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February 18, 2009

Headnote

Multilateral Instrument 11-102 *Passport System* – National Instrument 52-107, s. 9.1 - Acceptable Accounting Principles, Auditing Standards and Reporting Currency - A reporting issuer wants to early adopt IFRS for purposes of preparing its financial statements - The issuer has assessed the readiness of its staff, board, audit committee, auditors and investors; the issuer will provide detailed disclosure regarding its early adoption of IFRS as set out in CSA Staff Notice 52-320; the issuer will restate any financial statements prepared in accordance with Canadian GAAP for interim periods for the fiscal year in which they intend to adopt IFRS

Applicable British Columbia Provisions

National Instrument 52-107, s. 9.1

In the Matter of
the Securities Legislation of
British Columbia
(the Jurisdiction)

and

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

and

In the Matter of
Anooraq Resources Corporation
(the Filer)

Decision

Background

- ¶ 1 The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) exempting the Filer from the requirement in section 3.1 of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (NI 52-107) that financial statements be prepared in accordance with Canadian GAAP (the Exemption Sought) in order that the Filer may prepare its financial statements for financial periods beginning

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on or after January 1, 2009 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (IFRS-IASB).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions for a passport application:

- (a) the British Columbia Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta and Québec (the Passport Jurisdictions).

Interpretation

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

- ¶ 3 This decision is based on the following facts represented by the Filer:
- 1. the Filer is a corporation incorporated on April 19, 1983 under the laws of the Province of British Columbia; the Canadian head office of the Company is located at Suite 1020 – 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6;
 - 2. the Filer is a reporting issuer in the Jurisdiction and each of the Passport Jurisdictions; the Filer is not in default of its reporting issuer obligations under the Legislation or the securities legislation of the Passport Jurisdictions;
 - 3. the Filer's securities are listed on the TSX Venture Exchange, American Stock Exchange and Johannesburg Stock Exchange Limited;
 - 4. the Filer is also a registrant with the United States Securities and Exchange Commission (SEC) and a foreign private issuer in the United States;
 - 5. the Filer is engaged in the exploration and development of platinum group metals prospects in the Bushveld Complex of the Republic of South Africa through its wholly owned South African subsidiary Plateau Resources (Pty) Limited (Plateau);
 - 6. the Filer, through Plateau, holds interests in several projects, which are currently 50/50 joint ventures with Anglo Platinum Limited (Anglo Platinum);

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7. the Filer does not have any operating revenue as it is still in the exploration phase; historically it has had annual interest revenue as a consequence of investing surplus funds pending the completion of exploration programs;
8. the Filer's South African subsidiary, Plateau, and its joint ventures are already reporting under IFRS; as such, reporting would be streamlined and related costs reduced by developing common reporting systems and consistency across the group;
9. the Filer is both a Canadian reporting issuer and a foreign private issuer for SEC requirements; the Filer's financial statements are prepared in accordance with Canadian GAAP; for SEC purposes, the Filer is required to reconcile its financial statements prepared in Canadian GAAP to generally accepted accounting principles in the United States (US GAAP);
10. the Filer has not previously prepared financial statements that contain an explicit and unreserved statement of compliance with IFRS;
11. the Canadian Accounting Standards Board has confirmed that publicly accountable enterprises will be required to prepare their financial statements in accordance with IFRS for financial statements relating to fiscal years beginning on or after January 1, 2011;
12. NI 52-107 sets out acceptable accounting principles for financial reporting under the Legislation by domestic issuers, foreign issuers, registrants and other market participants; under NI 52-107, a domestic issuer must use Canadian GAAP with the exception that an SEC registrant may use US GAAP; under NI 52-107, only foreign issuers may use IFRS-IASB;
13. in CSA Staff Notice 52-321 *Early Adoption of International Financial Reporting Standards, Use of US GAAP and Reference to IFRS-IASB*, staff of the Canadian Securities Administrators recognized that some issuers may wish to prepare their financial statements in accordance with IFRS-IASB for periods beginning prior to January 1, 2011 and indicated that it is prepared to recommend exemptive relief on a case by case basis to permit a domestic issuer to do so, despite section 3.1 of NI 52-107;
14. subject to obtaining the Exemption Sought, the Filer intends to adopt IFRS-IASB for its financial statements for periods beginning on and after January 1, 2009;

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15. the Filer believes that the adoption of IFRS-IASB will avoid potential confusion for the users of its financial statements because the reporting requirements of its primary regulators would be satisfied using one accounting standard; the use of a single accounting standard would eliminate complexity and cost from the Filer's financial statement preparation process; further, as the South African subsidiary companies and joint ventures are already reporting under IFRS, reporting would be streamlined and related costs reduced by developing common reporting systems and consistency across the group;
16. the Filer has implemented a comprehensive IFRS-IASB plan according to an internal transition calendar which details a list of tasks to complete, responsibilities and the respective timelines by week; the Filer has also established an IFRS Steering Committee
17. the Board of Directors of the Filer (the Board) approved early adoption of IFRS-IASB on December 22, 2008;
18. the Filer has carefully assessed the readiness of its staff, Board, audit committee, auditors, investors and other market participants for the adoption by the Filer of IFRS-IASB for financial periods beginning on or after January 1, 2009 and has concluded that all parties will be adequately prepared for the Filer's adoption of IFRS-IASB for periods beginning on January 1, 2009;
19. the Filer has considered the implications of adopting IFRS-IASB for financial periods beginning on or after January 1, 2011 on its obligations under securities legislation including, but not limited to, those relating to CEO and CFO certifications, business acquisition reports, offering documents, and previously released material forward looking information;
20. the Filer will restate and re-file its management's discussion and analysis for the interim period ended September 30, 2008 (Q3 MD&A) not more than seven days after the date of this decision to provide relevant information about its conversion to IFRS-IASB as contemplated by CSA Staff Notice 52-320 *Disclosure of Expected Changes in Accounting Policies Relating to Changeover to International Financial Reporting Standards*, including:
 - (a) the key elements and timing of the Filer's conversion plan to adopt IFRS-IASB;
 - (b) the accounting policy and implementation decisions the Filer has made or will have to make;

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- (c) the exemptions available under IFRS 1 *First-time Adoption of International Financial Reporting Standards* that the Filer expects to apply in preparing financial statements in accordance with IFRS-IASB;
 - (d) major differences the Filer has identified between its current accounting policies and those the Filer is required or expects to apply in preparing financial statements under IFRS-IASB; and
 - (e) the impact of the changeover on the key line items presented in the Filer's interim financial statements for the period ending September 30, 2008;
21. the Filer will disseminate a news release announcing that it has restated and re-filed its Q3 MD&A;
22. the Filer will update the information set out in its Q3 MD&A in its annual management's discussion and analysis including, to the extent known, quantitative information regarding the impact of adopting IFRS-IASB on key line items in the Filer's annual financial statements for the year ending December 31, 2008.

Decision

- ¶ 4 The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

- (a) the Filer prepares its annual financial statements for years beginning on or after January 1, 2009 in accordance with IFRS-IASB;
- (b) the Filer prepares its interim financial statements for interim periods beginning on or after January 1, 2009 in accordance with IFRS-IASB, except that if the Filer files interim financial statements prepared in accordance with Canadian GAAP for one or more interim periods in the financial year in which the Filer adopts IFRS-IASB, the Filer will restate and re-file those interim financial statements in accordance with IFRS-IASB, upon its adoption of IFRS-IASB;

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(c) the Filer provides the communication set out in paragraphs 20, 21, and 22.

Martin Eady, CA
Director, Corporate Finance
British Columbia Securities Commission