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Headnote

Securities Act s. 48,76 Corporate Acquisitions & Reorganizations - Exemption from s. 34(1)(a) requirement to be registered as a dealer for a trade and s. 61 requirement to file a prospectus for a distribution in connection with a corporate acquisition or reorganization - An issuer wants prospectus and registration relief for trades in securities of the issuer in connection with a take over bid done outside Canada in compliance with Swedish law - Issuer is making a take over bid in compliance with Swedish law to all shareholders of an offeree company that is listed on the Stockholm Stock Exchange; the take over bid is not a "take over bid" under the Act because the offeree company has no BC shareholders; the trades will be made to persons outside Canada; first trades of securities subject to s. 2.6(3) of Multilateral Instrument 45- 102

Exemption Order

Lundin Mining Corporation

Sections 48 and 76 of the *Securities Act*, R.S.B.C. 1996, c. 418

Background

- ¶ 1 Lundin applied for an exemption from the requirements to be registered to trade and to file and obtain receipts for a preliminary prospectus and prospectus in sections 34(1)(a) and 61 of the Act (the registration and prospectus requirements) for certain intended trades;

Representations

- ¶ 2 Lundin represents that:
1. it is a corporation incorporated under the *Canada Business Corporations Act*;
 2. its registered office is located at 1100 – 888 Dunsmuir Street, Vancouver, British Columbia and its principal business office is located in Vancouver, British Columbia;
 3. it is a reporting issuer in British Columbia, Alberta, Ontario, Quebec and Nova Scotia;

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4. its common shares are listed for trading on the TSX and its Swedish Depository Receipts are listed on the O-list of the Stockholm Stock Exchange;
5. it owns 23,117,000 of the shares of North Atlantic Natural Resources AB (NAN), being 74.0 percent of the issued and outstanding shares of NAN;
6. NAN is a mining and exploration company whose shares are listed on the Stockholm Stock Exchange;
7. NAN is not a reporting issuer in any province of Canada and NAN's shares are not listed for trading on any stock exchange of Canada;
8. none of the shares of NAN are owned by a resident of Canada;
9. the Swedish Industry and Commerce Stock Exchange Committee's mandatory bid rules require Lundin to make a public offer (the offer) to the remaining shareholders of NAN to acquire their shares of NAN and to make an announcement in respect of the offer;
10. pursuant to the offer, each tendering NAN shareholder may elect to receive, for every 5.3 shares of NAN held, one of Lundin's common shares or the equivalent cash value in Swedish krona;
11. the offer is, in substance, a take over bid under the Act, except that the offer is not being made to a person or company in British Columbia or whose last address as shown on the books of NAN is in British Columbia;
12. if the offer were a take over bid under the Act, it would be exempt from the take over bid requirements of the Act, but for the fact that Sweden is not a jurisdiction recognized by the Commission for the purposes of the exemption contained in the Act, as the number of holders of NAN shares in British Columbia is less than 50 and the securities held by holders in British Columbia constitutes, in aggregate, less than 2 percent of the outstanding shares of NAN.

Order

¶ 3 Because it is not prejudicial to the public interest, the Executive Director orders:

1. under sections 48 and 76 of the Act, that the distribution by Lundin of its common shares in accordance with the offer is exempt from the registration and prospectus requirements; and

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2. under section 76 of the Act, any trade in common shares acquired under this order is deemed to be a distribution unless the conditions in subsection 2.6(3) of Multilateral Instrument 45-102 *Resale of Securities* are satisfied.

¶ 4 January 21, 2005

Martin Eady, CA
Director