

2005 BCSECCOM 349

April 27, 2005

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 51-101, s. 8.1 - Exemption from disclosure requirements in NI 51-101 - A reporting issuer wants relief from all the requirements of NI 51-101 - oil and gas is not the issuer's primary business; the issuer sold all of its oil and gas assets to an arm's length purchaser immediately after the fiscal year end for which the disclosure would otherwise be required; the issuer's continuous disclosure record for more than 12 months before the sale indicated that the issuer intended to sell the oil and gas assets to focus on another business

Applicable British Columbia Provisions

National Instrument 51-101 *Standards of Disclosure For Oil and Gas Activities*, s. 8.1

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

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of Alhambra Resources Ltd. (the Filer)

MRRS Decision Document

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of Alberta and British Columbia (the Jurisdictions) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer be exempted from the requirements of National Instrument 51-101 *Standards of Disclosure For Oil and Gas Activities* (NI 51-101) for the financial year ended December 31, 2004 (the Requested Relief).
2. Under the Mutual Reliance Review System for Exemptive Relief Applications (the MRRS):

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- 2.1 the Alberta Securities Commission is the principal regulator for this application; and
- 2.2 this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

- 3. Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

- 4. The decision is based on the following facts represented by the Filer:
 - 4.1 The Filer's head office is located in Calgary, Alberta.
 - 4.2 The Filer is a reporting issuer in each of the Jurisdictions.
 - 4.3 The Filer is a corporation incorporated and subsisting under the laws of the province of Alberta.
 - 4.4 Effective January 1, 2005, the Filer sold 100% of its oil and natural gas assets pursuant to a purchase and sale agreement (the Purchase and Sale Agreement) to an arm's length purchaser.
 - 4.5 Following the sale the Filer is no longer engaged, directly or indirectly, in any oil and natural gas activities.
 - 4.6 The Filer's principal and core business is the exploration for, and development of, mineral properties.
 - 4.7 The requirement to obtain and provide disclosure of an independent engineering report for oil and natural gas reserves that the Filer no longer owns as of January 31, 2005 would create economic hardship on the Filer.
 - 4.8 Complying with the disclosure requirements under NI 51-101 for the financial year ended December 31, 2004 would provide no benefit to potential or prospective investors of the Filer.
 - 4.9 Through various news releases, material change reports, annual reports and in annual information forms filed during the past twelve months, the Filer's shareholders as well as the general investing public have been made aware of the Filer's plans to

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divest itself of oil and natural gas assets and focus its business activities on exploring for, and developing, mineral properties.

- 4.10 The Filer is subject to the requirements of NI 51-101 because it was engaged directly or indirectly in oil and natural gas activities.
- 4.11 There is no exemption from the requirements of NI 51-101 in these circumstances that the Filer may rely on.

Decision

- 5. Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met.
- 6. The Decision of the Decision Makers under the Legislation is that the Requested Relief is granted for so long as the Filer is no longer engaged, directly or indirectly, in oil and natural gas activities.

Glenda A. Campbell, Q.C., Vice-Chair
Alberta Securities Commission

Stephen R. Murison, Vice-Chair
Alberta Securities Commission