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Headnote

Securities Act s. 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 has a value of at least \$100,000; 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

IGC Resources Inc.

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

Background

- ¶ 1 IGC Resources 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 IGC Resources represents that:
1. it was continued under the laws of British Columbia on July 21, 2004;
 2. it is a reporting issuer in British Columbia under the Act and is not in default of any requirements of the Act or the *Securities Rules*, B.C. Reg. 194/97;
 3. it has an unlimited authorized capital, of which 9,281,968 common shares are outstanding as at December 13, 2004;
 4. its common shares are listed on the TSX Venture Exchange (the Exchange);
 5. it is the registered owner of 100% of the issued and outstanding share capital of IGC (Aust) Pty Ltd (IGC Aust);
 6. IGC Aust is a company incorporated under the laws of Australia and is not a reporting issuer under the Act;
 7. IGC Resources entered into a share purchase agreement dated December 8, 2004 (the agreement) with Commercial Holdings Pty Ltd (CHP) under which

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IGC Aust will acquire all the outstanding shares of CHP's wholly-owned subsidiary, Goldport Pty Ltd (Goldport) (the acquisition);

8. on closing of the acquisition, Goldport will own an option to acquire the rights to explore and develop certain mineral properties (the properties) located in Western Australia (the asset);
9. the fair market value of the asset is not less than \$100,000;
10. on closing of the acquisition, IGC Resources will indirectly own a 100% interest in Goldport and, therefore, the asset;
11. as part of the consideration for the asset, IGC Resources will issue the following securities to CHP on closing of the acquisition (the CHP trades):
 - (a) 3,000,000 common shares of IGC Resources at a deemed price of \$0.30 per share; and
 - (b) non-transferable share purchase warrants to purchase up to 3,000,000 common shares of IGC Resources exercisable for two years at the price of \$0.36 per share;
12. within 30 days after the date of commencement of commercial production of ore mined from either of the properties, IGC Resources will issue the following additional securities to Great Southern Resources Pty Ltd (GSR), the current holder of the properties (the GSR trades):
 - (a) 1,500,000 common shares of IGC Resources at a deemed price of \$0.30 per share; and
 - (b) non-transferable share purchase warrants to purchase up to 1,500,000 common shares of IGC Resources exercisable for two years at the price of \$0.36 per share;
13. the Exchange has provided conditional acceptance to the acquisition contemplated by the agreement; and
14. the distribution of securities by IGC Resources in consideration for the asset would be exempt from the registration and prospectus requirements under sections 45(2)(6) and 72(2)(18) of the Act if IGC Resources, rather than IGC Aust, was acquiring the asset.

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Order

¶ 3 Because it is not prejudicial to the public interest, the decision maker orders:

1. under sections 48 and 76 of the Act that IGC Resources is exempt from the registration and prospectus requirements for the CHP trades and the GSR trades provided that IGC Resources files a Form 45-103F4 and pays the required fee within 10 days after making the CHP trades and the GSR trades; and
2. under section 76 of the Act, any trade in the common shares of IGC Resources acquired by CHP or GSR under this order is deemed to be a distribution, unless the conditions in subsection 2.5 (2) of Multilateral Instrument 45-102 *Resale of Securities* are satisfied.

¶ 4 December 16, 2004

Martin Eady, CA
Director