:
 - (a) the distribution of Bema Shares to shareholders of EAGC in exchange for the cancellation of their EAGC Shares;
 - (b) the distribution of Bema Replacement Options for each EAGC Option;
 - (c) the distribution of Bema Shares following the Effective Date to satisfy exercise of outstanding EAGC Warrants, which will, in accordance with their terms, entitle the holders to purchase Bema Shares;
19. the trades and distributions in connection with the Arrangement will be made under exemptions from the registration and prospectus requirements in the Act;
20. Bema is not required to file a report of exempt distribution for the distributions in connection with the Arrangement in any other jurisdiction;

Order

¶ 3 Because it is not prejudicial to the public interest, the Executive Director orders that Bema is exempt from the Reporting Requirement for the distributions in connection with the Arrangement.

¶ 4 February 24, 2003

Brenda Leong
Director