

2002 BCSECCOM 1038

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief granted from the requirement to have a qualified person inspect a property that is the subject of a technical report – property inspection not possible due to winter conditions

Applicable British Columbia Provisions

National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, ss. 6.2 and 9.1

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA AND ONTARIO

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF PURE GOLD MINERALS INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario (the “Jurisdictions”) has received an application from Pure Gold Minerals Inc. (the “Filer”) for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that the requirement contained in section 6.2 of National Instrument 43-101 (“NI 43-101”) that at least one qualified person (as defined in NI 43-101) preparing or supervising the preparation of a technical report inspect the property that is the subject of the technical report (the “Personal Inspection Requirement”) will not, subject to certain conditions, apply to the Filer in respect of the technical reports required to be filed in connection with the filings of both a rights offering circular (the “Rights Offering Circular”) and a revised annual information form (the “AIF”);

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers as follows:

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1. The Filer came into existence under the laws of Ontario as the successor by amalgamation to Pure Gold Resources Inc. and Cayo Resources Inc. under a Certificate of Amalgamation dated November 13, 1997.
2. The Filer is a reporting issuer or the equivalent in each of the Jurisdictions and its common shares are listed and posted for trading on The Toronto Stock Exchange.
3. The Filer is not on the list of defaulting issuers maintained pursuant to s.72(9) of the *Securities Act* (Ontario) and is not on the equivalent lists of defaulting issuers maintained in the other Jurisdictions.
4. The Filer holds a minority interest in certain properties located in northern Alberta and Nunavut (the "Properties"). The Properties are operated by the holder of a majority interest in the Properties, an issuer that is a reporting issuer or the equivalent in each of the Jurisdictions (the "Operator"). The Properties are material to the Filer's business.
5. The Filer intends to issue rights to its securityholders and in connection therewith, will file the Rights Offering Circular
6. The Filer also intends to file a revised AIF.
7. Both the Rights Offering Circular and the AIF will describe the Properties based on the information contained in certain technical reports (the "Technical Reports") relating to the Properties and prepared by Mr. George Cavey, a qualified person under NI 43-101.
8. NI 43-101 provides that the Technical Reports must comply with the Personal Inspection Requirement.
9. On May 28, 2002, the Filer filed a statement of claim against the Operator regarding certain issues with a joint venture agreement respecting one of the Properties. As a result of this action, the Operator stopped providing technical information to the Filer for a period of time and prevented the Filer from accessing the Properties in order to complete the Personal Inspection Requirement.
10. The Operator has subsequently provided the Filer with the technical information required to complete the Technical Reports and has granted the Filer access to the Properties. Due to the winter conditions that set in before the Filer regained access to the Properties, a proper site inspection is not possible at this

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time; accordingly, a qualified person will not be able to complete the Personal Inspection Requirement with respect to the Properties prior to the filing of the Rights Offering Circular or the AIF.

AND WHEREAS under the System this MRRS decision document evidences the decision of each Decision Maker (collectively, the “Decision”);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Filer is exempt from the Personal Inspection Requirement in respect of the Technical Reports required to be filed in connection with the filing of the Rights Offering Circular and the AIF provided that:

- (a) the Technical Reports include a statement that a personal inspection has not been conducted by the qualified person, as defined in NI 43-101, and the reasons why a personal inspection was not conducted;
- (b) the Rights Offering Circular and AIF disclose that the Filer has been exempted from the Personal Inspection Requirement; and
- (c) the qualified person conduct a site visit as soon as practicable and either re-file amended Technical Reports or, to the extent that there are no material changes to the Technical Reports, re-file the certificates comprising a part of the Technical Reports.

DATED December 17th, 2002.

Iva Vranic