

Headnote

Multilateral Instrument 11-102 *Passport System* – National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* – *Securities Act*, s. 88 – Cease to be a reporting issuer in BC – The securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market - The issuer is not an OTC reporting issuer; the securities of the issuer are beneficially owned by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders worldwide; no securities of the issuer are traded on a market in Canada or another country; the issuer is not in default of securities legislation except it has not filed certain continuous disclosure documents

Applicable Legislative Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 88

January 16, 2020

In the Matter of
the Securities Legislation of
British Columbia
(the Jurisdiction)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
Terraco Gold Corp.
(the Filer)

Order

Background

¶1 The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

- (a) the British Columbia Securities Commission is the principal regulator for this application,
and

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in the Province of Alberta.

Interpretation

¶2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

¶3 This order is based on the following facts represented by the Filer:

1. the Filer is a corporation continued under the *Business Corporations Act* (British Columbia) (the BCBCA) and has its head office in British Columbia;
2. the Filer's authorized capital consists of an unlimited number of common shares (Common Shares) without par value and an unlimited number of first preferred shares without par value;
3. on August 19, 2019, the Filer and Sailfish Royalty Corp. (Sailfish) completed a plan of arrangement (the Arrangement) under the BCBCA;
4. prior to the Arrangement, there were 186,676,221 Common Shares outstanding in the capital of the Filer, 13,551,000 options of the Filer outstanding (the Options), and US \$12,031,055 senior unsecured convertible debentures of the Filer outstanding (the Debenture); the Filer had no other outstanding securities;
5. under the Arrangement, Sailfish acquired all of the issued and outstanding Common Shares of the Filer and assumed the Options, which were adjusted in accordance with their terms and the exchange ratio such that 1,626,120 outstanding common shares of Sailfish were reserved for issuance upon valid exercise of the Options;
6. concurrent with closing of the Arrangement, the Debentures were repaid in full and extinguished;
7. the Filer's common shares were listed on the TSX Venture Exchange until being de-listed on August 20, 2019, following completion of the Arrangement;
8. the Filer is a reporting issuer in each of the Provinces of British Columbia and Alberta;
9. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 – *Issuers Quoted in the U.S. Over-the-Counter Markets*;
10. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions in Canada and fewer than 51 securityholders in total worldwide;

11. no securities of the Filer, including debt securities, are traded in Canada or any other country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
12. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer;
13. the Filer is not in default of securities legislation in any jurisdiction, other than the obligation of the Filer to file on or before November 28, 2019 its annual financial statements and related management's discussion and analysis for the year ended July 31, 2019 as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related certification of annual filings as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (the Filings);
14. the Filer is not eligible to use the simplified procedure under Section 19 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* as it is in default for failure to file the Filings; and
15. upon the grant of the Order Sought, the Filer will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

Order

- ¶4 The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

John Hinze
Director, Corporate Finance
British Columbia Securities Commission