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June 25, 2007

Headnote

Mutual Reliance Review System for Exemptive Relief Applications and Multilateral Instrument 11-101 Principal Regulator System – National Instrument 51-102, s. 13.1 Continuous Disclosure Obligations – Information circular – 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 – alternate disclosure will be provided about the issuer that is consistent with the information required in the continuous disclosure context for significant acquisitions; information will be provided about the parties to the transaction sufficient for shareholders to assess the transaction as a whole; the alternate disclosure will comply with the applicable short form prospectus requirements

Applicable British Columbia Provisions

National Instrument 51-102, s. 13.1

In the Matter of
the Securities Legislation of
British Columbia and Ontario (the Jurisdictions)

and

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

and

In the Matter of
Energy Metals Corporation (the Filer)

MRRS Decision Document

Background

- ¶ 1 The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation (the Legislation) of the Jurisdictions for an exemption from the requirement under Item 14.2 of Form 51-102F5 *Information Circular* (Form 51-102F5) to include in the Information Circular (defined below) for the Arrangement (defined below) the disclosure about Uranium One Inc. (Uranium

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One) (including financial statements) prescribed by the form of prospectus, other than a short form prospectus under National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101), that Uranium One would be eligible to use for a distribution of securities (the Requested Relief).

Application of Principal Regulator System

¶ 2 Under Multilateral Instrument 11-101 *Principal Regulator System* (MI 11-101) and the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the British Columbia Securities Commission is the principal regulator for the Filer;
- (b) the Filer is relying on Part 3 of MI 11-101 in Alberta and Quebec; and
- (c) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

¶ 3 Defined Terms contain in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are otherwise defined in this decision.

Representations

¶ 4 This decision is based on the following facts represented by the Filer:

1. the Filer is a corporation organized under the laws of British Columbia with its head office in Vancouver, British Columbia;
2. the Filer has an authorized share capital consisting of an unlimited number of common shares;
3. the Filer is a reporting issuer in the provinces of British Columbia, Alberta and Ontario and has been a reporting issuer for over three years;
4. the Filer is listed on the Toronto Stock Exchange and the New York Stock Exchange Arca market;
5. the Filer is not in default of any requirements of the applicable securities laws in Canada;
6. the Filer is a Canadian-based uranium and gold resource company;
7. the Filer satisfies the basic qualification criteria as set out in section 2.2 of NI 44-101 (in particular, the Filer filed on September 28, 2006 its annual

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information form for the year ended June 30, 2006 and its annual financial statements for the year ended June 30, 2006 and related management's discussion and analysis);

8. the Filer has a current AIF and current annual financial statements as defined in section 1.1 of NI 44-101;
9. Uranium One is a corporation existing under the laws of Canada with its head office in Toronto, Ontario;
10. Uranium One has an authorized share capital consisting of an unlimited number of common shares;
11. Uranium One is a reporting issuer or the equivalent thereof in each of the provinces of Canada and has been a reporting issuer for over three years;
12. Uranium One has filed the notice required by section 2.8 of NI 44-101 and such notice has not been withdrawn;
13. Uranium One has a primary listing on the Toronto Stock Exchange and a secondary listing on the Johannesburg stock exchange;
14. Uranium One is a Canadian uranium and gold resource company;
15. Uranium One, in its current corporate form, is the result of two significant transactions; the first transaction was a merger (the Merger) between Uranium One (then known as Southern Cross Resources Inc. – Southern Cross) and Aflease Gold and Uranium Resources Limited of South Africa (Aflease); the Merger was effected on December 27, 2005 as a scheme of arrangement under South African law, whereby Southern Cross acquired all of the issued and outstanding shares of Aflease in exchange for common shares of Southern Cross; the second transaction was a plan of arrangement under which Uranium One acquired UrAsia Energy Ltd. (UrAsia), with that transaction being accounted for as a reverse takeover as a result of the shareholders of UrAsia acquiring control of Uranium One;
16. Uranium One satisfies the basic qualification criteria as set out in section 2.2 of NI 44-101 (in particular, Uranium One filed on March 29, 2007 its annual information form for the year ended December 31, 2006 and its annual financial statements for the year ended December 31, 2006 and related management's discussion and analysis);

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17. Uranium One has a current AIF and current annual financial statements as defined in section 1.1 of NI 44-101;
18. on June 3, 2007, the Filer and Uranium One entered into an arrangement agreement whereby Uranium One will acquire all of the issued and outstanding securities of the Filer under a plan of arrangement (the Arrangement) under Section 288 of the British Columbia Business Corporations Act (the Act);
19. the Arrangement will result in:
 - (a) the shareholders of the Filer receiving, in exchange for each common share in the capital of the Filer held by them, 1.15 Uranium One common shares; and
 - (b) the optionholders of the Filer receiving, in exchange for each option to acquire a common share in the capital of the Filer held by them, a replacement option entitling the optionholder to acquire common shares of Uranium One equal to the number of the Filer's common shares that are issuable upon the exercise of the option multiplied by 1.15, at an exercise price per share equal to the original exercise price divided by 1.15; and
 - (c) the obligation of the Filer to conditionally issue common shares to counterparties under certain contractual arrangements being replaced with an obligation to issue, for each common share of the Filer so issuable, 1.15 Uranium One common shares;
20. after the Arrangement, the Filer will be a wholly-owned subsidiary of Uranium One;
21. the Filer intends to prepare and mail an information circular (the Information Circular) for a special meeting of its affected securityholders to be held on or about July 31, 2007 for the purpose of approving the Arrangement (the Meeting);
22. Form 51-102F5 requires that the Information Circular contain, among other things, a detailed description of the Arrangement and disclosure (including financial statements) for Uranium One prescribed by the form of prospectus, other than a short form prospectus under NI 44-101, that Uranium One would be eligible to use for a distribution of securities in the Jurisdictions;
23. the form of prospectus, other than a short form prospectus under NI 44-101, that Uranium One would be eligible to use for a distribution of securities in the

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Jurisdictions is the form of prospectus is prescribed by Ontario Securities Commission Form 41-501F1 *Information Required in a Prospectus* (the Long Form Rules);

24. under the Long Form Rules, in providing disclosure for Uranium One, the Filer is required to include certain information relating to Aflase;
25. the Filer understands that some of the information relating to Aflase was not previously prepared because Aflase, as a South African corporation, was not required to do so;
26. the Information Circular will contain or incorporate by reference, among other things, a detailed description of the Arrangement and the disclosure (including financial statements) for Uranium One prescribed by Form 44-101F1 *Short Form Prospectus* (Form 44-101F1);
27. the Information Circular will incorporate by reference all documents of the type described in section 11.1 of Form 44-101F1 filed by Uranium One after the date of the Information Circular and before the date of the Meeting;
28. a compilation report will not be included in the Information Circular as part of the pro forma financial statements set out therein; and
29. the Information Circular will contain sufficient information for shareholders to make a reasoned decision about whether to approve the Arrangement.

Decision

- ¶ 5 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 Requested Relief is granted, provided that the Information Circular (and the documents incorporated by reference) contains the information about Uranium One required by Form 44-101F1 to be included or incorporated by reference in a short form prospectus.

Martin Eady, CA
Director, Corporate Finance
British Columbia Securities Commission