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Headnote

Securities Act s. 76 Prospectus Requirements – Exemption from s. 61 requirement to file a prospectus for a distribution under a short form offering document. – The short form offering document does not incorporate the issuer's current AIF and most recent audited financial statements by reference.

Exemption Order

SilverCrest Mines Inc.

Section 76 of the *Securities Act*, R.S.B.C. 1996, c. 418

¶ 1 Background

SilverCrest applied for an exemption from the requirement to file and obtain receipts for a preliminary prospectus and prospectus in section 61 of the Act (the Prospectus Requirement) for certain intended trades.

¶ 2 Representations

SilverCrest represents that:

1. it was continued under the *Company Act* (British Columbia) on May 15, 1998;
2. 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;
3. its common shares (the Shares) are listed for trading on the TSX Venture Exchange (the Exchange);
4. it has offered to sell up to 3,787,878 units under a short form offering document dated April 10, 2003 (the Offering Document) at \$0.33 per unit, each unit consisting of one Share and one-half of a warrant (Warrant), each whole Warrant exercisable into one Share for one year at a price of \$0.35 per Share;
5. the Offering Document incorporates its annual information form (the AIF) dated March 14, 2003 and audited financial statements for the period ended December 31, 2001 by reference;
6. the Offering Document was accepted by the Exchange on April 22, 2003 and expires July 7, 2003;

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7. its agent, Bolder Investment Partners, Ltd., entered into agreements of purchase and sale with purchasers (the Purchasers) and delivered the Offering Document to all of the Purchasers by May 16, 2003;
8. no material change in its affairs has occurred since it filed the AIF with the Commission and the Offering Document with the Exchange;
9. on May 20, 2003, it filed a renewal annual information form dated May 20, 2003 (the Renewal AIF) and audited annual financial statements for the year ended December 31, 2002 (the Annual Statements) with the Commission;
10. it will be a qualifying issuer as defined in Multilateral Instrument 45-102 *Resale of Securities* (MI 45-102) on the distribution date of the Shares and Warrants; and
11. the distribution of the units by it to the Purchasers would have been exempt from the Prospectus Requirement under BC Instrument 45-509 *Short Form Offerings of Listed Securities and Units by Qualifying Issuers* (BCI 45-509) if the units had been distributed before the Renewal AIF and Annual Financial Statements were filed.

¶ 3 Order

Because it is not prejudicial to the public interest, the Executive Director orders:

1. under section 76 of the Act, that SilverCrest is exempt from the Prospectus Requirement for trades of Shares and Warrants, provided that:
 - (a) it complies with all of the conditions of BCI 45-509 in respect of the offering except for the requirements to file with and obtain the acceptance of the Exchange and deliver to the Purchasers a short form offering document that incorporates by reference a "Current AIF" as defined in BCI 45-509 and the most recent audited annual financial statements, and
 - (b) the Shares and Warrants are distributed by May 30, 2003; and
2. under section 76 of the Act, any trade in securities acquired under this order
 - (a) where the seller was, at the time the seller acquired the security, a Designated Hold Purchaser as defined in BCI 45-509, or
 - (b) that was acquired by any other purchaser in excess of \$40,000,

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is deemed to be a distribution, unless the conditions in subsection 2.5 of MI 45-102 are satisfied.

¶ 4 **May 22, 2003**

Brenda Leong
Director