

2005 BCSECCOM 665

November 1, 2005

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 43-101, s. 9.1 - Standards of Disclosure for Mineral Projects - An issuer wants to disclose information in an offering memorandum or prospectus about its mineral project without having to file a technical report - The issuer's investors are accredited, and therefore an offering memorandum is not required to be prepared; the issuer has voluntarily prepared an offering memorandum; the offering memorandum contains disclosure about certain of the issuer's properties; the disclosure about the properties complies with NI 43-101 in all respects except the requirement to file a technical report

Applicable British Columbia Provisions

National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, s. 9.1

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

and

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

and

In the Matter of Uramin Inc. (the Filer)

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 for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirement, as set forth in the Legislation, to file current technical reports for mineral projects to support disclosure contained in and in connection with the Canadian Offering Memorandum (as defined below) prepared by the Filer for the Canadian Offering (as defined below) (the Requested Relief).

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Under the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the Ontario Securities Commission 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:

1. The Filer is a company incorporated pursuant to the laws of the British Virgin Islands (BVI), with its head office in Tortola, BVI and its executive offices in London, England and Sandton, South Africa.
2. The Filer is engaged in the exploration for uranium primarily in Africa, but is also pursuing the acquisition of exploration properties in a number of jurisdictions, including Canada.
3. The Filer is not a reporting issuer or its equivalent in any of the Jurisdictions or any other province or territory of Canada nor are any of its securities listed or posted for trading on any stock exchange in Canada. The Filer has no present intention of becoming a reporting issuer or its equivalent in any of the provinces or territories of Canada or becoming listed on an exchange in Canada, although it may do so in the future.
4. The Filer intends to prepare and submit an application to list its common shares on the AIM market in London, England.
5. The Filer is currently a private company under the applicable BVI legislation and is currently not a public company in any other jurisdiction, although it does not fall within the definition of private company as defined in the *Securities Act* (Ontario), R.S.O. 1990, c. S.5, as it has greater than 50 shareholders but less than 100, all of whom are accredited investors as defined in the Legislation. The Filer currently has 15 shareholders who are residents of Canada.
6. The authorized share capital of the Filer consists of 250,000,000 common shares of which 118,144,959 are issued and outstanding as of the date hereof.

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7. The Filer intends to effect a private placement offering of its common shares in England, Europe, the United States and Canada for proceeds of between US\$50 million and US\$300 million (the Offering). The Canadian portion of the Offering is unknown at this time but the private placement agent proposes to contact a total of approximately 18 investors in Canada, all of whom will be accredited investors as defined in the Legislation, of which approximately 10 will be resident in Ontario, approximately 3 will be resident in British Columbia, and approximately 5 will be resident in Québec (the Canadian Offering).
8. A portion of the proceeds from the Offering will be used for the acquisition of additional uranium properties and/or companies, the preparation of technical reports that comply with the provisions of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (NI 43-101) in respect of all of the Filer's material properties, the carrying out of geological, metallurgical, and engineering studies, and for general corporate and administrative purposes.
9. The Filer may provide prospective investors in the Jurisdictions with an offering memorandum (the Canadian Offering Memorandum) in connection with the Canadian Offering but it is not required to do so under the Legislation.
10. The Filer will only deliver the Canadian Offering Memorandum to accredited investors as defined in the Legislation. The Filer will only accept subscriptions to the Canadian Offering from accredited investors in the Jurisdictions.
11. The material property of the Filer has historical mineral resources only and a significant portion of the proceeds of the Offering will be used to confirm these resources and bring them to NI 43-101 standards. The scientific and technical disclosure contained in the Canadian Offering Memorandum will consist solely of disclosure of historical estimates in accordance with the requirements of NI 43-101.
12. Disclosure contained in the Canadian Offering Memorandum regarding a historical estimate will be accompanied by the following statements (the Historical Estimate Statements):
 - (i) a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves;

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- (ii) the issuer is not treating the historical estimate as current mineral resources or mineral reserves as defined in sections 1.2 and 1.3 of the amended National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* that will come into effect on December 30, 2005; and
 - (iii) the historical estimate should not be relied upon.
13. The Canadian Offering Memorandum and subscription agreements used in connection with the Canadian Offering will contain the following cautionary statement (the Cautionary Statement):
- “No technical report, as defined under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, will be provided in connection with this offering or filed with any of the Canadian securities regulatory authorities.”
14. As of September 7, 2005, shareholders of record who had addresses in Canada held less than 2.53% of the common shares of the Filer. Upon completion of the Canadian Offering, less than 5% of the common shares of the Filer will be held by shareholders of record who have addresses in Canada.
15. To date, the Filer is in compliance with the requirements of NI 43-101.

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 under the Legislation is that the Requested Relief is granted provided that:

- (a) the Canadian Offering Memorandum is delivered solely to accredited investors as defined in the Legislation;
- (b) less than 5% of the common shares of the Filer will be held by residents of Canada after the completion of the Offering; and
- (c) the Canadian Offering Memorandum will contain:
 - i) a reference to this Decision;
 - ii) the Historical Estimate Statements; and

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iii) the Cautionary Statement.

Iva Vranic
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Ontario Securities Commission