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Headnote

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

Millrock Resources Inc.

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

Background

- ¶ 1 Millrock Resources Inc. (MRO) 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 MRO represents that:
1. it was incorporated under the federal laws of Canada on April 20, 1979 under the name Beaufort Energy Limited;
 2. its authorized capital consists of an unlimited number of common shares, of which 18,851,939 common shares were issued and outstanding as at April 30, 2008;
 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 common shares are listed for trading on the TSX Venture Exchange (the Exchange);
 5. it is the beneficial owner of 100% of the issued and outstanding share capital of Millrock Alaska LLC (MRO Alaska);
 6. MRO Alaska is a corporation incorporated under the laws of the State of Alaska, U.S.A., and is not a reporting issuer under the Act;
 7. MRO Alaska is a party to an option agreement dated April 18, 2008 (the Option Agreement) with Golden Glacier, Inc. (GGI), under which MRO

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Alaska has the right to acquire an interest (the Option) in certain lands located on the southern shore of the Seward Peninsula, Alaska (the Property);

8. under the laws of the United States, only U.S. citizens or U.S. corporations can hold mining claims;
9. the Option Agreement requires, among other things, MRO Alaska to cause MRO to pay an aggregate of USD\$590,000 to GGI, to expend USD\$4,000,000 on the Property in pre-production expenditures, and to issue to GGI 1,000,000 common shares in the capital of MRO over a 4 year period (the MRO Shares);
10. upon exercise of the Option under the Option Agreement, MRO Alaska will have acquired all of GGI's right and interest in the Property, subject to a minimum 2% net smelter return royalty;
11. the Exchange has approved the issuance of the MRO Shares; and
12. if MRO acquired the Property directly rather than through its wholly-owned subsidiary MRO Alaska, MRO 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 MRO Shares as part of the consideration for the Property.

Order

¶ 3 Considering that it is not prejudicial to the public interest, the Commission orders:

1. under sections 48 and 76 of the Act, MRO is exempt from the registration and prospectus requirements for trades of MRO Shares to GGI under the Option Agreement, provided that MRO files a Form 45-106F1 and pays the required fees within 10 days of each distribution; and
2. under section 76 of the Act, any trade in the MRO Shares issued under this Order is deemed to be a distribution unless the conditions in subsection of section 2.5(2) of National Instrument 45-102 *Resale of Securities* are satisfied.

¶ 4 June 11, 2008

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