

Headnote

Multilateral Instrument 11-102 *Passport System* – 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 issuer's securities are traded only on a market or exchange outside of Canada - The only publicly held securities of the issuer are debt securities traded on a foreign exchange; the issuer is not able to accurately determine beneficial ownership of the debt securities; the debt securities were not marketed to Canadians; the filer provided alternative evidence to support that Canadian residents hold a de minimis number of the filer's securities and represent a de minimis number of the total number of debt holders; the issuer has no present intention of conducting a public offering of its securities to Canadian residents; the issuer is subject to a financial reporting requirement under the constating document of the securities

Applicable Legislative Provisions

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

October 11, 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
Copper Mountain Mining ULC
(the Filer)

Order

Background

- ¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (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) British Columbia 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, Northwest Territories, Yukon and Nunavut; and

(c) this 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* have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. the Filer was incorporated under, and is governed by, the *Business Corporations Act* (British Columbia);
2. the Filer's registered office and head office are located at 1600 - 925 West Georgia Street Vancouver, BC V6C 3L2;
3. the Filer is a reporting issuer under the laws of each of the Jurisdictions;
4. on June 20, 2023, Hudbay Minerals Inc. (Hudbay) completed a previously announced acquisition of all of the issued and outstanding common shares of the Filer (the Common Shares) pursuant to an arrangement agreement between Hudbay and the Filer and by way of a court approved plan of arrangement under the *Business Corporations Act* (British Columbia) (the Arrangement);
5. pursuant to the Arrangement, except the Common Shares and the Nordic Bonds (as defined below), all other securities of the Filer were either settled or cancelled;
6. the Common Shares were de-listed from the Toronto Stock Exchange (TSX) on June 21, 2023;
7. the trading of Filer's CHESS Depositary Instruments on the Australian Securities Exchange was suspended on June 15, 2023 and the Filer's CHESS Depositary Instruments were cancelled on June 20, 2023;
8. Hudbay is a reporting issuer in all jurisdictions of Canada, and its common shares are listed for trading on the TSX and the New York Stock Exchange;
9. the Filer issued US\$250 million of senior secured bonds (the Nordic Bonds) pursuant to bond terms dated April 8, 2021, as amended and restated on December 8, 2022 (the Bond Terms);
10. as of the date hereof, approximately US\$59 million of Nordic Bonds remain outstanding;
11. the Nordic Bonds trade on the Nordic Alternative Bonds Market, an unregulated market based in Norway;

12. none of the Nordic Bonds have ever been listed or traded on an exchange or marketplace in Canada;
13. the Nordic Bonds do not constitute voting or equity securities in the capital of the Filer, and are not convertible into any securities of the Filer;
14. the Nordic Bonds were never marketed in Canada, and to the best of the Filer's knowledge, the Nordic Bonds were distributed exclusively to non-Canadian institutional investors;
15. the Filer conducted diligent inquiries with its Norwegian counsel, the bond trustee for the Nordic Bonds and the Nordic Alternative Bonds Market;
16. due to the market structure of the Nordic Alternative Bonds Market, the Filer is not able to make unqualified representations that there are no Canadian beneficial securityholders of the Nordic Bonds;
17. as the Filer's Common Shares were publicly traded on the TSX prior to the Arrangement, the Filer believes that it is unlikely that any Canadian investors would have purchased any Nordic Bonds through a European intermediary with an account at the Nordic Alternative Bonds Market;
18. the Filer engaged Broadridge Investor Communication Solutions, Inc. (Broadridge) to prepare a geographical analysis report (the Broadridge Report) to determine if there are any Canadian beneficial securityholders of the Nordic Bonds as of August 30, 2023 (the Record Date) that are held by Canadian intermediaries;
19. according to the Broadridge Report, as of the Record Date, there are no Canadian beneficial securityholders who hold any Nordic Bonds through a Canadian intermediary;
20. the Bond Terms do not require the Filer to remain a reporting issuer in any jurisdiction of Canada;
21. the Bond Terms provide that the Filer must prepare audited consolidated annual financial statements and unaudited consolidated quarterly financial statements prepared in accordance with Canadian GAAP, and Hudbay will make these financial statements available on a section of its website called "Copper Mountain Financial Statements";
22. the Filer must deliver a compliance certificate in respect of such financial statements duly signed by the Filer's chief executive officer or chief financial officer;
23. the Filer has previously disclosed in certain SEDAR filings that it intended to apply for exemptive relief to cease to be a reporting issuer in all jurisdictions of Canada (the ERA);
24. as of the date hereof, no securityholder of the Filer has contacted the Filer regarding the ERA;
25. the Filer is applying for a decision that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer;

26. the Filer has no current intention to seek public financing by way of an offering of its securities;
27. the Filer is not in default of securities legislation in any jurisdiction other than its obligations to file on or before August 29, 2023 its interim financial statements and related management's discussion and analysis for the interim period ended June 30, 2023, as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the Filings);
28. the requirements to file the Filings did not arise until after completion of the Arrangement;
29. the Filer is not eligible to use the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (NP 11-206) as it is in default for failure to file the Filings;
30. the Filer is not eligible to use the modified procedure under NP 11-206, because even though it believes that it is unlikely to have any Canadian beneficial securityholders of its Nordic Bonds, it is not able to make an unqualified representation that it falls under the required beneficial securityholder threshold due to the market structure of the Nordic Alternative Bonds Market; and
31. upon granting of the Order Sought, the Filer will cease to be a reporting issuer in all jurisdictions in Canada.

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.

John Hinze
Director, Corporate Finance
British Columbia Securities Commission