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Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted from requirement in NI 43-101 to file a current technical report not later than 30 days after issuance of a press release, provided that technical report is filed not later than 75 days after issuance of the press release and the technical report be accompanied by another news release that reconciles any material differences between the disclosure in the technical report filed and the original press release

Applicable British Columbia Provisions

National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, ss. 4.2(4) and 9.1

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, ONTARIO AND QUEBEC

AND

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

AND

IN THE MATTER OF URUGUAY MINERAL EXPLORATION INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Ontario and Quebec (the “Jurisdictions”) has received an application from Uruguay Mineral Exploration Inc. (the “Filer”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the requirement contained in the Section 4.2(4) of National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) that a current technical report be filed to support information describing mineral projects on a property material to the Filer not later than 30 days after the disclosure shall not apply to the Filer;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the Alberta Securities Commission is the principal regulator for this application;

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AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in the Québec Commission Notice 14-101;

AND WHEREAS the Filer has represented to the Decision Maker that:

1. The Filer is a corporation governed by the *Business Corporations Act* (Yukon) with its head office in Montevideo, Uruguay.
2. The Filer is a reporting issuer under the Legislation and is not in default of any requirements of the Legislation.
3. The authorized capital of the Filer consists of an unlimited number of common shares without nominal or par value ("Common Shares"), of which 41,754,580 Common Shares are currently issued and outstanding. An aggregate of 6,132,500 Common Shares have been reserved for issuance pursuant to the Filer's incentive stock option plan, outstanding warrants and property options.
4. The Common Shares are listed and posted for trading on the TSX Venture Exchange.
5. The Filer is engaged in the acquisition, exploration and development of mineral properties in Uruguay.
6. On March 8, 2004, the Filer released its first consolidated resource statement for its Minas de Corrales Gold Project (the "March 8 Release"), which comprises the recently acquired San Gregorio mining operation and the Filer's pre-existing exploration interests in the Minas de Corrales area (collectively the "Properties").
7. The March 8 Release included the information required by NI 43-101 except for the details of the key assumptions, parameters and methods used to estimate the mineral resources and mineral reserves and naming the qualified person that produced the mineral reserve estimates (the "Estimate Information").
8. The Properties are material properties to the Filer. Under subsection 4.2(4) of NI 43-101, the Filer is required to file a current technical report in respect of the Properties (the "Technical Report"), to support material information contained in the March 8 Release which described changes in mineral resources which constituted a material change in respect of the affairs of the Filer, not later than 30 days after such disclosure.

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9. The Filer issued a news release on April 7, 2004 which:
 - i. announced the time delay in filing the Technical Report, and provided the Estimate Information; and
 - ii. stated that the Filer had applied for relief from the Decision Maker to extend the time for filing the Technical Report by an additional 45 days.
10. The Filer has retained Bruce Evans P. Geol, an independent qualified person as defined in NI 43-101 (“IQP”), to prepare the Technical Report.
11. The Filer will not be able to file the Technical Report to support the disclosure in the March 8 Release, within the 30 day time period required by NI 43-101.
12. Additional time is required to prepare the Technical Report as:
 - a. the Properties are in Uruguay, a country with limited services when compared to Canada. As such, completing certain activities recommended by the IQP takes much longer.
 - b. the IQP has requested certain validating assay checks to be performed in Laboratories outside Uruguay. This process itself is lengthy as it involves transporting samples across national borders with attendant delays in quarantine, customs etc.
 - c. the assessment by the IQP is complicated by the fact that the Filer purchased an existing operation whose reserves were exhausted, and the Filer has subsequently augmented those reserves by an aggressive drilling campaign, both on its own ground, and on the recently acquired ground. Because the mill is in continuous production, this means that the assessed resources are constantly changing, making the task of the IQP unusually complicated.
 - d. the IQP needs to make a site visit, which with the internal travel required, will take at least one week.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);

AND WHEREAS each Decision Maker is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

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THE DECISION of the Decision Maker under the Legislation is that, effective April 7, 2004, the requirement contained in NI 43-101 that a technical report be filed to support information in the March 8 Release not later than 30 days after the disclosure shall not apply to the Filer, provided that:

- a. the Filer prepares and files the Technical Report not later than 75 days after the issuance of the March 8 Release; and
- b. the Technical Report be accompanied by another news release that reconciles any material differences between the disclosure in the Technical Report filed and the disclosure in the March 8 Release.

DATED at Calgary, Alberta on this 16th day of April, 2004.

Agnes Lau, CA
Deputy Director, Capital Markets