

Citation: 2018 BCSECCOM 250

Headnote

National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions – 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

August 7, 2018

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
Alio Gold (US) Inc.
(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) 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 and Newfoundland and Labrador, 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* 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 incorporated under the *Business Corporations Act* (British Columbia) (the BCBCA);
2. the Filer's head office is located in Vancouver, British Columbia;
3. the Filer's capital structure consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value;
4. on May 25, 2018, all of the common shares of the predecessor company of the Filer, Rye Patch Gold Corp. (Rye Patch), were acquired by Alio Gold Inc. by way of a plan of arrangement under the BCBCA;
5. pursuant to a plan of arrangement under the BCBCA, Alio Gold Inc. sold all of the common shares of Rye Patch to 1164410 B.C. Ltd. in exchange for 100,000 common shares of 11664410 B.C. Ltd. in accordance with section 85 of the *Income Tax Act* (Canada);
6. following the acquisition of Rye Patch by 1164410 B.C. Ltd., Rye Patch and 1164410 B.C. Ltd. amalgamated and continued as the Filer;
7. Rye Patch's common shares were delisted from the TSX Venture Exchange on May 30, 2018;
8. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
9. 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;
10. 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;

11. 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;
12. the Filer is not in default of securities legislation in any jurisdiction, other than the obligation of the Filer to file on or before May 30, 2018 its interim financial statements and related management's discussion and analysis for the interim period ended March 31, 2018 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); and
13. the Filer is not eligible to use the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* as it is in default for failure to file the Filings.

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.

Michael L. Moretto, CFA, CA
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British Columbia Securities Commission