

2003 BCSECCOM 353

Headnote

Mutual Reliance Review System for Exemptive Relief Application - issuer requesting relief from the Parts 2, 3, and 4 of NI 43-101 in respect of royalty interests - the issuer is unable to obtain the necessary technical information from the operating company to prepare a technical report - the issuer is granted relief subject to conditions

Applicable British Columbia Provisions

National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, subsection 9.1(1)

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

AND

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

AND

IN THE MATTER OF IAMGOLD CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”, and collectively, the “Decision Makers”) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (collectively the “Jurisdictions”) has received an application (the “Application”) from IAMGold Corporation (the “Filer”) for a decision under subsection 9.1(1) of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”) that the Filer is exempt from the requirements to file current technical reports contained in Part 2, Part 3 and Part 4 of NI 43-101 (the “Technical Report Filing Requirements”) in connection with certain written disclosure concerning the following mineral projects:

- (a) a 1% royalty (the “Diavik Royalty”) in respect of diamond production from certain claims in the Lac des Gras area of the Northwest Territories,

2003 BCSECCOM 353

which claims include the Diavik diamond property (the “Diavik Mine”) owned 40% by Aber Diamond Corporation (“Aber”) and 60% by a wholly-owned subsidiary of Rio Tinto plc (“Rio Tinto”); and

- (b) a 72% interest, through the Williams Royalty Trust, in a 1% net smelter return royalty (the “Williams Royalty”) on minerals recovered from the Williams gold mine (the “Williams Mine”) in northwestern Ontario owned 50% by Barrick Gold Corporation (“Barrick”) and 50% by Teck Cominco Limited (“Teck”);

subject, in either case, to certain conditions;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), Ontario is the principal jurisdiction for this application;

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;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. The Filer was incorporated under the Canada Business Corporations Act on March 27, 1990. On April 11, 2000 the Filer amalgamated with a wholly-owned subsidiary, with the continuing company being identical in all respects to the pre-amalgamation IAMGold Corporation. The Filer’s registered and principal executive offices are located in Toronto, Ontario.
2. The Filer is a reporting issuer in each of the Jurisdictions and is eligible to file a prospectus in the form of a short form prospectus under NI 44-101.
3. The authorized share capital of the Filer consists of an unlimited number of first preference shares, issuable in series, an unlimited number of second preference shares, issuable in series, and an unlimited number of common shares (the “IAMGold Shares”), of which, as at March 31, 2003, nil first preference shares, nil second preference shares and 143,512,347 IAMGold Shares were issued and outstanding.
4. The IAMGold Shares are listed and posted for trading on the TSX.
5. The Filer’s business consists of:

2003 BCSECCOM 353

- (a) an indirect 38% interest, through La Societe d'Exploitation des Mines d'Or de Sadiola S.A. ("SEMOS"), in the Sadiola Gold Mine located in Mali;
- (b) an indirect 40% interest, through Yatela Exploitation Company Limited ("Yatela"), in the Yatela Gold Mine located in Mali immediately to the north of the Sadiola Gold Mine;
- (c) an indirect 18.9% interest, through Gold Fields Ghana Limited ("GFGL"), in the Tarkwa Gold Mine, located in Ghana;
- (d) an indirect 18.9% interest, through Abosso Goldfields Limited ("Abosso"), in the Damang Gold Mine, located immediately to the north of the Tarkwa Gold Mine in Ghana;
- (e) a portfolio of active and inactive royalties on natural resource properties in a number of countries around the world; and
- (f) exploration properties located in West Africa and in South America.

The remaining interests in SEMOS are owned by AngloGold Ltd. ("AngloGold") as to 38%, the Government of Mali as to 18% and International Finance Corporation (a member of the World Bank Group) as to 6%. AngloGold is the second largest gold mining company in the world having its ordinary shares listed on a number of international stock exchanges and its America Depositary Receipts ("ADR"s) listed on the New York Stock Exchange ("NYSE"). The remaining interests in Yatela are owned indirectly by AngloGold as to 40% and the Government of Mali as to 20%. A wholly-owned subsidiary of AngloGold is the operator of both the Sadiola Gold Mine and the Yatela Gold Mine.

The remaining interests in each of GFGL and Abosso are held by Gold Fields Limited ("Gold Fields") as to 71.1% and the Government of Ghana as to 10%. Gold Fields is a major international gold mining company having its ordinary shares listed on the Johannesburg Stock Exchange and its ADRs listed on the NYSE. GFGL is the owner and operator of the Tarkwa Gold Mine and Abosso is the owner and operator of the Damang Gold Mine.

6. The interests referred to in paragraphs 5(c), (d) and (e) above are owned by Repadre Capital Corporation ("New Repadre"), a wholly-owned subsidiary of the Filer which was acquired on January 7, 2003 pursuant to an amalgamation by way of plan of arrangement of Repadre Capital Corporation ("Old

2003 BCSECCOM 353

Repadre”), a company then listed on the Toronto Stock Exchange, and a subsidiary of the Filer incorporated for the purpose.

7. The original business of Old Repadre was the acquisition of royalty interests on mineral properties. The royalty interests are typically in the form of net smelter return (“NSR”) royalties, but may also be net profit interest (“NPI”) royalties or gross sales royalties. NSR royalties and gross sales royalties provide payments from revenues, generally ranging from less than 1% to 5%, before the deduction of most of the operating expenses incurred by the owner of the mine. NPI royalties provide payments based upon a percentage, generally ranging from 1% to 10%, of net profits of the mine or the owner of the mine. New Repadre currently holds no NPIs. Old Repadre held, and the Filer (through New Repadre) holds, revenue producing royalty interests on mineral properties located in Canada, Nicaragua, South Africa, Mexico, Bolivia and Honduras and non-revenue producing royalty interests on mineral properties located in Canada, the United States, Burkino Faso, Ghana, Colombia, Mexico and Bolivia.
8. On January 24, 2003, the Canadian Securities Administrators (the “CSA”) published a revised CSA Staff Notice 43-302 - *Frequently Asked Questions* and confirmed that a royalty holder must comply with all of the requirements under NI 43-101.
9. Item 4.3 of Form 44-101F1-AIF under National Instrument 44-101-Short Form Prospectus Distributions (“NI 44-101”) requires that an annual information form (AIF) provide specific disclosure, for each property material to an issuer.
10. The Filer is required to file its renewal AIF under NI 44-101 on or before May 20, 2003. In the last few months production has commenced at the Diavik Mine. Based on Aber’s public disclosure of estimated production during 2003 and thereafter, the Filer believes that the Diavik Mine, which is covered by the Diavik Royalty, has become a mining project on a property material to the Filer. The Williams Royalty is also sufficiently important to the Filer that the Williams Mine may be a mining project on a property material to the Filer.
11. Subsection 4.2(1) of NI 43-101 requires an issuer to file a current technical report to support information in a list of specified documents, including an AIF or annual report, that includes material information concerning mining projects on material properties.
12. As such, under NI 43-101, the Filer is required to file technical reports in respect of the Diavik Mine and the Williams Mine.

2003 BCSECCOM 353

13. The Diavik Royalty and the Williams Royalty Trust do not contain provisions that would enable the Filer to obtain the information necessary to prepare a technical report with respect to the Diavik Mine or the Williams Mine. The Filer has certain rights to require an audit of payments received under these royalties but does not have access to technical information regarding the mines, other than as publicly disclosed by Aber and Rio Tinto in the case of the Diavik Mine and Barrick and Teck in the case of the Williams Mine. Aber, Barrick and Teck are all reporting issuers listed on the Toronto Stock Exchange.
14. The Diavik Royalty and the interest in the Williams Royalty Trust were acquired in 1992 and 1996, respectively, prior to the coming into force of NI 43-101.
15. The Filer will provide the disclosure with respect to the Diavik Mine and the Williams Mine required by item 4.3 of NI 44-101 by relying upon information publicly disclosed in documents referred to in section 4.2 of NI 43-101 filed on SEDAR by Aber and Barrick and/or Teck, respectively.
16. The disclosure required by item 4.3 of NI 44-101 provided by the Filer with respect to the Diavik Mine and the Williams Mine will contain a cautionary statement (the "Cautionary Statement") stating the following:

"National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* contains certain requirements relating to disclosure of technical information in respect of mineral projects, including that such information is supported by a technical report or other information prepared by or under the supervision of a qualified person. Pursuant to an exemption order granted to the Filer by the Canadian securities regulatory authorities, the information contained herein with respect to the Diavik Mine and the Williams Mine has been extracted from information publicly disclosed in documents filed on SEDAR by Aber and Barrick and /or Teck, respectively."

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the securities legislation of the Jurisdictions that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under subsection 9.1(1) of NI 43-101 is that:

2003 BCSECCOM 353

- I. the Filer is exempt from the Technical Report Filing Requirements with respect to the written disclosure prepared by the Filer relating to the Diavik Mine provided that:
 - (a) the written disclosure includes the Cautionary Statement and such disclosure provided by the Filer will specify the source documents and location in the source documents of the information so extracted ;
 - (b) the Filer is unable to obtain the information necessary to prepare a technical report with respect to the Diavik Mine; and
 - (c) this relief expires no later than one year from the date of this Decision.
- II. the Filer is exempt from the Technical Report Filing Requirements with respect to the written disclosure prepared by the Filer relating to the Williams Mine provided that:
 - (a) the written disclosure includes the Cautionary Statement and such disclosure provided by the Filer will specify the source documents and location in the source documents of the information so extracted;
 - (b) the Filer is unable to obtain the information necessary to prepare a technical report with respect to the Williams Mine; and
 - (c) this relief expires no later than one year from the date of this Decision.

Dated May 20, 2003.

Heidi Franken