



CHAPTER 37

An Act respecting mineral exploration partnerships,
without personal liability

[Assented to, the 17th of May, 1941]

HIS MAJESTY, with the advice and consent of the
Legislative Council and of the Legislative As-
sembly of Quebec, enacts as follows:

1. This act may be cited as the *Mineral Exploration Partnerships Act*. Short title.

2. In this act, unless the context otherwise requires: Interpreta-
tion:
1. "Partnership" means a partnership governed by "Partnership";
this act;

2. "Minister" means the Minister of Mines and "Minister";
Maritime Fisheries;

3. "Justice of the Peace" includes a commissioner "Justice of
the Peace".
of the Superior Court and any person having the powers
of a Justice of the Peace for the taking of oaths.

3. A partnership, with a capital of ten thousand Formation of
partnerships
by declara-
tion in
triplicate.
dollars, may be formed by three or more persons who
shall execute in triplicate a declaration, drawn up in
accordance with Schedule "A" to this act, in the pres-
ence of a Justice of the Peace, and who shall have
subscribed an aggregate amount of not less than one
thousand dollars, and fully paid their subscription in
cash to the partnership.

The original of the said declaration shall remain in Disposal of
triplicates of
declaration.
the records of the partnership. The duplicate and
triplicate shall forthwith be forwarded, by registered
mail, one to the Attorney-General and the other to the
Prothonotary of the Superior Court for the district in
which the partnership has its head office. The said

Prothonotary shall enter the said declaration in the register in which the declarations required by the Partnership Declaration Act (Revised Statutes, 1925, chapter 224) are entered.

Formation
date.

The partnership shall not be deemed to be formed until after the above formalities have been observed.

Subscriptions
for shares.

4. Every person subsequently desiring to subscribe for shares of the partnership shall execute an instrument in writing, in the form of Schedule "B" to this act, whereby he undertakes to become a shareholder, and, upon the acceptance of such subscription by the executive committee of the partnership and upon payment of the shares in full, such person shall become a shareholder for the number of shares set forth in his said subscription.

Name.

5. The name of the partnership shall be formed of the words: "Mineral Exploration Partnership", followed or preceded by the combined family names of two shareholders, and ending with the words: "No Personal Liability". Such partnership name shall be mentioned in legible characters in all notices, advertisements and other publications of the partnership, and in all contracts or other writings.

Atty.-Gen.
may change
name in
certain cases.

If it be made to appear to the satisfaction of the Attorney-General that the name of a partnership is the same as the name of an existing firm, partnership or corporation, or so similar thereto that there is danger of confusion, the Attorney-General may change the name of the partnership as he shall deem proper, by a notice sent by mail and addressed to the partnership, the Minister and the Prothonotary of the Superior Court for the district in which the partnership has its head office, and such notice shall be registered with the original declaration.

Shares:
par, and
issue price.

6. The shares of the partnership shall have a par value of ten dollars each, at which price only they shall be issued and they shall not be payable in instalments or by successive calls.

Registration
of shares.

7. All shares shall be registered in the names of the respective holders thereof, and it shall not be permitted to issue certificates. Every person becoming a shareholder by subscription shall be entitled, without payment, to a receipt stating the amount of money or

Receipt.

value paid for the shares held by him. Such receipt shall be substantially in the form of Schedule "C" to this act and shall be valid only if signed by the chairman of the executive committee and countersigned by another member of such committee.

8. No transfer of shares, unless made by sale under execution or under judgment of a court of competent jurisdiction, shall be valid for any purpose unless executed in duplicate in accordance with Schedule "D" to this act, and registered in the books of the partnership. Such transfer shall be signed by the transferor and the transferee in the presence of a Justice of the Peace who shall attest the same by his signature. One original shall be retained in the records of the partnership, and the other shall, after registration, be delivered to the transferee, with a certificate of registration signed by the chairman and another member of the executive committee of the partnership. Transfers of shares.

9. No corporation, firm, partnership or association may hold shares in the partnership. Corporations, etc., cannot hold shares.

The partnership shall not be bound to see to the execution of any trust in respect of any of its shares, even if notice of such trust has been given to the partnership. Trusts.

10. Shares must be paid for in cash unless payment therefor in kind or by services furnished to the partnership is agreed upon in writing, in which case, the true value of the things furnished or of the services rendered must be established by receipts, accounts or other documents, supported by an affidavit taken before a Justice of the Peace, marked by him for identification and retained in the records of the partnership. Payment for shares.

This section shall not permit payment, otherwise than in cash, of the initial subscription of one thousand dollars. Initial subscription.

11. The shareholders shall not, as such, be responsible for any act, default or liability of the partnership beyond the amount unpaid on their respective shares in the capital stock thereof. Shareholders' liability.

12. It shall not be lawful for a partnership to pay a commission to any person in consideration of his subscribing or agreeing to subscribe for any shares of Commissions for subscriptions forbidden.

the partnership, or procuring or agreeing to procure subscriptions.

Head office. **13.** The partnership shall establish its head office in the Province of Quebec, at the place indicated in the declaration made in accordance with Schedule "A".

Executive committee: **14.** The affairs of the partnership shall be managed by an executive committee of three shareholders who shall hold office until replaced, and who shall elect from among themselves a chairman.

First members; The three persons, or, if there be more than three, the first three, who have signed the declaration contemplated in section 3 of this act shall be the first members of the executive committee.

Replacement; The members of the executive committee may be replaced:

a. By a majority vote of the shareholders present at a meeting of shareholders called for such purpose;

b. By a notice in writing, signed by shareholders representing a majority of the outstanding shares of the partnership, forwarded by registered mail to the members of the executive committee then in office, and indicating three shareholders who, from the date of receipt of the said notice, shall constitute the executive committee. Said notice shall be retained in the records of the partnership and shall not be given unless all shareholders have been notified, as prescribed for meetings, of the intention to give it.

Vacancies; Vacancies occurring from time to time in the executive committee or in the office of chairman may be filled by the remaining members of the executive committee.

Two members may act. The powers and duties of the executive committee may be exercised and performed by any two of its members.

Powers of executive committee. **15.** The executive committee may administer the affairs of the partnership in all things and make or cause to be made for it, in its name, any contract which it may lawfully enter into, provided that no sale or other alienation of the property of the partnership, in whole or in part, may be made or effected by the executive committee without the approval given by the vote of shareholders holding a majority of the outstanding shares of the partnership, represented at a meeting of

shareholders called for such purpose, or by a writing signed by shareholders holding a majority of the outstanding shares, after notice given to all shareholders, as prescribed for meetings.

16. The chairman of the executive committee shall keep, or cause to be kept, a book in which shall be set forth the date and a summary of all contracts entered into, of all deeds and documents executed on behalf of the partnership, and of all other important matters concerning the partnership. Record of contracts, etc.

He shall also keep, or cause to be kept, a register in which shall be entered, in respect of each shareholder, the following particulars: Register of shareholders.

- a. The name and address of the shareholder;
- b. The number of shares held by the shareholder;
- c. The dates and amounts of the payments made for such shares;
- d. The dates of transfers and the number of shares transferred by the shareholder, with the name of the transferee in each case.

The said books shall form part of the records of the partnership, and, subject to the provisions of section 22, shall be kept at the head office of the partnership in the charge of the chairman of the executive committee. Books at head office.

Every shareholder shall, during ordinary business hours, be entitled to inspect the books and records of the partnership and to make extracts therefrom. Examining by shareholders.

17. All moneys of the partnership shall be deposited by the executive committee, in the name of the partnership, in a chartered bank in the Province of Quebec. All payments by the partnership shall be made by means of cheques drawn on the said bank and signed by two members of the executive committee. The partnership must use cheques provided with stubs, and details of the payment for which each cheque is issued shall be entered in the corresponding stub. All cancelled cheques received from the partnership's bank shall be preserved amongst the records of the partnership. Moneys to be deposited. Payments by cheques.

18. The property and funds of the partnership shall be employed for the purposes of mineral prospecting and exploration only, and shall not be used for any other purpose. Use of property, etc.

In particular, the partnership shall have power to acquire and dispose of all mining rights contemplated Power to deal with mining rights.

by the Quebec Mining Act (Revised Statutes, 1925, chapter 80).

Borrowing or
lending
money for-
bidden.

The partnership shall not have the right to borrow money, nor shall it lend money to a shareholder or to any other person.

Meetings of
shareholders.

19. The executive committee, or shareholders representing at least one-quarter of the outstanding shares of the partnership, may call meetings of shareholders at the head office of the partnership. Notice of meetings shall be addressed to each shareholder at the address recorded in the books of the partnership, or, if no address appears in the books, at his last known address, and shall be forwarded by registered mail at least ten clear days before the date of the meeting. The notice shall specify the purposes for which the meeting is called. Certified copies of such notices, together with the registration receipts, shall be retained in the records of the partnership.

Notice.

Quorum.

Two shareholders representing one-fourth of the outstanding shares of the partnership shall form a quorum at shareholders' meetings.

Minutes.

The minutes of each meeting of shareholders, which shall be preserved amongst the records of the partnership, shall be drawn up by a person appointed to act as secretary of the meeting and shall be countersigned by the chairman of the executive committee or by some other shareholder appointed by the meeting to preside thereat. Extracts from such minutes, attested by the chairman of the executive committee, shall be binding on the partnership.

Voting.

20. At all meetings of shareholders, every shareholder shall be entitled to as many votes as he holds shares of the partnership and he may vote by proxy.

Proxies.

The instrument appointing a proxy shall be in writing under the hand of the constituent and shall be substantially in the form of Schedule "E" to this act. It shall be executed before a Justice of the Peace who shall attest the same by his own signature.

Idem.

No person shall act as proxy unless he is entitled in his own right to be present and vote at the meeting.

Revocation.

An instrument appointing a proxy may be revoked at any time by an instrument signed by the constituent before a Justice of the Peace and attested by the signature of the latter.

All instruments appointing or revoking the appointment of proxies shall be preserved amongst the records of the partnership. Conservation.

21. During the thirty days following the expiration of each successive year after the date of the formation of the partnership, the executive committee shall prepare or cause to be prepared a statement showing: Annual statement: Contents;

a. All receipts and disbursements of the partnership during the preceding twelve months;

b. All liabilities or commitments;

c. The number and description of all mining rights or mining properties held by the partnership or for its benefit;

d. The names of shareholders, their addresses and the number of shares held by each.

After this statement has been certified under oath by two of its members before a Justice of the Peace, the executive committee shall immediately forward a copy thereof, by registered mail, to each shareholder. Copies to be sent to shareholders,

Certified copies of such statement shall also be forwarded, at the same time, by the executive committee, to the Minister and to the Attorney-General. The original shall remain in the records of the partnership. Id., to Minister, etc.

If a meeting of shareholders is called within the aforesaid period of thirty days, the mailing of the said statement to the shareholders may be dispensed with if the statement is submitted to such meeting, but in such case any shareholder shall be entitled, on demand, to receive a copy thereof. Exception.

22. The executive committee, or shareholders holding a majority of the shares of the partnership, may, by a written instrument, entrust the custody of the books and records of the partnership to a person residing at the place where the partnership has its head office, provided that such person be, for that purpose, the special representative of a trust company authorized to do business in the Province of Quebec. Books, etc., entrusted to representative of trust company.

A certified copy of the said written instrument shall forthwith be forwarded to the Attorney-General. Copy of instrument to Atty.-Gen.

23. In so far as the shares of the partnership are concerned, PARTS I, IV and V of the Securities Act shall not apply to the partnership or its shareholders; nor shall the Corporation Tax Act, the Companies Information Act, the Security Transfer Tax Act and the Partnership Declaration Act apply to the partnership. Provisions not applicable.

24. Every violation, without lawful excuse, of any provision of this act, shall render the offender liable, on summary proceeding, to a fine of one hundred to one thousand dollars and, upon failure to pay the fine and costs, or in addition to such fine and costs, to imprisonment for a period not exceeding six months. An appeal shall lie under Part II of the Quebec Summary Convictions Act (Revised Statutes, 1925, chapter 165).

Existence limited.

Winding-up.

Existence may be extended.

Notice.

No distribution, etc., until debts paid.

Effect of violation.

Coming into force.

25. The partnership shall have power to exercise all the rights granted by this act for a period of five years from the date of its formation. At the expiration of such period, the partnership shall cease to be entitled to acquire any property or rights, except property or rights required in the course and for the purposes of the winding-up of the partnership. During one year thereafter, the partnership shall be wound up; its liabilities shall be discharged and any surplus remaining after the payment of its liabilities shall be distributed rateably amongst its shareholders.

However, within the three months preceding the expiration of the said period of five years, the Attorney-General may extend the existence of the partnership for a further period of five years or less, upon a report of the Minister and a written request made by two-thirds of the shareholders of the partnership, after notice given to all the shareholders, as for a meeting. In case of extension, the provisions of this act regarding the winding-up of the partnership and the distribution of its assets shall apply after the expiration of the period of extension.

The extension of the existence of the partnership shall be established by a notice signed by the Attorney-General and mailed to the partnership, the Minister and the Prothonotary of the Superior Court for the district in which the partnership has its head office, to be registered with the original declaration.

No distribution shall be made amongst or dividend paid to the shareholders of the partnership unless and until all the debts of the partnership have been paid. The members of the executive committee and any person participating in a violation of this provision shall be jointly and severally liable towards every creditor of the partnership to the extent of the sum illegally distributed.

26. This act shall come into force on the day of its sanction.

SCHEDULE "A"

Form of declaration

We, the undersigned, hereby agree and oblige ourselves individually to form a mineral exploration partnership, without personal liability, under the name:

(Note: - To be completed in triplicate and disposed of in the manner provided in section 3 of the act.)

".....
Mineral Exploration Partnership, No Personal Liability", with an authorized capital of ten thousand dollars divided into one thousand shares of a par value of ten dollars each.

The partnership will have its head office at.....
....., in the county of.....,
in the Province of Quebec.

And we do hereby, severally and not one for the other, subscribe for and agree to take and pay for shares of the partnership in the amounts set opposite our respective names below, and we agree to become shareholders of the said partnership for the said amounts.

IN WITNESS WHEREOF we have signed.

Signature	Residence	Number of shares subscribed for	Amount paid	Place and date of subscription		WITNESS (Person having the powers of a Justice of the Peace)
				Date	Place	

SCHEDULE "B"

(To be completed as per
section 4 of
the act.)

Form of subscription

".....Mineral
Exploration Partnership, No Personal Liability", with
an authorized capital of ten thousand dollars divided
into one thousand shares of a par value of ten dollars
each.

I, the undersigned, subscribe for and agree to take
and pay for.....shares of the above-men-
tioned partnership in the total amount of.....
.....and I agree to become a shareholder of
the said partnership for the said amount.

IN WITNESS WHEREOF I have signed at.....
this....., 19...

.....
(Signature of subscriber)

.....
(Address)

Signed in the presence of:

.....
(Justice of the Peace or other
person having the powers of a
Justice of the Peace)

SCHEDULE "C"

Form of receipt for payments by shareholders

(Note: - To
be completed
as per section
7 of the act.)

No.....

".....Mineral
Exploration Partnership, No Personal Liability".

Authorized capital: one thousand shares of a par
value of ten dollars each.

Head office:

Received from.....
the sum of.....dollars
in full payment of shares of ten dollars each of

".....Mineral
Exploration Partnership, No Personal Liability",
transferable only on the books of the partnership.

IN WITNESS WHEREOF this receipt has been signed
by the duly authorized officers of the said partnership
this.....day of....., 19 ..

.....
*Chairman of the Executive
Committee*

Countersigned:

.....
*Member of the Executive
Committee*

SCHEDULE "D"

Form of transfer of shares

(This transfer must be executed in duplicate. The original shall remain in the records of the partnership, and the duplicate, after registration, shall be delivered to the transferee. Section 8 of the act.)

".....Mineral
Exploration Partnership, No Personal Liability".

Authorized capital: ten thousand dollars divided into
one thousand shares of ten dollars each.

For value received, the undersigned does hereby sell,
assign and transfer unto.....

(Name and address of

....., hereby accepting.....
(Number of shares)

shares of ".....
Mineral Exploration Partnership, No Personal Li-
ability."

Dated at....., this.....day of....., 19..

.....
(Signature of transferor)

.....
(Signature of transferee)

Signed in the presence of:

.....
(Justice of the Peace or per-
son having the powers of a
Justice of the Peace)

This transfer has been duly registered in the books
of the partnership.

Dated at....., this.....day of..
....., 19...

.....
Chairman of the Executive
Committee

Countersigned:

.....
Member of the Executive
Committee

SCHEDULE "E"

Form of proxy

(To be completed as per section 20 of the act.)

".....Mineral
Exploration Partnership, No Personal Liability".

I,.....of.....
....., one of the shareholders of the above
named partnership, being the owner of.....
shares of the said partnership, hereby appoint M.....
.....of.....
as my proxy to vote for me and in my name at a meeting
of the shareholders to be held on the.....day
of.....19.. at.....

Dated at....., this.....
day of....., 19..

.....
(Signature of constituent)

Signed in the presence of:

.....
(Justice of the Peace or per-
son having the powers of a
Justice of the Peace).