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March 17, 2011

Headnote

Multilateral Instrument 11-102 *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – National Instrument 52-107, s. 5.1 *Acceptable Accounting Principles and Auditing Standards* - An issuer wants relief from the requirement to prepare its financial statement in accordance with Canadian GAAP in order to use IFRS before the January 1, 2011 changeover date - The issuer only recently became a reporting issuer; the issuer wants to adopt IFRS from incorporation; the issuer has not previously filed any financial statements; the issuer has assessed the readiness of its staff, board, audit committee, auditors and investors; the issuer will provide detailed disclosure regarding its early adoption of IFRS as set out in CSA Staff Notice 52-320 in a news release

Applicable British Columbia Provisions

National Instrument 52-107, s. 5.1

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
Pretium Resources 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 the securities legislation of the Jurisdictions (the Legislation) exempting the Filer from the requirements in sections 4.2 and 4.3 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (NI 52-107) that financial statements be prepared in accordance with Canadian generally accepted

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accounting principles determined with reference to Part V of the Handbook of the Canadian Institute of Chartered Accountants applicable to public enterprises (Canadian GAAP), in order that the Filer may prepare its financial statements for its year-ended December 31, 2010 (the Exemption Sought in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS-IASB)).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application;
- (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, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, Yukon Territory, Northwest Territories and Nunavut (the Passport Jurisdictions); 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* and MI 11-102 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 corporation governed by the British Columbia *Business Corporations Act* and was incorporated on October 22, 2010; the registered office of the Filer is located at Suite 2900, 550 Burrard Street, Vancouver, British Columbia V6C 0A3;
 - 2. the Filer is a reporting issuer or the equivalent in the Jurisdictions and in each of the Passport Jurisdictions; the Filer is not in default of its reporting issuer obligations under the Legislation or the securities legislation of the Passport Jurisdictions; the Filer's common shares are listed on the Toronto Stock Exchange (the TSX);
 - 3. the Filer is a start-up company that intends to acquire, explore and develop gold and precious metals resource properties, initially in the Americas, and has

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a 100% interest in the Snowfield and Brucejack mineral projects located in northern British Columbia;

4. the Filer currently prepares its financial statements in accordance with Canadian GAAP;
5. the Canadian Accounting Standards Board has confirmed that publicly accountable enterprises will be required to prepare their financial statements in accordance with IFRS-IASB for financial statements relating to fiscal years beginning on or after January 1, 2011;
6. NI 52-107 sets out acceptable accounting principles for financial reporting under the Legislation by domestic issuers, foreign issuers, registrants and other market participants; under NI 52-107, a domestic issuer must use Canadian GAAP with the exception that an SEC registrant may use US GAAP; under NI 52-107, only foreign issuers may use IFRS-IASB;
7. in CSA Staff Notice 52-321 *Early Adoption of International Financial Reporting Standards, Use of US GAAP and Reference to IFRS-IASB*, staff of the Canadian Securities Administrators recognized that some issuers may wish to prepare their financial statements in accordance with IFRS-IASB for periods beginning prior to January 1, 2011 and indicated that staff were prepared to recommend exemptive relief on a case by case basis to permit a domestic issuer to do so, despite section 4.2 of NI 52-107;
8. subject to obtaining the Exemption Sought, the Filer intends to adopt IFRS-IASB in respect of its annual financial statements for its year-ended December 31, 2010;
9. the Filer has carefully assessed the readiness of its staff, board of directors, audit committee, auditors, investors and other market participants for the adoption by the Filer of IFRS-IASB for financial periods beginning on and after January 1, 2010 and has concluded that they will be adequately prepared for the Filer's adoption of IFRS-IASB for periods beginning on January 1, 2010;
10. the Filer has considered the implications of adopting IFRS-IASB in respect of its year -ended December 31, 2010 on its obligations under the Legislation and securities legislation of the Passport Jurisdictions including, but not limited to, those relating to CEO and CFO certifications, business acquisition reports, offering documents, and previously released material forward-looking information and has concluded that if the Exemption Sought is granted, it will continue to be able to fulfil these obligations;

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11. the Filer will disseminate a news release on or before March 21, 2011 and in advance of the filing of the Filer's financial statements for the year ending December 31, 2010 disclosing relevant information about its conversion to IFRS-IASB as contemplated by CSA Staff Notice 52-320 *Disclosure of Expected Changes in Accounting Policies Relating to Changeover to International Financial Reporting Standards*, including:
- (a) the key elements and timing of the Filer's changeover plan;
 - (b) the accounting policy and implementation decisions the Filer has made or will have to make;
 - (c) major identified differences between the Filer's current accounting policies and those the Filer is required or expects to apply in preparing financial statements in accordance with IFRS-IASB; and
 - (d) the impact of adopting IFRS-IASB on the key line items in the Filer's financial statements for the year ending December 31, 2010; and
12. the Filer has not previously prepared financial statements that contain an explicit and unreserved statement of compliance with IFRS.

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 Exemption Sought is granted provided that the Filer:

- (a) prepares its annual financial statements to be filed for periods relating to financial years beginning on or after January 1, 2010 in accordance with IFRS-IASB;
- (b) complies with Part 3 of NI 52-107 *Acceptable Accounting Principles and Auditing Standards* for financial statements, financial information, operating statements and pro forma financial statements for periods relating to the year ending December 31, 2010;
- (c) complies with the IFRS-related amendments to National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) that came into force on January 1, 2011 and that apply to documents required to be prepared,

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filed, delivered, or sent under NI 51-102 for periods relating to the year ending December 31, 2010;

- (d) complies with the IFRS-related amendments to National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* that came into force on January 1, 2011 and that apply to annual filings and interim filings for periods relating to the year ending December 31, 2010;
- (e) complies with the IFRS-related amendments to National Instrument 52-110 *Audit Committees* that came into force on January 1, 2011 and that apply to periods relating to the year ending December 31, 2010; and
- (f) provides the communication set out in paragraph 11.

Martin Eady, CA
Director, Corporate Finance
British Columbia Securities Commission