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Headnote

Mutual Reliance Review System for Exemptive Relief Application – exemption granted from requirement to file a technical report contained in part 4.2(1)4 of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* – issuer not a reporting issuer or public company in any country – issuer distributing securities to accredited investors only

Applicable British Columbia Provisions

National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, s. 9

IN THE MATTER OF THE SECURITIES LEGISLATION OF ALBERTA, BRITISH COLUMBIA, ONTARIO AND QUEBEC

AND

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

AND

IN THE MATTER OF MOTAPA DIAMONDS INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (each, a “Decision Maker”) in each of the Provinces of Alberta, British Columbia, Ontario and Québec (the “Jurisdictions”) has received an application from Motapa Diamonds Inc. (the “Corporation”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the Corporation be exempt from requirement contained in Part 4.2(1) 4 of National Instrument 43-101 (“NI 43-101”) to file a technical report in respect of an offering memorandum prepared in connection with a private placement of securities of the Corporation;

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

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;

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

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1. The Corporation is a corporation organized under the laws of New Brunswick and its head office is in Cape Town, South Africa.
2. The authorized capital of the Corporation consists of an unlimited number of common shares of which there were 1,092,320 common shares issued and outstanding as of November 18, 2003.
3. The Corporation is not a “reporting issuer” under the Legislation. It is a “closely-held issuer” or “private company”, as applicable, under the Legislation. The Corporation is not a public company in any other country.
4. The Corporation is a mineral exploration company, with interests in a number of properties in Africa (the “Properties”).
5. The Corporation intends to effect a private placement offering for proceeds between US \$4,250,000 and US \$10,000,000 on or around January 15, 2003 (the “Offering”). A portion of the proceeds from the Offering will be used to continue exploration on the Properties. The Corporation will only accept subscriptions to the Offering from accredited investors in the Provinces of Alberta, British Columbia and Ontario, as defined by the securities legislation of those jurisdictions (“Accredited Investors”), and from investors in the Province of Quebec that subscribe for a minimum of \$150,000 (“150K Investors”).
6. The Corporation will provide the Accredited Investors and the 150K Investors with an offering memorandum (the “Offering Memorandum”) in connection with the Offering, but is not required to do so under the Legislation. The scientific and technical disclosure contained in the Offering Memorandum regarding the Properties will be based upon information prepared by Dr. Norman Lock, RSG Global Principal Consultant – Diamonds. Dr. Lock is a fellow of the South African Institute of Mining and Metallurgy and otherwise meets the qualifications of a “qualified person” under NI 43-101.
7. The disclosure of the Properties contained in the Offering Memorandum will comply with the requirements of NI 43-101 except for the requirement contained in Part 4.2(1)4 of NI 43-101 that the Corporation file a technical report.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);

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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;

THE DECISION of the Decision Makers under the Legislation is that the Corporation is exempt from the requirement contained in Part 4.2(1)4 of NI 43-101 to file a technical report in connection with the Offering Memorandum provided that securities distributed in Canada under the Offering are only distributed to Accredited Investors and 150K Investors.

DATED this 19th day of January, 2004.

Iva Vranic