

Headnote

National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – application for an order that the issuer is not a reporting issuer under applicable securities laws – issuer became a reporting issuer by filing a prospectus but the offering under the prospectus did not close - issuer does not intend to do a public offering of its securities – no securities of the issuer trade on a marketplace - requested relief granted.

Applicable Legislative Provisions

Securities Act, R.S.N.S. 1989, c. 418, as am., s. 89.

December 16, 2013

In the Matter of
the Securities Legislation of
Ontario, Alberta, Saskatchewan and
Nova Scotia
(the Jurisdictions)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
Stay Gold Inc.
(the Filer)

Decision

Background

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

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

(a) the Nova Scotia 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 was incorporated under the name “Stay Gold Inc.” pursuant to the Companies Act (Nova Scotia) (the Companies Act) on November 19, 2010.
2. The Filer’s registered and head office is located at 17 Murdock MacKay Court, Lower Sackville, Nova Scotia.
3. The Filer is a reporting issuer in each of the Jurisdictions.
4. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer.
5. The Filer is authorized to issue an unlimited number of common shares (Shares) without nominal or par value, of which 11,596,663 Shares are currently issued and outstanding and held by 47 registered holders.
6. There are an aggregate of 1,541,663 options to purchase Shares outstanding held by 17 optionholders (all of whom are shareholders of the Filer). All options will expire on or before January 31, 2014.
7. On January 7, 2013, the Filer issued a debt security evidencing a long term loan to the Filer and on May 29, 2013, the Filer issued an option to earn a 50% undivided interest in the Harrigan Cover Gold Property (the Other Securities). The Other Securities are held by a Nova Scotia company that is a close business associate of an officer and director of the Filer.
8. The Filer became a reporting issuer in the Jurisdictions upon the issuance of a receipt dated August 29, 2011, for the Filer’s prospectus dated August 29, 2011, in connection with an initial public offering (the IPO) of the Filer’s securities.
9. A subsequent prospectus dated May 28, 2012, for the IPO was filed on May 29, 2012, and was amended and restated on September 6, 2012 (the Prospectus).

10. Market conditions did not permit the Filer to complete the IPO. No securities of the Filer have been, or will be, distributed under Prospectus and the Filer has no current intention to seek public financing by way of an offering of securities.
11. The Filer is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer.
12. 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.
13. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by 48 securityholders. There are fewer than 15 securityholders in each of the jurisdictions of Canada, except in Nova Scotia where the Filer has 33 securityholders, and fewer than 51 securityholders in total worldwide. Of the remaining 15 securityholders (all being shareholders) that are not residents of Nova Scotia, there are 7 shareholders in Ontario, 4 shareholders in Alberta, 1 shareholder in Saskatchewan and 3 shareholders in British Columbia.
14. The 48 securityholders of the Filer are comprised of the following:
 - a. 6 securityholders are directors or officers of the Filer;
 - b. 1 securityholder is an employee of the Filer; and
 - c. The remaining securityholders represented and warranted to the Filer that they met the requirements of one of the following exemptions or relationships in National Instrument 45-106 *Prospectus and Registration Exemptions* to purchase securities of the Filer:
 - i. An “accredited investor”, or
 - ii. Family, close personal friend or close business associate – excluding Ontario.
15. Directors and officers of the Filer beneficially own 47.5% of the issued and outstanding securities of the Filer.
16. Effective October 4, 2013, 7 securityholders of the Filer transferred 893,340 Shares to Brendan Matheson, President and CEO of the Filer, and effective October 7, 2013, 6 securityholders of the Filer transferred 2,800,000 Shares to Gary MacKenzie, a director of the Filer (the Transfers). The Transfers were filed on SEDI, effective October 4 and October 7, 2013, respectively.

17. Except with respect to the Other Securities, the Filer currently has the same securityholders as it had prior to filing the Prospectus and except with respect to the Other Securities and the Transfers, no trading of its securities has occurred since it filed the Prospectus.
18. The British Columbia Securities Commission granted the Filer non-reporting status in British Columbia effective October 20, 2013, pursuant to British Columbia Instrument 11-502 - *Voluntary Surrender of Reporting Issuer Status*.
19. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because it has more than 15 securityholders in Nova Scotia.
20. On November 13, 2013, the Filer issued a news release (the News Release) announcing that it had filed an application with the Jurisdictions for a decision that it ceases to be a reporting issuer and that if the requested decision is granted, the Filer will no longer be a reporting issuer in any jurisdiction in Canada and the outstanding securities of the Filer will be subject to restrictions on resale under applicable securities laws, which include that a first trade of such securities is a distribution unless the Filer is a reporting issuer in a jurisdiction in Canada at the time of the trade. The News Release was filed on SEDAR on November 13, 2013.
21. The Filer remains subject to, and bound by the Companies Act, which requires the presentation of financial statements at each annual general meeting, including information respecting the financial position of the Filer and the results of its operations required by the articles of the Filer.
22. If the Exemptive Relief Sought is granted, the Filer will no longer be a reporting issuer or 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.

“Sarah Bradley”
Sarah P. Bradley, Chair
Nova Scotia Securities Commission

“Paul Radford”
Paul Radford, Q.C., Vice-chair
Nova Scotia Securities Commission