

# 2004 BCSECCOM 359

## **Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – relief granted from the requirement to file a technical report to support disclosure in an information circular

## **Applicable British Columbia Provisions**

National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, ss. 4.2(1)3, 4.2(1)6, 4.2(3) and 9.1

**IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND, NEWFOUNDLAND AND LABRADOR, YUKON, NORTHWEST TERRITORIES AND NUNAVUT**

**AND**

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

**AND**

**IN THE MATTER OF INMET MINING CORPORATION AND AUR RESOURCES INC.**

## **MRRS DECISION DOCUMENT**

WHEREAS the local securities regulatory authority or regulator (the Decision Maker) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (collectively the Jurisdictions) has received an application from Inmet Mining Corporation (Inmet) and Aur Resources Inc. (Aur) (collectively the Applicants) for a decision pursuant to subsection 9.1(1) of National Instrument 43-101, *Standards of Disclosure for Mineral Projects* (NI 43-101), that Inmet be exempt from the requirement contained in subsection 4.2(1)3 of NI 43-101 to file current technical reports to support information relating to certain mineral projects of Inmet to be contained and incorporated by reference in a joint management information circular of the

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Applicants (the Joint Circular) being prepared in connection with a proposed business combination transaction (the Transaction) involving the Applicants;

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* or in Notice 14-101 of L'Agence nationale d'encadrement du secteur financier;

AND WHEREAS the Applicants have, or one of the Applicants has, represented to the Decision Makers that:

1. Inmet is a corporation existing under *Canada Business Corporations Act* (the CBCA) with its registered and principal office located in Toronto, Ontario.
2. Inmet is a copper mining, exploration and development company, the principal property interests of which consist of:
  - (a) a 55% equity interest in Çayeli Bakir Isletmeleri A.S. (ÇBI), which owns and operates the Çayeli copper and zinc mine in north eastern Turkey (Çayeli);
  - (b) a 100% equity interest in Pyhäsalmi Mine Oy, which owns and operates the Pyhäsalmi copper-zinc-pyrite mine in central Finland (Pyhäsalmi);
  - (c) a 100% interest in the Troilus open pit gold and copper mine in northern Quebec (Troilus);
  - (d) an 18% equity interest in Ok Tedi Mining Limited, the owner and operator of the Ok Tedi mine, an open-pit copper and gold mine in Papua New Guinea (Ok Tedi);
  - (e) a 100% interest in the Izok property, a zinc-copper deposit in the territory of Nunavut, Canada (Izok);
  - (f) a 48% equity interest in Minera Petaquilla S.A., which owns the Petaquilla copper deposit located in Panama (Petaquilla); and
  - (g) a 55% interest (through ÇBI) in the Cerattepe property a copper and gold deposit located in north eastern Turkey (Cerattepe)

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(collectively the Inmet Property Interests), of which Inmet's operating mines Çayeli, Pyhäsalmi, Troilus and Ok Tedi (Inmet Material Properties) are material to Inmet.

3. Inmet is a reporting issuer or its equivalent under the securities legislation of each of the Jurisdictions (the Legislation) and is not in default of its requirements under the Legislation and is eligible to file a short form prospectus under National Instrument 44-101, *Short Form Prospectus Distributions* (NI 44-101).
4. Inmet is authorized to issue an unlimited number of common shares (Inmet Shares), of which 40,275,289 common shares were outstanding on May 4, 2004. The Inmet Shares are listed on the Toronto Stock Exchange (the TSX).
5. Aur is a corporation existing under the CBCA with its registered and principal office located in Toronto, Ontario.
6. Aur is a copper mining company with primary interests in the following properties:
  - (a) a 76.5% equity interest in Compania Minera Quebrada Blanca S.A., the owner and operator of the Quebrada Blanca Mine (the Quebrada Blanca Mine) located in northern Chile;
  - (b) a 63% equity interest in Compania Minera Carmen de Andacollo, the owner and operator of the Andacollo mine (the Andacollo Mine) located in Central Chile; and
  - (c) a 30% joint venture interest in the Louvicourt Mine located in Val d'Or, Québec (the Louvicourt Mine)

(collectively the Aur Property Interests).
7. Aur is a reporting issuer or its equivalent under the securities legislation of each of the provinces of Canada and is not in default of its requirements under the Legislation and is eligible to file a short form prospectus under NI 44-101.
8. Aur is authorized to issue an unlimited number of common shares (Aur Shares), of which 94,108,296 common shares were outstanding on May 4, 2004. The Aur Shares are listed on the TSX.
9. The Transaction will be completed by the amalgamation of Aur with a wholly-owned subsidiary of Inmet pursuant to a merger agreement (the Merger

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Agreement) between Inmet and Aur dated May 4, 2004, with the holders of Aur Shares receiving Inmet Shares on the basis of 0.368 of an Inmet Share for each one Aur Share. In addition, each outstanding option to acquire Aur Shares (an Aur Option) will, upon completion of the Transaction, entitle the holder thereof to receive upon the exercise thereof 0.368 of an Inmet Share in lieu of one Aur Share. Upon completion of the Transaction, the corporation resulting from the amalgamation of Aur with the wholly-owned subsidiary of Inmet will be a wholly-owned subsidiary of Inmet and the Aur Shares will be delisted from the TSX. Upon completion of the merger, Inmet will change its name to Aur Mining Corporation.

10. The Transaction is subject to approval by the shareholders of Inmet and Aur. A meeting of the shareholders of Inmet and a meeting of the shareholders of Aur have each been called for July 6, 2004 to consider the Transaction. The record date for each of the foregoing meetings (the Meetings) is June 4, 2004.
11. The Joint Circular is being prepared by Inmet and Aur in connection with the Meetings. The Joint Circular will contain and/or incorporate by reference information regarding Inmet and Aur, including information regarding the Inmet Property Interests and the Aur Property Interests.
12. With respect to the Inmet Material Properties, Inmet has filed technical reports in respect of the Pyhäsalmi Mine and the Troilus Mine. Material information regarding the Çayeli Mine and the Ok Tedi Mine is contained in disclosure documents filed before February 1, 2001. Since February 1, 2001, no new material information exists regarding the Çayeli Mine or the Ok Tedi Mine which would require the filing of a current technical report under NI 43-101. Izok, Petaquilla and Cerattepe are not material to Inmet and as such relief is not required with respect to them.
13. Aur has filed technical reports in respect of the Quebrada Blanca Mine and the Louvicourt Mine. Aur will file a technical report in respect of the Andacollo Mine prior to filing the Joint Circular.

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

AND WHEREAS each Decision Maker 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 Inmet is exempt from the requirement contained in subsection 4.2(1)3 of NI 43-101 to file

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current technical reports to support information relating to the Çayeli Mine and the Ok Tedi Mine to be contained and incorporated by reference in the Joint Circular.

Dated the 10<sup>th</sup> day of June, 2004.

Erez Blumberger  
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