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Headnote

On behalf of its securityholders, an issuer that is not a reporting issuer in Canada, whose securities trade on a market outside of Canada and that has a *de minimus* connection to Canada, seeks first trade relief for securities issued to residents of Canada - The issuer meets all of the conditions of the prospectus exemption in section 2.14 of National Instrument 45-102 Resale of Securities except that residents of Canada own more than 10% of the securities of the class; the issuer has one Canadian resident shareholder; no market exists for the issuer's securities in Canada and, because the issuer has a *de minimus* connection to Canada, none is expected to develop

Exemption Order

Beadell Resources Limited (the Filer)

Section 76 of the *Securities Act*, R.S.B.C. 1996, c. 418 National Instrument 45-102, s. 3.1 *Resale of Securities*

Background

- ¶ 1 The Filer applied under section 76 of the *Securities Act* for an exemption from the prospectus requirement for first trades of its ordinary shares by certain shareholders.

Interpretation

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

- ¶ 3 The Filer represents that:
1. the Filer was incorporated in Australia in May 2007; the Filer's head office is located in West Perth, Western Australia, Australia;
 2. the Filer is authorized to issue one class of shares, being ordinary shares without par value; on the date of this application, the Filer has 621,937,828 fully paid ordinary shares issued and outstanding (which includes the Canadian Shares as defined below); the Filer has not issued any warrants to acquire ordinary shares of the Filer;
 3. on the date of this application, the Filer has granted options to purchase fully paid ordinary shares of the Filer (the Options) as follows:

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- (a) 10,000,000 Options at an option exercise price of \$0.1875 expiring on April 21, 2014;
 - (b) 5,830,000 Options at an option exercise price of \$0.1875 expiring on June 30, 2014;
 - (c) 1,500,000 Options at an option exercise price of \$0.35 expiring on June 30, 2012;
 - (d) 1,500,000 Options at an option exercise price of \$0.50 expiring on June 30, 2012;
 - (e) 465,000 Options at an option exercise price of \$0.25 expiring on June 30, 2011;
 - (f) 210,000 Options at an option exercise price of \$0.35 expiring on June 30, 2011;
 - (g) 200,000 Options at an option exercise price of \$0.30 vesting on June 30, 2010 and expiring on June 30, 2012; and
 - (h) 2,300,000 Options at an option exercise price of \$0.12 vesting on June 30, 2010 and expiring on June 30, 2012;
- 4. the Filer is not a reporting issuer in the Jurisdiction or in any other province or territory of Canada, and none of its securities are listed or posted for trading on an exchange in Canada; the Filer has no present intention of becoming listed in Canada or of becoming a reporting issuer in Canada; the Filer is a reporting issuer in Australia and its shares are listed on the Australian Securities Exchange (the ASX); the Filer is not in default of securities legislation in any jurisdiction;
 - 5. the Filer's principal properties are located in Australia and Brazil and its management is located in Australia;
 - 6. pursuant to a purchase and sale agreement with New Gold Inc. (New Gold), the Filer recently acquired, through its subsidiaries, 100% of the issued capital of New Gold's Brazilian subsidiary, Mineracao Pedra Branca do Amapari, for a purchase price of US\$53,000,000 (the Acquisition); through the Acquisition, the Filer acquired the Amapari Gold Mine and a royalty from the sale of iron from the Amapa iron ore project, which are both located in Brazil; the purchase price was satisfied by a cash payment of US\$37,000,000 and the issuance of 115,004,492 fully paid ordinary shares of the Filer (the Canadian

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Shares) to Peak Mines Ltd. (Peak), a British Columbia corporation and a wholly-owned subsidiary of New Gold; as part of this transaction, the Filer completed an equity financing to raise net proceeds of approximately AUS\$57,000,000;

7. the Canadian Shares represent approximately 18.49% of the issued ordinary shares of the Filer; Peak has agreed to voluntarily hold the Canadian Shares in escrow until April 13, 2011, subject to early release at the discretion of the Filer;
8. the Filer issued the Canadian Shares to Peak under the takeover bid exemption in Section 2.16 of National Instrument 45-106 - *Prospectus and Registration Exemptions* (NI 45-106);
9. based on the Filer's review of a share register analysis as at June 30, 2010 by Thomson Reuters, Peak is the only Canadian resident that owns shares of the Filer;
10. Peak does not and will not have any Options;
11. as the above Options are exercised, Peak's ownership interest in the Filer will decrease;
12. as a reporting issuer in Australia, the Filer is subject to disclosure obligations pursuant to the rules and regulations of the ASX; as a shareholder, Peak will receive the same information from the Filer that the ASX requires the Filer to provide to its other shareholders; Peak has advised the Filer that it is an "accredited investor" as defined in NI 45-106;
13. any resale of the Canadian Shares is expected to be made through the facilities of the ASX in accordance with its rules and regulations; there is no market for the Canadian Shares in Canada and no market for the Canadian Shares is expected to develop;
14. in the absence of an exemption order, the first trade in the Canadian Shares by Peak will be deemed to be a distribution pursuant to Section 2.6 of NI 45-102 unless, among other things, the Filer has been a reporting issuer in a jurisdiction of Canada for four months immediately preceding the trade; and
15. section 2.14 of NI 45-102 will not be available with respect to a first trade of the Canadian Shares because at the distribution date of the Canadian Shares residents of Canada owned more than 10% of the ordinary shares of the Filer.

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Decision

- ¶ 4 Because it would not be prejudicial to the public interest, the Executive Director orders under section 76 of the Act that the first trade of the Canadian Shares is exempt from the prospectus requirement, provided that:
- (a) the Filer is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
 - (b) the first trade of the Canadian Shares is executed through the facilities of the ASX or on another exchange or market outside of Canada; and
 - (c) at the distribution date of the Canadian Shares, after giving effect to the issue of the Canadian Shares and any other shares of the same class or series that were issued at the same time or as part of the same distribution as the shares, residents of Canada (excluding New Gold and its affiliates including Peak):
 - (i) did not own directly or indirectly more than 10 percent of the outstanding shares of the class or series, and
 - (ii) did not represent in number more than 10 percent of the total number of owners directly or indirectly of shares of the class or series.
- ¶ 5 September 9, 2010

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