

Headnote

Multilateral Instrument 11-102 *Passport System* and National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications - Securities Act* s. 88 Cease to be a reporting issuer in BC
- 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 is not an OTC reporting issuer; the securities of the issuer are beneficially owned by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders worldwide; no securities of the issuer are traded on a market in Canada or another country; the issuer is not in default of securities legislation except it has not filed certain continuous disclosure documents.

Applicable Legislative Provisions

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

June 16, 2023

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

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
Pure Gold Mining Inc.
(the Filer)

Order

Background

- ¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, and

- (c) the order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

- ¶ 3 This order is based on the following facts represented by the Filer:
1. the Filer is a company existing under the *Business Corporations Act* (British Columbia) (the BCBCA) with its registered and records office located in British Columbia;
 2. the Filer is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador;
 3. on October 31, 2022, the Filer filed an application with the Supreme Court of British Columbia (the Court) seeking an initial order for creditor protection (the Initial Order) under the *Companies' Creditors Arrangement Act* (the CCAA); the Initial Order sought, among other matters: (i) a stay of creditor claims and proceedings in favour of the Filer; (ii) authorization for the Filer to borrow under an interim financing credit facility from Sprott Private Resource Lending II (Collector) LP (Sprott) to meet the Filer's immediate cash needs including for the preservation of its property and other assets; and (iii) the appointment of KSV Restructuring Inc. as court-appointed monitor of the Filer (the Monitor);
 4. on October 31, 2022, the Filer obtained the Initial Order from the Court under the CCAA; KSV Restructuring Inc. was appointed as the Monitor; the Initial Order authorized the Filer to borrow under an interim financing credit facility from Sprott in order to meet the Filer's immediate cash needs for the continuation of its business activities and the preservation of its property;
 5. as a result of the Filer receiving protection under the CCAA, the TSX Venture Exchange (the TSXV) advised the Filer that the trading of the common shares of the Filer (the Shares) would be transferred to the NEX Board of the TSXV (the NEX), effective at the opening of the market on November 2, 2022;
 6. on November 9, 2022, the Court granted a Sales and Investment Solicitation Process Order (the SISP Order); the SISP Order: (i) approved a sales and investment solicitation process for all the assets, undertakings and property of the Filer, including the Filer's mineral project located in Ontario (the SISP); and (ii) approved the engagement of National Bank Financial Inc. as the Filer's sales agent for the purpose of the SISP;
 7. on November 9, 2022, in addition to the SISP Order, the Court granted orders: (i) extending the stay of proceedings granted under the CCAA until January 27, 2023; (ii) authorizing the Filer to borrow additional funds under the interim financing credit facility from Sprott in order to meet the Filer's immediate cash needs for the continuation of its business activities and preservation of its property; (iii) approving a key employee retention plan in respect of certain key employees of the Filer; and (iv) restating and amending the Initial Order granted on October 31, 2022;

8. by way of orders of the Court on January 23, 2023, March 7, 2023 and May 10, 2023, the stay of proceedings in the CCAA proceedings has been extended up to and including June 12, 2023. It is expected that the stay of proceedings will be further extended as part of the CCAA restructuring process;
9. the Shares were delisted from the London Stock Exchange on February 20, 2023 as a result of the Filer's request to voluntarily delist; the Shares were suspended from trading on the NEX on April 4, 2023 for failing to meet the NEX's continued listing requirements;
10. On May 17, 2023, West Red Lake Gold Mines Ltd. (WRLG) and the Filer, among others, entered into a share purchase agreement whereby WRLG will acquire all of the issued and outstanding Shares of the Filer (the Acquisition) on a closing date in June 2023 (the Effective Date);
11. on May 29, 2023, the Court granted an approval and reverse vesting order;
12. the approval and reverse vesting order includes approval for the Acquisition and the Reverse Vesting (as defined below);
13. on June 6, 2023, the Filer incorporated a new corporation under the laws of the BCBCA (NewCo), with authorized share capital consisting of one class of voting and fully participating common shares (the NewCo Common Shares), and one class of non-participating, redeemable and retractable voting shares (the NewCo Voting Shares); the Filer also subscribed for 100 NewCo Voting Shares and NewCo will be added to the CCAA proceeding;
14. at the close of business on June 9, 2023, the Filer's Shares were delisted from the NEX;
15. on June 14, 2023, all outstanding Shares were exchanged for NewCo Common Shares, such that the Filer became a wholly-owned subsidiary of NewCo (the Reverse Vesting); the NewCo Voting Shares held by the Filer were simultaneously redeemed by NewCo and all of the Filer's outstanding options, warrants and any other securities convertible into or exercisable for Shares, were cancelled for no consideration;
16. as a condition to the closing of the Acquisition, the Filer must cease to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer prior to the Effective Date;
17. the Filer has no intention to seek public financing by way of an offering of securities;
18. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
19. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
20. the Filer is not in default of securities legislation in any jurisdiction, except that the Filer has not filed, on or before March 31, 2023, its annual information form, its annual audited financial statements, its management discussion and analysis in respect of such statements for the year ended December 31, 2022, and its unaudited interim financial statements and

its management discussion and analysis in respect of such statements for the three months ended March 31, 2023, as required under National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) and related certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109) (collectively, the Filings);

21. the Filer was subject to a failure-to-file cease trade order (the FFCTO) issued on April 6, 2023 as a result of its failure to file the Filings and on June 14, 2023 was granted a partial revocation of the FFCTO pursuant to section 171 of the *Securities Act* (British Columbia);
22. the Filer is not eligible to use the simplified procedure in section 19 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* as it is in default of the Filings;
23. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
24. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer;
25. the Filer, upon the grant of the Order Sought, will no longer be a reporting issuer in any jurisdiction of Canada; and
26. Newco will declare bankruptcy following closing of the Acquisition at such time as determined by the Monitor.

Order

- ¶ 4 Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

Noreen Bent
Chief, Corporate Finance Legal Services
British Columbia Securities Commission