

2002 BCSECCOM 1017

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted from the requirement in National Instrument 43-101 to have a qualified person inspect a property that is the subject of a technical report – property is an early stage diamond exploration property and site visit would not affect the recommended work program

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 AND ALBERTA

AND

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

AND

IN THE MATTER OF ENDEAVOUR GOLD CORP.

MRRS DECISION DOCUMENT

- ¶ 1 WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia and Alberta (the “Jurisdictions”) has received an application from Endeavour Gold Corp. (the “Filer”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the requirement contained in the Legislation that at least one qualified person 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 apply to the Filer in respect of a technical report to be prepared in connection with the filing of the Filer’s annual information form and TSX Venture Exchange re-activation application;
- ¶ 2 AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”) the British Columbia Securities Commission is the principal regulator for this application;
- ¶ 3 AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 *Definitions*;

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¶ 4 AND WHEREAS the Filer has represented to the Decisions Makers that:

1. the Filer is a corporation governed by the British Columbia *Company Act* with its head office in Vancouver, British Columbia;
2. the Filer is a reporting issuer in each of the Jurisdictions and is not in default of any requirements under the Legislation;
3. the authorized capital of the Filer consists of 100,000,000 common shares without par value, of which 3,007,050 common shares were outstanding as at September 30, 2002;
4. the Filer's common shares are listed on the TSX Venture Exchange under the symbol EDR;
5. the Filer has entered into an option agreement dated February 5, 2002 with Mindat Research Inc. to acquire a 50% interest in the Otish 1 and 2 properties (the "Otish Properties") located in the Otish -Mistassini area of northern Québec;
6. the Otish Properties are material properties of the Filer;
7. the Otish Properties are early stage diamond exploration properties that have not had any exploration work performed on them;
8. the Filer retained Mr. Jim Chapman, B.Sc., P.Geo. of Tamri Geological Ltd., a qualified person as defined in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"), to prepare a technical report (the "Otish Report") on the Otish Properties;
9. Mr. Chapman has extensive experience in the exploration of diamond properties and has recent involvement in diamond exploration properties in the Otish mountain region of Québec;
10. the Otish Report recommends a two-phase exploration program consisting first of airborne magnetic geophysical surveys over each property with a budget of \$49,000, and the second of till geochemistry, ground magnetics and prospecting at an estimated cost of \$162,500 (the "Work Program");
11. the Filer intends to file an annual information form (the "AIF") in respect of its financial year ended February 28, 2002 in the Jurisdictions;

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12. the AIF may describe certain technical information related to the Otish Properties based on information derived from the Otish Report;
 13. the Filer is required to comply with the requirements of NI 43-101 with respect to the preparation and filing of the Otish Report;
 14. NI 43-101 requires that at least one qualified person preparing or supervising the preparation of the Otish Report must inspect the Otish Properties; and
 15. a site visit of the Otish Properties would not affect the Work Program recommended in the Otish Report because the recommended exploration is geophysics and preliminary surface sampling.
- ¶ 5 AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);
- ¶ 6 AND WHEREAS 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;
- ¶ 7 THE DECISION of the Decision Makers under the Legislation is that the Personal Inspection Requirement shall not apply to the Filer in respect of the Otish Report provided that:
- (a) the Otish Report, the certificate to the Otish Report, and any document that includes disclosure based on the Otish Report, includes a statement that the qualified person, as defined in NI 43-101, has not conducted a personal inspection of the Otish Properties and the reasons why the site inspection was not conducted, and that the Filer has been exempted from the Personal Inspection Requirement; and
 - (b) the qualified person conducts a site visit, and re-files the Otish Report and certificate to the Otish Report, as soon as the Work Program changes.
- ¶ 8 DATED December 18, 2002

Brenda Leong
Director