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Headnote

Securities Act ss. 48, 76 Corp Acquisitions & Reorgs - Exemption from s. 34(1)(a) requirement to be registered as a dealer for a trade and s. 61 requirement to file a prospectus for a distribution in connection with a corporate acquisition or reorganization - Trades in securities of an issuer for the acquisition of an asset by the issuer's subsidiary - The asset is an interest in a resource property; in consideration for the issuer's securities, the owner of the asset will transfer the asset to the issuer's wholly-owned subsidiary

Exemption Order

Trigon Exploration Canada Ltd.

Sections 48 and 76 of the *Securities Act*, R.S.B.C. 1996, c. 418

Background

- ¶ 1 Trigon Exploration Canada Ltd. (Trigon Canada) has applied for an exemption from the requirements to be registered to trade and to file and obtain receipts for a preliminary prospectus and prospectus in sections 34(1)(a) and 61 of the Act (the registration and prospectus requirements) for certain intended trades.

Representations

- ¶ 2 Trigon Canada represents that:
1. it was incorporated on November 2, 2002;
 2. its authorized share capital consists of an unlimited number of common shares, of which 34,905,919 shares were issued and outstanding as at May 23, 2006;
 3. it is a reporting issuer under the Act and is not in default of any requirements of the Act or the *Securities Rules*, B.C. Reg. 194/97;
 4. its shares are listed for trading on the TSX Venture Exchange (Exchange);
 5. it is the recorded owner of 100% of the issued and outstanding share capital of Trigon Exploration Utah Inc. (Trigon Utah);
 6. Trigon Utah is a corporation incorporated under the laws of the State of Utah, U.S.A., and is not a reporting issuer under the Act;
 7. Trigon Utah entered into an agreement (Option Agreement) with Garfield Resources I LLC, the Personal Representative of the Estate of Morrill A Nielson and Wilma Nielsen (together, the Vendors) and Trigon Canada, and

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an Addendum to the Option Agreement among Garfield Resources I LLC, Trigon Utah and the Company, both effective April 24, 2006, to lease and obtain an option to purchase certain federal unpatented mineral claims and leases issued by the School and Institutional Trust Lands Administration in the State of Utah, United States (the Property);

8. under the laws of the United States, only U.S. citizens or U.S. corporations can hold federal unpatented mining claims;
9. the Option Agreement requires Trigon Canada to pay an aggregate of US\$630,000 and to issue an aggregate of 1,900,000 shares to exercise the option;
10. upon exercise of the option under the Option Agreement, Trigon Utah will have acquired all of the Vendor's right and interest in and to the Property;
11. the Exchange has approved the issuance of the 1,900,000 shares under the Option Agreement;
12. if Trigon Canada acquired the Property directly, rather than through its wholly-owned subsidiary Trigon Utah, Trigon Canada could rely on the registration and prospectus exemptions in sections 45(2)(21) and 74(2)(18) of the Act or section 2.13 of National Instrument 45-106 *Prospectus and Registration Exemptions* to distribute the shares as part of the consideration.

Order

- ¶ 3 Because it is not prejudicial to the public interest, the Commission orders,
1. under sections 48 and 76 of the Act, Trigon Canada is exempt from the registration and prospectus requirements for trades of its shares to the Vendors or the Vendors' designees under the Option Agreement, provided that Trigon Canada files a form 45-106F1 and pays the required fee within 10 days of each distribution, and
 2. under section 76 of the Act, any trade in the Trigon Shares issued under this Order is deemed to be a distribution unless the conditions in subsection 2.5(2) of National Instrument 45-102 *Resale of Securities* are satisfied.

¶ 4 May 30, 2006

Noreen Bent
Manager, Legal Services, Corporate Finance
British Columbia Securities Commission