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Headnote

Private agreement exemption - An offeror wants to complete a take over bid that meets all of the conditions of the private agreement exemption except that it intends to acquire shares from more than 5 vendors - the offer will satisfy all other conditions required for an exempt take-over bid under the private agreement take-over bid exemption in section 4.2(1) of MI 62-104; the offeror will purchase the shares from the vendors at the market price of the shares as at the date of the agreement between the vendors and the offeror

Exemption Order

Hunter Dickinson Inc.

Section 114(2) of the *Securities Act*, R.S.B.C. 1996, c. 418

Section 6.1 of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*

Background

- ¶ 1 Hunter Dickinson Inc. has applied to the British Columbia Securities Commission under section 114(2) of the *Securities Act* (British Columbia) for an exemption from the requirements of Part 2 of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*.

Representations

- ¶ 2 This decision is based on Hunter Dickinson's representations:
1. Hunter Dickinson is incorporated under the laws of British Columbia;
 2. historically, Hunter Dickinson was an enterprise consisting of a professional team which has formed and managed private and public mining companies;
 3. the Hunter Dickinson enterprise was not conducted through a single public entity or a single holding company; rather, the Hunter Dickinson enterprise was focused on establishing individual portfolio companies that were managed by the Hunter Dickinson team; the Hunter Dickinson team provided advice, assistance and services to the portfolio companies individually and without any collective, exclusive or long term legal commitments to provide such support;
 4. Heatherdale Resources Ltd. is incorporated under the laws of Alberta with a head office in Vancouver, British Columbia;

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5. Heatherdale is a reporting issuer in British Columbia, Alberta and Ontario and its common shares are listed for trading on the TSX Venture Exchange and is authorized to issue an unlimited number of common shares, of which 47,868,461 are issued and outstanding as of February 26, 2010;
6. 13 vendors, which include the Hunter Dickinson team, have decided to form a diversified mining company – Hunter Dickinson Inc. – and to collectively commit themselves exclusively to that business; Hunter Dickinson Inc. will become the sole embodiment of the Hunter Dickinson enterprise and will, through a subsidiary, employ the Hunter Dickinson team;
7. ten vendors reside in British Columbia and three vendors reside outside of Canada;
8. the vendors are directors, officers or shareholders in public and private companies; although the vendors have not been joint actors, they have, because of business dealings and cooperative efforts in relation to the Hunter Dickinson enterprise, had an identity of interest and a long standing business relationship;
9. the vendors through a reorganization are consolidating all their shareholdings in Heatherdale (contemporaneously along with their shareholdings in five private companies) into Hunter Dickinson Inc. which the vendors will control;
10. Hunter Dickinson Inc. intends to purchase an aggregate of 21,986,283 common shares in the capital of Heatherdale from the 13 vendors, representing approximately 46% of Heatherdale's issued and outstanding common shares;
11. Hunter Dickinson Inc. will purchase the shares from the vendors at the then current market price of the common shares as at the date of the agreement between the vendors and Hunter Dickinson Inc., as determined in accordance with section 1.11(1) of MI 62-104, on the closing date of the transaction;
12. following the completion of the transaction, Hunter Dickinson Inc. will control Heatherdale;
13. the vendors will control Hunter Dickinson Inc. because each vendor will be a director, officer or shareholder of Hunter Dickinson Inc.;
14. the primary purpose of the transaction is to enable the vendors to contribute some of their own personal capital to Hunter Dickinson Inc. and will continue to align their economic interests with those of Hunter Dickinson Inc.;

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15. Hunter Dickinson Inc. does not intend to dispose of its shareholding in Heatherdale; and
16. the transaction would constitute a “take-over bid” as that term is defined in MI 62-104 and would be exempt from Part 2 of MI 62-104 under Section 4.2(1), but for the fact that the common shares will be purchased from more than five vendors.

Order

- ¶ 3 Considering that to do so would not be prejudicial to the public interest, the Commission orders under section 114(2) of the Act that the transaction is exempt from Part 2 of MI 62-104.

- ¶ 4 May 31, 2010

Brenda Leong
Chair
British Columbia Securities Commission