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Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted from requirements in Parts 2, 3, 4, 5, 6 and 8 of NI 43-101 for a private placement in Canada as, after the offering the issuer would have a *de minimis* presence in Canada and offering document will include disclosure using the SAMREC Code

Applicable British Columbia Provisions

National Instrument 43-101 *Standard of Disclosure for Mineral Projects* Parts 2, 3, 4, 5, 6 and 8 and s. 9.1

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, MANITOBA, ONTARIO AND QUÉBEC

AND

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

AND

IN THE MATTER OF AFRICAN RAINBOW MINERALS GOLD LIMITED AND RBC DOMINION SECURITIES INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Manitoba, Ontario and Québec (the “Jurisdictions”) has received an application from African Rainbow Minerals Gold Limited (the “Issuer” or “ARMgold”) and RBC Dominion Securities Inc. (the “Dealer”) (and collectively with the Issuer, the “Applicants”) for a decision pursuant to subsection 9.1(1) of National Instrument 43-101 (“NI 43-101”) that the Applicants be exempt from Parts 2, 3, 4, 5, 6 and 8 of NI 43-101 in connection with: (i) the disclosure made in connection with; and (ii) the offering memorandum (the “Offering Memorandum”) prepared by the Issuer for the Canadian Offering (defined below);

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, the Applicants have represented to the Decision Makers that:

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1. The Issuer is a company incorporated pursuant to the laws of the Republic of South Africa (“South Africa”) with its head office in Johannesburg, South Africa. The Issuer is a mining company which owns gold mines in South Africa. In 2001, the Issuer was the fifth largest gold producer in South Africa with an annual gold production of approximately 520,000 ounces;
2. The Issuer is not a reporting issuer or its equivalent in any of the Jurisdictions, nor are any of its securities listed or posted for trading on any stock exchange in Canada. The Issuer has no present intention of becoming a reporting issuer or its equivalent in any of the Jurisdictions or of becoming listed in Canada;
3. The authorized capital of the Issuer consists of ordinary shares (the “Ordinary Shares”), of which approximately 68,000,000 Ordinary Shares were issued and outstanding as of April 9, 2002;
4. As of April 26, 2002, there were no registered or beneficial holders of ARMgold Ordinary Shares in Canada;
5. The Issuer intends to offer for subscription newly issued Ordinary Shares and its majority shareholder, African Rainbow Minerals & Exploration Investments (Proprietary) Limited, intends to offer for sale Ordinary Shares held by it in an initial offering by way of private placement (collectively, the “Offering”) having an aggregate value of approximately 1.4 billion Rand and, in that regard, is currently in the process of preparing a prospectus (the “Prospectus”) to be filed with and approved by the JSE Securities Exchange, South Africa (the “JSE”) in Johannesburg, South Africa and the Registrar of Companies in South Africa, pursuant to which the Issuer intends to become listed on the JSE;
6. Approximately 40% of the Offering will be offered to purchasers resident in South Africa and approximately 60% of the Offering will be offered to purchasers resident outside of South Africa (the “International Purchasers”), including an offering to purchasers resident in the Jurisdictions (the “Canadian Offering”), the United States, Australia and Europe (collectively, the Canadian Offering and the offering to purchasers in the United States, Australia and Europe being referred to as the “International Offering”). The Shares offered pursuant to the International Offering will be offered on a private placement basis by the Dealer (or affiliates of the Dealer);
7. The Applicants anticipate that up to 25% of the Offering may be made in Canada;

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8. Pursuant to the listing and disclosure requirements of the JSE, the South African dealer has submitted a draft of the Prospectus for approval to the JSE and the Dealer has been advised by the South African dealer that the draft of the Prospectus complies (and the Prospectus will comply) with the listings requirements of the JSE (the “Listings Requirements”);
9. Pursuant to the Listings Requirements, the Prospectus will contain, in full, a Competent Persons’ Report (the “CPR”) of the mining assets of ARMgold dated March 1, 2002. The reserve and resource calculations in the CPR were prepared in accordance with the South African Code for Reporting of Mineral Resources and Mineral Reserves (the “SAMREC Code”). Similar to NI 43-101, the Listing Requirements prescribe the form and content of the disclosure required in the CPR in connection with the scientific and technical information to be provided in respect of mineral projects;
10. The CPR will be prepared by, amongst others, Dr. Michael Harley, MSAIMM, Ph.D. and Mr. H.G. Waldeck, Pr. Eng. MSAIMM, both employees of Steffen, Robertson and Kirsten (South Africa) (Proprietary) Limited (“SRK”), each of whom is a member of South African Institute of Mining and Metallurgy, and by Dr. Iestyn Humphreys, AM.I.Min.AIME, Ph.D. an employee of Steffen, Robertson and Kirsten (UK) Limited.
11. In connection with the International Offering, the Issuer will distribute the Offering Memorandum containing the Prospectus and any additional disclosure required in the Jurisdictions and included in the International Offering. In particular, the Offering Memorandum will contain disclosure required under Canadian securities laws applicable in the Jurisdictions relating to, among other things, prospectus and registration exemptions, statutory rights of action and exchange rate information;
12. The Issuer will file the Offering Memorandum in each of the Jurisdictions within 10 days of the closing of the Offering;
13. The Offering Memorandum will contain the following cautionary statement (the “Cautionary Statement”):

“The scientific and technical information contained in the attached Prospectus, including that in the Competent Persons’ Report, was prepared in compliance with the South African Code for Reporting Mineral Resources and Mineral Reserves (the “SAMREC Code”) and the Listing Requirements. In the opinion of the Competent Person: (i) the definitions and standards of the SAMREC Code are substantively similar to the definitions and standards of the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM

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Standards”) which are recognized by the Canadian regulatory authorities and contained in National Instrument 43-101 - *Standards for Disclosure of Mineral Projects*; and (ii) a reconciliation of the reserves and resources between the SAMREC Code and the CIM Standards does not provide a materially different result.”

14. Upon completion of the Offering, residents of Canada will beneficially hold less than 10% of the issued and outstanding Ordinary Shares.

AND WHEREAS under the System this 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 NI 43-101 that provides the Decision Maker with the jurisdiction to make the decision has been met;

THE DECISION of the Decision Makers pursuant to subsection 9.1(1) of NI 43-101 is that Parts 2, 3, 4, 5, 6 and 8 of NI 43-101 will not apply to the Applicants in connection with (i) the disclosure made in connection with; and (ii) the Offering Memorandum prepared by the Issuer for the Canadian Offering provided that the disclosure of resources and reserves in the Offering Memorandum includes:

- (i) the Cautionary Statement; and
- (ii) a reference to this Decision.

Dated May 10th, 2002.

Margo Paul