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November 15, 2007

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 51-102, s.13.1 Continuous Disclosure Obligations - An issuer wants relief from the requirement to include prospectus-level disclosure in an information circular to be circulated in connection with an arrangement, reorganization, acquisition or amalgamation - The required financial statements do not exist and the financial information to prepare the financial statements is not available; relevant alternate financial information will be provided; the acquisition of the outstanding securities under a plan of arrangement is certain and cannot be prevented by investors; there is no additional benefit to investors from including the required financial statements; the issuer will comply with the requirements of NI 52-107

Applicable British Columbia Provisions

National Instrument 51-102, s. 9.1 and 13.1
Form 51-102F5 – Information Circular

In the Matter of
the Securities Legislation of
the Provinces of Ontario, British Columbia, Alberta,
Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia,
Newfoundland & Labrador, Prince Edward Island,
Nunavut, the Yukon and Northwest Territories
(the “Jurisdictions”)

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of
SouthernEra Diamonds Inc.
(the “Filer”)

and

Mwana Africa PLC
(“Mwana”)

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MRRS Decision Document

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application from the Filer, in connection with an annual and special meeting of shareholders of the Filer (the “SouthernEra Meeting”) to approve, among other things, a plan of arrangement pursuant to which Mwana would acquire all of the Class A Common Shares of the Filer (“SouthernEra Shares”) that Mwana and its affiliates do not already own (the “Arrangement”), for a decision under the securities legislation (the “Legislation”) of the Jurisdictions for relief from:

- (a) the requirement to include in the management information circular to be prepared by the Filer (the “SouthernEra Circular”) in connection with the SouthernEra Meeting:
 - (i) the Mwana Interim Financial Information (as defined below); and
 - (ii) the Mwana Holdings Acquisition Statements (as defined below); and
- (b) the Canadian Accounting Requirements (as defined below)

(the relief requested in paragraphs (a) and (b) above collectively referred to as the “Financial Information Relief”).

Under the Mutual Reliance Review System (the “MRRS”) for Exemptive Relief Applications:

- (a) the Ontario Securities Commission (the “OSC”) is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 - *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer and Mwana:

1. Mwana is a public limited company existing under the laws of England and Wales with its registered and executive head office located in London,

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England. Mwana is a natural resources company which controls nickel, copper, zinc, cobalt, gold and diamond assets across Africa, including Ghana, Zimbabwe, the Democratic Republic of Congo, Angola and South Africa, as well as in Canada and Australia.

2. Mwana's share capital is comprised of one class of shares designated as ordinary shares ("Mwana Shares") with a nominal value of 10 pence per share. As at October 11, 2007, the following securities of Mwana were issued and outstanding:
 - (a) 325,983,321 Mwana Shares (2,666,600 of the 325,983,321 issued and outstanding Mwana Shares have been repurchased and were held by Mwana pending their cancellation, sale or transfer in accordance with all applicable regulatory and legal requirements); and
 - (b) options to purchase 20,900,000 Mwana Shares.
3. The Mwana Shares trade on the AIM Market ("AIM"), a market operated by London Stock Exchange plc, under the symbol "MWA". Mwana does not currently intend to list the Mwana Shares on any exchange in Canada.
4. On September 17, 2007, Mwana completed an offer for any and all of the SouthernEra Shares not already owned by Mwana and its affiliates on the basis of one Mwana Share for every 2.28 SouthernEra Shares held (the "Offer"). Following completion of the Offer, Mwana beneficially owns a total of 148,872,112 SouthernEra Shares, representing approximately 84% of the issued and outstanding SouthernEra Shares.
5. As a result of filing the Mwana Circular (as defined below), Mwana became a reporting issuer in the provinces of Québec and Newfoundland and Labrador on July 31, 2007 and, as a result of taking up and paying for SouthernEra Shares under the Offer, Mwana became a reporting issuer in the provinces of British Columbia, Saskatchewan and Manitoba on September 10, 2007.
6. As of the date hereof, Mwana is a "designated foreign issuer" as defined in National Instrument 52-107 - *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* ("NI 52-107"). In addition, Mwana is a "designated foreign issuer" as defined in National Instrument 71-102 - *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* ("NI 71-102").
7. The Filer is a corporation continued under the *Canada Business Corporations Act* with its registered and executive head office located in Toronto, Ontario.

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The Filer is a reporting issuer in each of the provinces of Canada, and the SouthernEra Shares are listed on the Toronto Stock Exchange (the “TSX”) under the trading symbol “SDM”. In addition, the Filer has a class of outstanding Series A warrants to purchase SouthernEra Shares listed on the TSX under the symbol “SDM-WT” which expire on November 17, 2008.

8. The Filer’s share capital is comprised of one class of shares designated as Class A common shares. As at October 11, 2007, the following securities of the Filer were issued and outstanding:
 - (a) 177,562,396 SouthernEra Shares;
 - (b) 6,025,000 Series A warrants exercisable into SouthernEra Shares at a price of \$2.00 per share which expire on November 17, 2008; and
 - (c) options exercisable into 1,680,000 SouthernEra Shares at prices ranging from C\$0.38 to C\$1.52 per share which expire within the next five years.
9. Following completion of the Offer and as disclosed in the offer and take-over bid circular, as amended, prepared by Mwana in connection with the Offer (the “Mwana Circular”), Mwana now proposes to acquire all of the outstanding SouthernEra Shares pursuant to the Arrangement. The Arrangement is to be voted on by shareholders of the Filer at the SouthernEra Meeting. Mwana intends to acquire the SouthernEra Shares on the basis of one Mwana Share for every 2.28 SouthernEra Shares held (which is the same exchange ratio at which Mwana took up and paid for SouthernEra Shares in the Offer). In addition, pursuant to the Arrangement Mwana intends to exchange warrants to purchase Mwana Shares (“Mwana Warrants”) for the warrants to purchase SouthernEra Shares on a basis that takes into account the exchange ratio applied in the case of SouthernEra Shares.
10. Mwana holds a sufficient number of SouthernEra Shares to carry the Arrangement resolution. Mwana intends to vote all of the SouthernEra Shares that it beneficially owns in favour of the Arrangement.
11. In connection with the SouthernEra Meeting, the Filer intends to mail the SouthernEra Circular, together with all related documents, to holders of SouthernEra Shares (the “Shareholders”) and holders of warrants to purchase SouthernEra Shares (the “Warrantholders”), which circular will describe, among other things, the Arrangement. The Filer will also file the SouthernEra Circular on the System for Electronic Document Analysis and Retrieval.

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12. As the consideration to be paid to Shareholders and Warrantholders pursuant to the Arrangement is securities of Mwana, as required by Form 51-102F5, being the form requirement for a management information circular in the Jurisdictions, the Filer is obligated to include in the SouthernEra Circular disclosure about Mwana prescribed by the form of prospectus appropriate for Mwana (collectively, the “Form Requirements”).
13. In the SouthernEra Circular, the Filer intends to include the following historical financial statements of Mwana (as required by the Form Requirements) prepared in accordance with UK generally accepted accounting principles (“UK GAAP”) and audited in accordance with UK generally accepted auditing standards:
 - (a) audited consolidated profit and loss account, cash flow statement, statement of total recognised gains and losses, and reconciliation of movement in shareholders funds for the years ended March 31, 2007, 2006 and 2005; and
 - (b) audited consolidated balance sheet as at March 31, 2007 and 2006;(the financial statements in (a) and (b) being referred to as the “Mwana Historical Statements”).
14. Pursuant to the Form Requirements, the Filer is also required to include in the SouthernEra Circular the following additional financial information with respect to Mwana:
 - (a) unaudited consolidated profit and loss account, cash flow statement, statement of total recognised gains and losses, and reconciliation of movement in shareholders funds for the three months ended June 30, 2007 and 2006;
 - (b) unaudited consolidated balance sheet as at June 30, 2007 and 2006; and
 - (c) management’s discussion and analysis (“MD&A”) for the three months ended June 30, 2007;(the financial information in (a) to (c) being referred to as the “Mwana Interim Financial Information”).
15. As a “designated foreign issuer” under NI 71-102, Mwana satisfies securities legislation requirements relating to among other things, the preparation, approval, filing and delivery of its interim financial statements and MD&A if,

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among other things, it complies with the foreign disclosure requirements relating thereto, files the interim financial statements and MD&A required to be filed with or furnished to the foreign regulatory authority, and complies with NI 52-107 as it relates to financial statements of Mwana included with any of the foregoing.

16. Neither the applicable laws of England and Wales nor the rules of AIM require that Mwana prepare, approve, file or deliver interim financial statements or MD&A (or any equivalent thereto) for the three month period ended June 30, 2007.
17. Mwana has two main indirectly held subsidiaries, Bindura Nickel Corporation Limited (“Bindura Zimbabwe”) and Ashanti Goldfields Zimbabwe Limited (“Ashanti Zimbabwe”), each of which is incorporated under the laws of Zimbabwe and is held through Mwana Africa Holdings (Proprietary) Limited (“Mwana Holdings”), a wholly-owned subsidiary of Mwana.
18. During Mwana’s financial year ended March 31, 2006, Mwana (then named African Gold plc) acquired all of the shares of Mwana Holdings in exchange for Mwana Shares (the “Mwana Holdings Acquisition”). The Mwana Holdings Acquisition was completed effective October 26, 2005 and the results of Mwana Holdings and its subsidiaries were consolidated into Mwana with effect from October, 2005.
19. The Mwana Holdings Acquisition was a “significant acquisition” as defined in OSC Rule 41-501, as the acquisition satisfied each of the applicable significance tests. Absent the requested relief, the Form Requirements would require the Filer to include in the Circular the following financial statement disclosure in connection with the Mwana Holdings Acquisition:
 - (a) audited consolidated balance sheet, statements of income, retained earnings and cash flows of Mwana Holdings as at and for the financial year ended February 28, 2005 and February 28, 2004, reconciled to Canadian GAAP and the auditor’s report being accompanied by a statement by the auditor disclosing any material differences in the form and content of the foreign auditor’s report as compared to a Canadian auditor’s report and confirming that the auditing standards applied are substantially equivalent to Canadian auditing standards;
 - (b) unaudited consolidated balance sheet, statements of income, retained earnings and cash flows of Mwana Holdings as at and for the six months ended August 31, 2005 and August 31, 2004, including a reconciliation to Canadian GAAP,

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(the financial statements in (a) and (b) being referred to as the “Mwana Holdings Acquisition Statements”).

20. During its financial year ended February 28, 2004, Mwana Holdings acquired a 53% interest in Bindura Zimbabwe, a public company in Zimbabwe whose shares are listed on the Zimbabwe Stock Exchange, effective June 30, 2003.
21. Mwana Holdings is a private company incorporated under the laws of South Africa in 2003. Prior to the Mwana Holdings Acquisition, as a private company, Mwana Holdings was not required to, and did not, prepare interim financial statements. In addition, Mwana Holdings did not consolidate its subsidiaries located in Zimbabwe, including Bindura Zimbabwe, as it was permitted to do so under applicable South African law and generally accepted accounting principals of South Africa (“SA GAAP”). In particular, at the time of the Mwana Holdings Acquisition and for periods prior thereto, SA GAAP provided that Bindura Zimbabwe could be excluded from consolidation because it was operating under severe long-term restrictions that significantly impaired its ability to transfer funds to Mwana Holdings.
22. For Mwana Holdings’ financial year ended February 28, 2004, Bindura Zimbabwe accounted for substantially all of the turnover and fixed assets, and all of the income, of Mwana Holdings and its subsidiaries, considered as a whole. For Mwana Holdings’ financial year ended February 28, 2005, Bindura Zimbabwe accounted for an estimated 97% of the turnover, an estimated 87% of the income and an estimated 65% of the fixed assets of Mwana Holdings and its subsidiaries, considered as a whole.
23. For Mwana’s financial year ended March 31, 2006, Bindura Zimbabwe accounted for an estimated 91% of the turnover, an estimated 85% of the income, excluding head office costs, and an estimated 65% of the fixed assets (prior to consolidation adjustment) of Mwana and its subsidiaries, considered as a whole. For Mwana’s financial year ended March 31, 2007, Bindura Zimbabwe accounted for approximately 97% of the turnover, approximately 93% of the income and approximately 69% of the fixed assets (prior to consolidation adjustment) of Mwana and its subsidiaries, considered as a whole.
24. Relative to the other assets of Mwana Holdings, Bindura Zimbabwe was by far the most significant asset of Mwana Holdings and, relative to the other assets of Mwana, Bindura Zimbabwe continues to be the most significant asset of Mwana.

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25. Mwana's next most significant asset is Ashanti Zimbabwe. Ashanti Zimbabwe's sole operating asset is a 100% interest in the Freda-Rebecca gold mine located in Zimbabwe. This asset accounted for an estimated 34% of the consolidated fixed assets of Mwana Holdings for the financial year ended February 28, 2005 and approximately 34% and 30% of the consolidated fixed assets of Mwana for the financial years ended March 31, 2006 and 2007, respectively. The majority of this asset is made up of capitalized mine development costs. The mine has experienced various operational difficulties since it was acquired by Mwana Holdings in January 2005 and its turnover and revenues following the acquisition have been immaterial to Mwana Holdings and its subsidiaries and to Mwana and its subsidiaries, in each case considered as a whole.
26. The majority of Mwana Holdings' remaining assets for the relevant periods consisted of investments in its subsidiaries and inter company loan accounts which are eliminated on consolidation.
27. The Filer proposes to include in the SouthernEra Circular, as an alternative to the Mwana Holdings Acquisition Statements, the following financial statements of Bindura Zimbabwe:
- (a) audited consolidated balance sheets as at December 31, 2005 and 2004;
 - (b) audited consolidated income statements for the years ended December 31, 2005 and 2004;
 - (c) audited consolidated statements of changes in equity for the years ended December 31, 2005 and 2004; and
 - (d) audited consolidated cash flow statements for the years ended December 31, 2005 and 2004,

in each case reported in Zimbabwe dollars and prepared in accordance with International Financial Reporting Standards, audited in accordance with International Standards on Auditing and, in accordance with NI 52-107, (i) reconciled to UK GAAP, and (ii) the auditor's report being accompanied by a statement by the auditor that describes any material differences in the form and content of the auditor's report as compared to an auditor's report prepared in accordance with Canadian GAAS and indicates that an auditor's report prepared in accordance with Canadian GAAS would not contain a reservation (collectively, the "Bindura Historical Statements").

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28. Pursuant to an MRRS Decision Document dated August 1, 2007 (the “Prior Order”), the Decision Maker in each of the Jurisdictions other than New Brunswick, Prince Edward Island, Nunavut and the Northwest Territories (where such relief was unnecessary) granted an order to Mwana to include the Bindura Historical Statements in the Mwana Circular in lieu of the Mwana Holdings Acquisition Statements.
29. Pursuant to the Form Requirements:
- (a) the Mwana Historical Statements and the Bindura Historical Statements must:
 - (i) be prepared or reconciled to Canadian GAAP;
 - (ii) be audited in accordance with Canadian GAAS or foreign GAAS provided that foreign GAAS is substantially equivalent to Canadian GAAS;
 - (iii) include with the auditor’s report a statement by the auditor disclosing the material differences in the form and content of the foreign auditor’s report as compared to a Canadian auditor’s report and confirming that the auditing standards applied are substantially equivalent to Canadian GAAS; and
 - (iv) be accompanied by a foreign auditor’s report together with a foreign auditor’s proficiency letter; and
 - (b) any *pro forma* financial statements required to reflect the acquisition by Mwana of the Filer must be prepared in accordance with UK GAAP or prepared in Canadian GAAP and reconciled to UK GAAP,
- (the requirements in (a) and (b) referred to as the “Canadian Accounting Requirements”).
30. The Filer is requesting relief from Canadian Accounting Requirements, as contemplated in CSA Staff Notice 42-303 - *Prospectus Requirements*, on the basis that these requirements are not consistent with NI 52-107.
31. Pursuant to the Prior Order, the Decision Maker in each of the Jurisdictions other than New Brunswick, Prince Edward Island, Nunavut and the Northwest Territories (where such relief was unnecessary) granted an order to Mwana exempting Mwana from the Canadian Accounting Requirements in connection with the Mwana Circular.

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32. The SouthernEra Circular will include the same historical financial information of Mwana and Bindura Zimbabwe, as well as *pro forma* financial information reflecting the acquisition by Mwana of SouthernEra, as was included in the Mwana Circular.

Decision

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 in the Jurisdictions under the Legislation is that the Financial Information Relief is granted provided that the Circular:

- (i) contains the Bindura Historical Statements; and
- (ii) complies with NI 52-107 with respect to the exemptions from the Canadian Accounting Requirements.

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