



Our File No.: 4773-114

February 23, 2024

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**FILED ELECTRONICALLY**

British Columbia Securities Commission  
701 West Georgia Street  
P.O. Box 10142, Pacific Centre  
Vancouver, BC V7Y 1L2  
(as Principal Regulator)

Ontario Securities Commission  
20 Queen Street West, 20th Floor  
Toronto, ON M5H 3S8

Dear Sirs and Mesdames:

**Re: Highlander Silver Corp. (the "Filer") – Application under National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions for the Exemption Sought (as defined herein)**

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On behalf of the Filer, we hereby make application to the British Columbia Securities Commission (the "BCSC"), as principal regulator, and the Ontario Securities Commission (the "OSC") for exemptive relief pursuant to Section 13.1 of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102"), as further described below. The Filer makes this application (the "**Application**") pursuant to National Policy 11-203 – *Process for Exemptive Relief Applications In Multiple Jurisdictions* ("NP 11-203") and Multilateral Instrument 11-102 – *Passport System* ("MI 11-102").

The Filer's head office is in Vancouver, British Columbia and, pursuant to Section 3.6 of NP 11-203, the BCSC is the principal regulator for the purpose of this Application. In accordance with NP 11-203, we advise that this application for exemptive relief is a dual application and the Filer is filing this application with the BCSC and the OSC. The Filer hereby provides notice pursuant to Section 5.2(2)(a)(v) of NP 11-203 that it will rely on Section 4.7(1) of MI 11-102 with respect to the equivalent provisions under the securities legislation of Ontario and Alberta (British Columbia, Ontario, and Alberta collectively referred to as the "**Jurisdictions**").

Pursuant to Subsection 5.2(2)(a)(iv) of NP 11-203, attached as Appendix "B" to this Application is a table of concordance setting out the relevant legislative provisions from which relief is being sought in the Jurisdictions in which this Application is being made.

The Filer believes this Application is routine and does not involve any novel or substantive issues. As a result, no pre-filing consultations were undertaken with the BCSC as principal regulator.

## A. EXEMPTION SOUGHT

The Filer is applying to the BCSC and OSC for an exemption (the "**Exemption Sought**") under Section 8.4 of the companion policy to NI 51-102 ("**51-102CP**") from the requirement in Section 8.4(8) of NI 51-102, which mandates that the Filer include, in its business acquisition report (the "**BAR**") respecting the Transaction (as hereinafter defined) audited financial statements for three 'related businesses' (San Luis Resource, San Luis Minerals, and SSP BVI, as defined herein) that the Filer is acquiring shares of.

## B. FACTS AND BACKGROUND

1. The Filer was incorporated as 1093684 B.C. Ltd. on October 19, 2016 under the British Columbia *Business Corporations Act* (the "**BCBCA**"). On March 28, 2018, the Filer changed its name to Blue Aqua Holdings Ltd. under the BCBCA. On June 12, 2018, the Filer was spun out (divested) from its former parent, Monterey Minerals Inc. pursuant to a plan of arrangement. On December 14, 2018 the Filer changed its name from Blue Aqua Holdings Ltd. to Commonwealth Cannabis Corp. under the BCBCA. On February 11, 2020, the Filer changed its name from Commonwealth Cannabis Corp. to Lido Minerals Ltd. under the BCBCA. On August 12, 2021, the Filer completed a business combination with CAPPEX Mineral Ventures Inc. and changed its name to Highlander Silver Corp.
2. The Filer is a "reporting issuer" as defined in the applicable securities legislation in the Jurisdictions. The Filer is not in default of securities legislation in any Jurisdiction.
3. The Filer's common shares are listed for trading on the Canadian Securities Exchange under the symbol "HSLV".
4. The Filer is a mineral exploration company focused on the discovery of silver-gold-polymetallic projects in Peru and South America more widely.
5. On November 29, 2023, the Filer entered into a share purchase agreement (the "**Agreement**") with SSR Mining Inc. (the "**Vendor**"), pursuant to which the Filer has agreed to purchase, from the Vendor, shares of the following entities (the "**Transaction**"):
  - a. 176,419,888.40 common shares of Reliant Ventures S.A.C. ("**Reliant**"), being 98.376% of the issued and outstanding shares of Reliant;
  - b. 1,001 ordinary shares of San Luis Resource (BVI) Inc. ("**San Luis Resource**"), being 100% of the issued and outstanding shares of San Luis BVI; and
  - c. 3,000 ordinary shares of Silver Standard Peru (BVI) Inc. ("**SSP BVI**"), being 100% of the issued and outstanding shares of SSP BVI,the shares of Reliant, San Luis Resource, and SSP BVI collectively referred to as the "**Purchased Shares**".
6. Reliant holds a 100% interest in the San Luis silver-gold project (the "**San Luis Project**"), a group of silver-gold mining concessions located in central Peru.

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7. San Luis Resource has one wholly-owned subsidiary, San Luis Minerals (BVI) Inc. (“**San Luis Minerals**”). San Luis Minerals and SSP BVI hold 1.481% and 0.142% respective interests in Reliant.
  8. An organizational chart showing the post-Transaction share ownership of Reliant is attached hereto as Appendix “A”.
  9. The Filer is purchasing the Purchased Shares for initial consideration of: (i) US\$5,000,000 in cash, (ii) US\$7,500,000 in common shares of the Filer, or (iii) a combination thereof. The Filer may pay up to an additional US\$37,500,000 in cash to the Vendor as contingent consideration upon completion of certain milestones in relation to the San Luis Project.
  10. Once the Transaction is complete, the Filer will own 100% of the issued and outstanding shares of Reliant and a 100% interest in the San Luis Project.
  11. The Filer has determined that, on completion of the Transaction, it will be required to file a BAR in accordance with Part 8 of NI 51-102. The Filer has further determined that the Transaction is likely an acquisition of related businesses, as defined Section 8.1(1) of NI 51-102, as:
    - a. San Luis Resource, San Luis Minerals, SSP BVI and Reliant (the “**Companies**” or each a “**Company**”) are under the common control of the Vendor; and
    - b. the acquisition of the shares of the Companies is contingent on purchasing the shares of each other Company.
  12. Management of San Luis Resource, San Luis Minerals, and SSP BVI (the “**BVI Companies**”) have represented to the Filer that each of the BVI Companies:
    - a. do not have, and have not ever had, any active operations;
    - b. do not have, and have not ever had, any employees;
    - c. do not have, and have not ever had, any assets other than their respective shares in Reliant; and
    - d. do not have, and have not ever had, decision making ability respecting Reliant or the San Luis Project (other than in their capacity as minor shareholders of Reliant).
  13. Management of the BVI Companies have further represented to the Filer that stand-alone financial statements for the companies do not exist.
  14. The financial year-end for the Filer is September 30, and the financial year-end for Reliant is December 31.

### C. SUBMISSION

The Filer respectfully submits that it is appropriate to grant the Filer the Exemption Sought for the following reasons:

15. Section 8.4 of 51-102CP contemplates that relief may be granted from the requirement to include in a BAR financial statements of the least significant related businesses, depending on the facts and circumstances. In our view, including financial statements of the BVI Companies in the Filer's BAR will not provide material disclosure to the public as the BVI Companies are essentially holding companies with no liabilities, employees, active operations, nor assets other than *de minimis* holdings of Reliant shares.
16. In accordance with Part 8 of NI 51-102, in its BAR, the Filer proposes to include annual financial statements of Reliant, and the auditor's reports thereon, for the financial years ended December 31, 2022 and 2023, as well as reviewed interim financial statements of Reliant as required. All revenue producing and operational activities of the San Luis Project occurred within Reliant, and in our view, the only financial statements that will be of relevance for the public are the financial statements of the Reliant and the Filer's pro-forma financial statements after giving effect to the Transaction, prepared based upon the financial statements of the Filer and Reliant, and not the BVI Companies. Such financial statements of Reliant, audit reports thereon, and the pro-forma financial statements will reflect 100% of the active operations of the San Luis Project and provide the public with the necessary disclosure required to understand the impact of the Transaction on the Filer and its operations.
17. The time and cost associated with preparing and auditing carve-out financial statements for each of the three BVI Companies may be prohibitive to the Filer in completing and closing on the Transaction.
18. Similar relief to the Exemption Sought has been granted by the BCSC to reporting issuers in the past.
19. It would not be prejudicial to grant the Exemption Sought.

#### **D. PRIOR DECISIONS**

20. The Filer respectfully submits that the Exemption Sought is not novel. Similar relief has been granted by the BCSC in the past, including:
  - (a) *Canaccord Financial Inc., Re*, 2010 BCSECCOM 211; and
  - (b) *InterRent Real Estate Investment Trust, Re*, 2007 BCSECCOM 417.

#### **E. SUPPORTING DOCUMENTS**

The following documents are being filed concurrently with this Application:

- (a) a copy of each of the precedent orders referenced in paragraph 20 above;
- (b) a copy of a draft decision document; and
- (c) an executed verification statement of an officer of the Filer.

Filing fees for this Application in the amount of \$9,650 are being submitted electronically concurrently with this application.

We trust you will find the foregoing and enclosed satisfactory. If you have any questions or require any additional information, please contact the undersigned at 604-331-9542.

**MORTON LAW LLP**

*“Jed M. Hops”*

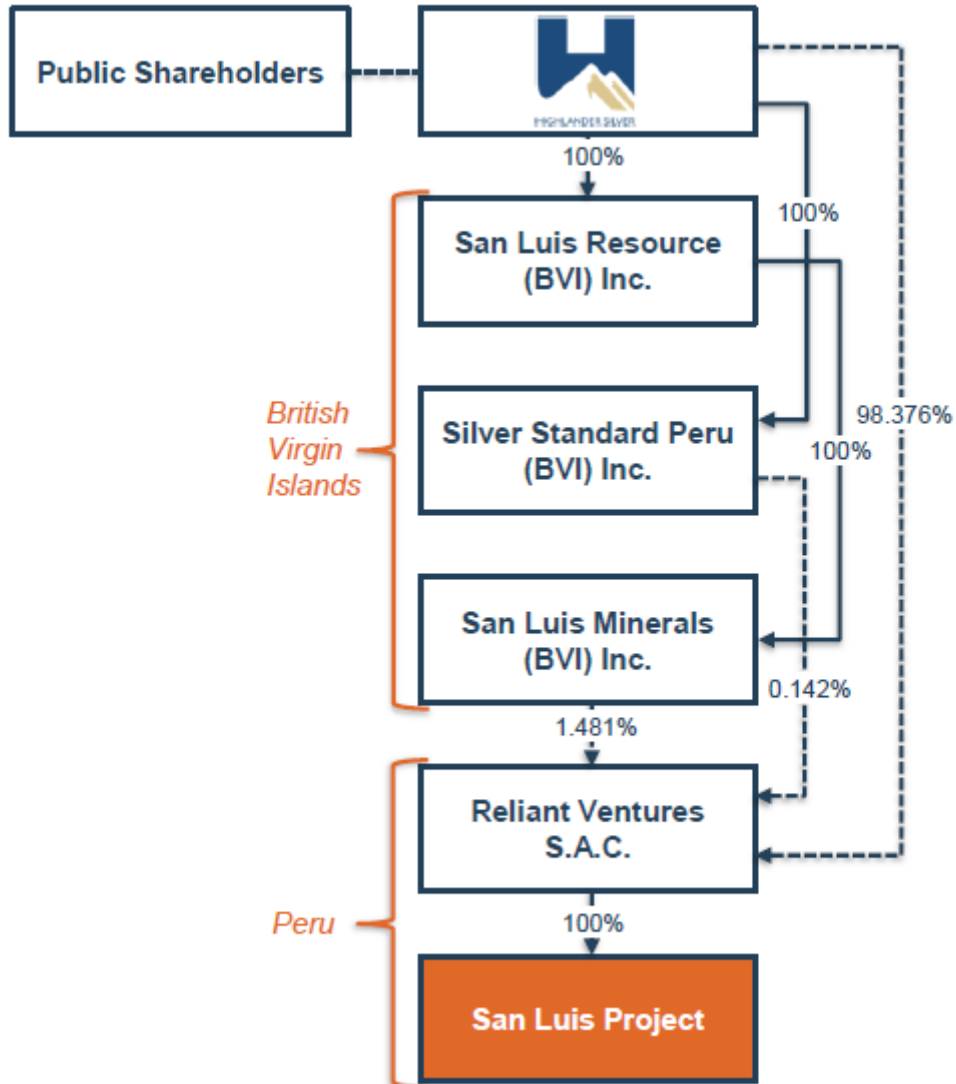
Per: Jed M. Hops

JMH

Enclosures

APPENDIX "A"

ORGANIZATIONAL CHART SHOWING SHARE OWNERSHIP OF RELIANT



**APPENDIX “B”****TABLE OF CONCORDANCE FOR EXEMPTION SOUGHT**

	<b>British Columbia</b>	<b>Ontario</b>	<b>Alberta</b>
<b>Exemption Sought</b>	National Instrument 51-102 <i>Continuous Disclosure Obligations</i>		