

2010 BCSECCOM 615

November 2, 2010

Headnote

National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions – Securities Act*, s.88 – *Cease to be a reporting issuer* - 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 falls within the definition of “closely held reporting issuer” contained in BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* as the securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market

Applicable British Columbia Provisions

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

In the Matter of
the Securities Legislation of
Alberta, 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
San Anton Resource Corporation

(the Filer)

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for a decision that the Filer be deemed to have ceased to be a reporting issuer under the Legislation (the Exemptive Relief Sought).

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

- (a) the Ontario 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 each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a corporation existing by amalgamation under, and governed by, the *Canada Business Corporations Act* (the CBCA).
2. The head and registered office of the Filer is located in Toronto, Ontario.
3. The Filer is a reporting issuer in each of the Jurisdictions.
4. On September 21, 2010, San Anton Resource Corporation (the Predecessor), a predecessor corporation to the Filer, completed a previously announced business combination (the Business Combination) with Kings Minerals NL (Kings Minerals), a corporation incorporated under the *Corporations Act 2001* (Commonwealth of Australia) (the ACA). Kings Minerals is an Australian public company which has its ordinary shares listed for trading on the Australian Securities Exchange.
5. Prior to the completion of the Business Combination, the Predecessor had 127,276,042 common shares (Predecessor Shares) issued and outstanding and Kings Minerals, through its wholly-owned subsidiary Kings Minerals Mexico Pty Ltd. (Kings Mexico), a corporation incorporated under the ACA, owned 93,750,001 Predecessor Shares, representing approximately 73.7% of the issued and outstanding Predecessor Shares. Pursuant to the Business Combination, Kings Minerals acquired all of the Filer Shares it did not own in exchange for ordinary shares of Kings Minerals on the basis of two and one-half (2.5) Kings Minerals shares for each Predecessor Share.
6. The Business Combination was effected by way of a three-cornered amalgamation under the CBCA on September 21, 2010 pursuant to which the

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Predecessor was amalgamated with 7651112 Canada Ltd., a corporation incorporated under the CBCA and a wholly-owned subsidiary of Kings Mexico, to form the Filer. As a result of the amalgamation:

- (a) Kings Minerals acquired all of the Predecessor Shares which it did not previously own and the Filer, as the successor corporation to the Predecessor, became an indirect wholly-owned subsidiary of Kings Minerals (through Kings Mexico); and
 - (b) each of the 33,526,041 Predecessor Shares which were not owned by Kings Minerals was exchanged for two and one-half (2.5) ordinary shares of Kings Minerals, and Kings Minerals issued an aggregate of 83,815,102 shares to the holders of such Predecessor Shares.
- 7. In connection with the Business Combination, a management information circular of the Predecessor dated August 3, 2010 was mailed to the Predecessor's shareholders and subsequently filed under the Predecessor's SEDAR profile at www.sedar.com. The Business Combination was approved by the Predecessor's shareholders at a special meeting of the shareholders held on August 30, 2010, including by a majority of the Predecessor's minority shareholders in accordance with the provisions of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*.
 - 8. The authorized capital of the Filer consists of an unlimited number of common shares (the Filer Shares). As a result of the completion of the Business Combination, Kings Minerals (through Kings Mexico), owns all of the issued and outstanding Filer Shares, and the Filer has no other securities outstanding. Accordingly, the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions of Canada and less than 51 security holders in total in Canada.
 - 9. The Predecessor Shares were listed and posted for trading on the Toronto Stock Exchange (the TSX) under the symbol "SNN" in December 2006. The Predecessor Shares were delisted from the TSX on September 28, 2010.
 - 10. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
 - 11. The Filer has no current intention to seek public financing by way of an offering of its securities.

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12. As a result of the completion of the Business Combination, Kings Minerals has become a reporting issuer in each of the Jurisdictions.
13. In connection with the Business Combination, Kings Minerals applied to the TSX Venture Exchange (the TSXV) to list its ordinary shares for trading on the TSXV. The ordinary shares of Kings Minerals commenced trading on the TSXV on September 29, 2010 under the symbol “KMN”.
14. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer, except for its obligation to file and deliver on or before September 28, 2010 the Filer’s annual financial statements for the year ended June 30, 2010 and accompanying management’s discussion and analysis, as required under National Instrument 51-102 *Continuous Disclosure Obligations*, and the related certification of such financial statements as required under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*. Because Kings Minerals now owns all of the issued and outstanding Filer Shares, the Filer does not intend to prepare or file these financial statements and related documents.
15. The Filer does not intend to voluntarily surrender its status as a reporting issuer in British Columbia pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* (the BC Instrument) in order to avoid the 10-day waiting period under the BC Instrument.
16. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Application for a Decision that an Issuer is not a Reporting Issuer* in order to apply for the Exemptive Relief Sought because it is in default of certain filing obligations under the Legislation as described in paragraph 14 above.
17. Upon the granting of the Exemptive Relief Sought, the Filer will not be a reporting issuer or its equivalent in any jurisdiction in Canada.

Decision

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 Exemptive Relief Sought is granted.

Mary Condon
Commissioner
Ontario Securities Commission

Paulette Kennedy
Commissioner
Ontario Securities Commission