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Headnote

Mutual Reliance Review System for Exemptive Relief Application – relief granted to an SEC issuer from the requirement to file annual and interim financial statements prepared in accordance with Canadian GAAP and Canadian GAAS – relief also granted from the requirement to include financial statements prepared in accordance with Canadian GAAP and Canadian GAAS in a short form prospectus filed under National Instrument 44-101 *Short Form Prospectus Distributions* – issuer has filed financial statements prepared in accordance with US GAAP including a reconciliation note to Canadian GAAP since 1999

Applicable British Columbia Provisions

Securities Rules, B.C. Reg, 194/97, ss. 2, 3

National Instrument 44-101 *Short Form Prospectus Distributions*, ss. 7.1, 7.4, 15.1

**IN THE MATTER OF THE SECURITIES LEGISLATION OF ALBERTA,
BRITISH COLUMBIA, MANITOBA, NEWFOUNDLAND AND
LABRADOR, NORTHWEST TERRITORIES, NOVA SCOTIA,
NUNAVUT, PRINCE EDWARD ISLAND, ONTARIO, QUÉBEC,
SASKATCHEWAN AND YUKON**

AND

**IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

IN THE MATTER OF PLACER DOME INC.

MRRS DECISION DOCUMENT

- ¶ 1 WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Ontario, Québec, Saskatchewan and Yukon (the “Jurisdictions”) has received an application from Placer Dome Inc. (the “Applicant”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the requirements (the “Canadian GAAP and GAAS Requirements”) contained in the Legislation to file annual and interim financial statements, including any financial statements of the Applicant included in any short form prospectus filed by the Applicant under National Instrument 44-101 *Short Form Prospectus Distributions* (“NI 44-101”), prepared in accordance with Canadian GAAP and, in the case of the annual financial statements, audited in accordance with Canadian GAAS, will not apply to the Applicant;

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- ¶ 2 AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the British Columbia Securities Commission is the principal regulator for this application;
- ¶ 3 AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Québec Commission Notice 14-101;
- ¶ 4 AND WHEREAS the Applicant has represented to the Decision Makers that:
1. the head office of the Applicant is in Vancouver, British Columbia;
 2. directly and through its subsidiaries, the Applicant is principally engaged in the exploration for, and the acquisition, development and operation of, gold mineral properties;
 3. the Applicant is a reporting issuer, or holds similar status, under the laws of each province and territory of Canada, and has held such status for over 12 months;
 4. the Applicant’s authorized capital consists of an unlimited number of common shares (the “Common Shares”) and an unlimited number of preferred shares, issuable in series (the “Preferred Shares”);
 5. as of April 30, 2003, the Applicant had 408,838,021 outstanding Common Shares and no outstanding Preferred Shares;
 6. the Common Shares are listed for trading on the Toronto Stock Exchange, the New York Stock Exchange, the Australian Stock Exchange, Euronext-Paris and the Swiss Exchange;
 7. the Applicant is currently qualified to file a short form prospectus under NI 44-101;
 8. the Common Shares are registered under section 12(b) of the 1934 Act and the Applicant is not registered or required to register as an investment company under the United States *Investment Company Act of 1940*;
 9. the Applicant has, since at least 1999, produced and filed with each of the Jurisdictions on the System for Electronic Document Analysis and Retrieval (“SEDAR”):

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- (a) annual financial statements prepared in accordance with Canadian GAAP and audited in accordance with Canadian GAAS,
- (b) interim financial statements prepared in accordance with Canadian GAAP,
- (c) annual financial statements prepared in accordance with generally accepted accounting principles in the United States of America that the SEC has identified as having substantial authoritative support, as supplemented by Regulation S-X under the 1934 Act ("US GAAP") and audited in accordance with Canadian GAAS including a reconciliation note to Canadian GAAP, and
- (d) interim financial statements prepared in accordance with US GAAP, including a reconciliation note to Canadian GAAP;

10. the Applicant proposes to file interim and annual financial statements prepared in accordance with US GAAP and, in the case of annual statements, audited in accordance with generally accepted auditing standards in the United States of America, as supplemented by the SEC's rules on auditor independence ("US GAAS"), to satisfy its continuous disclosure requirements with respect to financial statements in each of the Jurisdictions;

11. the Applicant is satisfied that it has obtained and applied the necessary level of expertise in US GAAP to support the preparation of US GAAP financial statements and has in fact been preparing such statements since the first quarter of 1999, prior to which its Canadian GAAP financial statements included a note providing a reconciliation to US GAAP;

12. the Applicant's audit committee has taken steps to ensure it has, or has access to, the necessary expertise in relation to US GAAP and that management has put in place systems to ensure that the appropriate levels and numbers of staff have and will maintain the level of expertise in US GAAP necessary to prepare reliable, high quality financial statements;

13. the Applicant's audit committee has satisfied itself as to the adequacy of the expertise of the audit engagement team and the audit firm in relation to the application of US GAAP and US GAAS; and

14. to the best of its knowledge, the Applicant is not in default of any requirements of the Legislation;

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- ¶ 5 AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);
- ¶ 6 AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;
- ¶ 7 THE DECISION of the Decision Makers under the Legislation is that the Canadian GAAP and GAAS Requirements will not apply to the Applicant provided that:
- (a) the Applicant’s Common Shares are registered under section 12(b) of the 1934 Act and the Applicant is not registered or required to register as an investment company under the United States *Investment Company Act of 1940*;
 - (b) the Applicant’s annual and interim financial statements required to be filed under the Legislation are prepared in accordance with US GAAP and, in the case of annual financial statements, audited in accordance with US GAAS;
 - (c) the notes to the first two sets of annual comparative financial statements filed after the date of this Decision and the notes to the interim financial statements for interim periods during those two years:
 - (i) explain the material differences between Canadian GAAP and US GAAP that relate to recognition, measurement and presentation,
 - (ii) quantify the effect of material differences between Canadian GAAP and US GAAP that relate to recognition, measurement and presentation, including a tabular reconciliation between net income reported in the financial statements and net income computed in accordance with Canadian GAAP, and
 - (iii) provide disclosure consistent with Canadian GAAP requirements to the extent not already reflected in the financial statements;
 - (d) the notes to the financial statements identify the accounting principles used to prepare the financial statements;
 - (e) the Applicant files a supplement to the Management Discussion and Analysis (“MD&A”) relating to each of the financial statements referred to in paragraph (c) above that will restate, based on financial information

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of the Applicant prepared in accordance with or reconciled to Canadian GAAP, those parts of the MD&A that:

- (i) are based on financial statements of the Applicant prepared in accordance with US GAAP, and
 - (ii) would contain material differences if they were based on financial statements of the Applicant prepared in accordance with Canadian GAAP;
- (f) the Applicant uses US GAAP generally on a going-forward basis for all of its financial statements filed under its continuous disclosure requirements in the Jurisdictions;
- (g) the Applicant files an auditor's report on the financial statements filed under paragraph (c) above that is prepared in accordance with US GAAS and that:
- (i) contains an unqualified opinion,
 - (ii) identifies all financial periods presented for which the auditor has issued an auditor's report; if the Applicant has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by a different auditor, the auditor's report must refer to any former auditor's report(s) on the comparative periods, and
 - (iii) identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements; and
- (h) this Decision, as it relates to the jurisdiction of a Decision Maker, will terminate upon publication in final form of any legislation or rule of that Decision Maker dealing with acceptable accounting principles and auditing standards, except proposed National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* in substantially the same form as published on May 16, 2003, that conflicts with any provision of this Decision.

¶ 8 July 24, 2003

Brenda Leong
Director