

**Headnote**

Multilateral Instrument 11-102 *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* - National Instrument 45-102, s.3.1 *Resale of Securities* - An issuer that is not a reporting issuer in Canada is seeking first trade relief for securities that it will issue or has issued to Canadian residents - The issuer meets all of the conditions of section 2.14 of National Instrument 45-102 *Resale of Securities* except that residents of Canada own or will own more than 10% of the securities of the class and represent or will represent more than 10% of the total number of security holders worldwide; the issuer's securities are listed on an exchange outside of Canada; there is no market for the issuer's securities in Canada; the issuer's head office is outside Canada and none of its directors or management reside in Canada; except for its Canadian shareholders, the issuer has a minimal connection to Canada.

**Applicable Legislative Provisions**

National Instrument 45-102, s.3.1 *Resale of Securities*

January 19, 2018

In the Matter of  
the Securities Legislation of  
British Columbia and Ontario  
(the Jurisdictions)

and

In the Matter of  
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of  
Chesterfield Resources plc  
(the Filer)

Decision

**Background**

- ¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the prospectus requirement for the first trade of the Canadian Securities (as defined below) held by the Canadian Security Holders (as defined below) (the Exemption Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application, and
- (b) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

### **Interpretation**

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

### **Representations**

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

1. the Filer was incorporated and registered in England and Wales;
2. the Filer's principal office is located in Bedford, England;
3. none of the Filer's officers, directors or insiders are resident in Canada;
4. the assets of the Filer consist entirely of cash, denominated in British Pounds Sterling and held in the Filer's bank account in the United Kingdom;
5. the Filer is not a reporting issuer in any jurisdiction of Canada;
6. the Filer is not in default of securities legislation in any jurisdiction;
7. the authorized share capital of the Filer consists of (i) voting ordinary shares with a nominal value of 0.1 pence each (Ordinary Shares) and (ii) non-voting deferred shares with a nominal value of 4.9 pence each (Deferred Shares), of which 28,600,000 Ordinary Shares and 2,000,000 Deferred Shares are issued and outstanding;
8. the Filer has issued (i) 5,200,000 Series A Warrants (Series A Warrants), with each Series A Warrant entitling the holder to acquire one Ordinary Share at a price of 5 pence per Ordinary Share until the fifth anniversary of the listing date on the London Stock Exchange (LSE), (ii) 13,000,000 Series B Warrants (Series B Warrants), with each Series B Warrant entitling the holder to acquire one Ordinary Share at a price of 10 pence per Ordinary Share until the third anniversary of the listing date on the LSE, and (iii) 494,300 Broker Warrants (Broker Warrants), with each Broker Warrant entitling the holder to acquire one Ordinary Share at a price of 5 pence per Ordinary Share until the second anniversary of the listing date on the LSE;
9. the Filer filed a prospectus (the Prospectus) with the Financial Conduct Authority (FCA) in the United Kingdom on August 22, 2017 for the initial public offering (IPO) and listing of its entire issued ordinary share capital on the main market of the LSE;
10. as disclosed in the Prospectus, the Filer is a special purpose acquisition company formed for the purpose of acquiring a company, business or asset that has operations in the mining sector that it will then look to develop and expand, with the intention of focusing primarily on opportunities in the exchange traded non-ferrous metals mining segment within the European geographic region (the Acquisition);

11. the Filer anticipates that following the Acquisition the location of its principal office will remain in England and the majority of its current directors will remain on the board of directors;
12. Shard Capital Partners LLP was the principal underwriter engaged for purposes of the IPO; interested Canadian investors were directed to open accounts with Haywood Securities Inc.;
13. the Filer's Ordinary Shares commenced trading August 29, 2017 on the LSE;
14. none of the Filer's securities are listed or posted for trading on an exchange or market located in Canada; the Filer has no present intention of listing its securities on any Canadian stock exchange or of becoming a reporting issuer in Canada;
15. the following securities of the Filer are held by a total of 13 Canadian security holders resident in British Columbia or Ontario (the Canadian Security Holders):
  - (a) 10,492,000 Ordinary Shares (Canadian Ordinary Shares), representing 37% of the total issued and outstanding Ordinary Shares of the Filer;
  - (b) 750,000 Deferred Shares (Canadian Deferred Shares), representing 38% of the total issued and outstanding Deferred Shares of the Filer;
  - (c) 1,500,000 Series A Warrants (Canadian Series A Warrants), representing 29% of the total issued and outstanding Series A Warrants;
  - (d) 4,871,000 Series B Warrants (Canadian Series B Warrants), representing 38% of the total issued and outstanding Series B Warrants; and
  - (e) 243,550 Broker Warrants (Canadian Broker Warrants), representing 38% of the total issued and outstanding Broker Warrants;
16. the Canadian Series A Warrants, the Canadian Series B Warrants and the Canadian Broker Warrants (together, the Canadian Warrants) are each exercisable into one Ordinary Share of the Filer (Canadian Underlying Securities);
17. the Filer distributed the Canadian Ordinary Shares, the Canadian Deferred Shares and the Canadian Warrants to the Canadian Security Holders either prior to the IPO using the private issuer prospectus exemption in section 2.4 of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) or concurrent with the IPO using the accredited investor prospectus exemption in section 2.3 of NI 45-106;
18. the Filer is subject to the reporting and continuous disclosure obligations of the Market Abuse Regulation of the European Union, the Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA and the LSE rules and regulations; the Filer's continuous disclosure filing documents are posted on its website and can be viewed on the LSE's website and the National Storage Mechanism of the FCA; the Filer will provide the Canadian Security Holders the same information that the Filer is required to provide to its security holders under LSE rules and regulations;
19. the first trade in each of the Canadian Ordinary Shares, the Canadian Deferred Shares, the Canadian Warrants or the Canadian Underlying Securities (together, the Canadian Securities)

held by the Canadian Security Holders would be deemed a distribution pursuant to National Instrument 45-102 *Resale of Securities* (NI 45-102) unless, among other things, the Filer has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the first trade; since the Filer is not a reporting issuer in any jurisdiction of Canada and has no intention of becoming one, the Canadian Securities are subject to an indefinite hold period;

20. the Canadian Security Holders cannot rely on the exemption provided in section 2.14(1) of NI 45-102, because the Canadian Security Holders own, directly or indirectly, more than 10% of the issued and outstanding securities of the Filer and represent more than 10% of the Filer's total security holders;
21. there is no market for the Filer's securities in Canada and none is expected to develop; any resale of the Canadian Securities by the Canadian Security Holders is expected to be made through the facilities of the LSE, an exchange or market outside Canada or to a person or company outside Canada; and
22. absent an exemption, the Canadian Securities held by Canadian Security Holders are subject to resale restrictions that may never expire.

#### **Decision**

- ¶ 4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:

- (a) the Filer is not a reporting issuer in any jurisdiction of Canada at the date of the trade; and
- (b) the first trade of the Canadian Securities is
  - (i) executed through the facilities of the LSE or on another exchange or a market outside of Canada, or
  - (ii) to a person or company outside of Canada.

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British Columbia Securities Commission