

Headnote

National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – *Securities Act*, s.88 – Cease to be a reporting issuer in BC - The issuer's securities are traded only on a market or exchange outside of Canada – The only publicly held securities of the issuer are debt securities listed on a foreign exchange; Canadian residents own less than 2% of those debt securities; the issuer does not intend to do a public offering of its securities to Canadian residents; the issuer is subject to the reporting requirements of foreign securities laws

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 88

February 24, 2015

In the Matter of
the Securities Legislation of British Columbia, Alberta, Manitoba,
Saskatchewan, Ontario, Quebec, Nova Scotia, New Brunswick,
Newfoundland and Labrador and Prince Edward Island
(the Jurisdictions)

and

In the Matter of
the Process of Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
Uranium One Inc.
(the Filer)

Decision

Background

- ¶ 1 The securities regulatory authority or regulator of each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer is not a reporting issuer (the Exemptive Relief Sought).

Under the Process of Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

- (a) the Ontario Securities Commission is the principal regulator for this application, and

- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

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

General

1. The Filer was continued under, and is governed by, the *Canada Business Corporations Act* (the CBCA).
2. The Filer's registered office and head office are located at Suite 1710, Bay Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2R2.
3. The Filer is a reporting issuer under the laws of each of the Jurisdictions and is not in default of its obligations under the securities laws of any of the Jurisdictions.
4. All of the common shares (Common Shares) of the Filer are beneficially held by a single shareholder. That shareholder, State Atomic Energy Company Rosatom (the Russian state-owned nuclear industry conglomerate), owns 100% of the Common Shares through two subsidiaries. The Filer was taken "private" pursuant to a corporate arrangement (the Arrangement) completed on October 18, 2013.
5. As part of, or in connection with, the Arrangement:
 - (a) all of the outstanding stock options and warrants to acquire Common Shares were cancelled in exchange for certain payments, as a result of which the Filer now has no stock options or warrants outstanding; and
 - (b) the Common Shares were de-listed from the Toronto Stock Exchange (the TSX) and from the JSE Ltd. stock exchange on October 21, 2013 and October 22, 2013, respectively.
6. The Filer applied for and obtained relief from certain requirements under National Instrument 51-102, *Continuous Disclosure Obligations* and under the *Securities Act* (Ontario) relating to proxy solicitation and information circular and related requirements by order dated March 21, 2014.
7. Pursuant to the trust indenture (the Debenture Indenture) made as of March 12, 2010 between the Filer and Computershare Trust Corporation of Canada (the Indenture Trustee), the Filer had C\$32.524 million principal amount of 5% (re-set from the original rate of 7.5%) convertible unsecured subordinated debentures (the Debentures) maturing on March 13, 2015

previously outstanding. The Debentures were listed for trading on the TSX under the symbol UUU.DB.A.

8. The Debentures are no longer outstanding. Under the terms of the Debenture Indenture (specifically section 11.2), the Filer executed and delivered such instruments as required by the Indenture Trustee and irrevocably made payment in full of all outstanding amounts owed on the Debentures on February 5, 2015. The Filer was discharged of its obligations under the Debenture Indenture and the Debentures were terminated on February 5, 2015 (the Debenture Termination). Subsequent to the Debenture Termination, the Debentures were de-listed from the TSX on February 9, 2015.

Debt Securities

9. The Filer has two series of ruble-denominated bonds (the Ruble Bonds) outstanding:

- (a) approximately US\$41.2 million principal amount of a series originally issued in Russia on December 7, 2011 (the balance of the approximately US\$463.5 million originally issued having been repurchased), listed for trading on the Moscow Exchange under the symbol RU000A0JRTS1; and
- (b) approximately US\$205.8 million principal amount of a second series issued in Russia on August 23, 2013, listed for trading on the Moscow Exchange under the symbol RU000A0JRRT9,

the current balances being based on foreign exchange rates as of December 31, 2014.

10. In addition, the Filer's wholly-owned subsidiary Uranium One Investments Inc. (U1 Investments) has issued and outstanding US\$300 million aggregate principal amount of non-convertible 6.25% Senior Secured Notes (the Notes) which mature on December 13, 2018. The Notes are guaranteed by the Filer and certain of its subsidiaries. The Notes are listed on the Official List of the Luxembourg Stock Exchange.
11. Neither the Ruble Bonds nor the Notes constitute voting or equity securities in the capital of the Filer, and none of them are convertible into voting or equity securities.

The Ruble Bonds

12. The Ruble Bonds were not marketed or sold in Canada. A search was conducted to determine the beneficial holders of the Filer, pursuant to which the Filer requested and reviewed records (English translations prepared by the Filer) provided by the National Settlement Depository of the Moscow Exchange Group (which is the central depository and clearing house for securities trading, and acts as the registrar, transfer agent and paying agent for the Ruble Bonds), compiled as of November 24, 2014 (the Ruble Bond Information). The Ruble Bond Information indicated that none of the Ruble Bonds are beneficially owned, or owned as of record, by Canadian persons. Based on the Ruble Bond Information, for each series of Ruble Bonds there is only one holder that is a nominee. This nominee holds

approximately 0.0018% and 0.0002% of the outstanding principal amount of the series 01 and series 02 Ruble Bonds of the Filer, respectively. The terms of the Ruble Bonds do not require maintenance of reporting issuer status.

13. Based on the Ruble Bond Information, the total number of beneficial holders of Ruble Bonds of the Filer is 33. There are nine (9) beneficial holders of series 01 Ruble Bonds and twenty-six (26) beneficial holders of series 02 Ruble Bonds, with two holders holding bonds of each series.
14. The Moscow Exchange imposes disclosure requirements on listed issuers. Those disclosure requirements include quarterly and annual financial reports (with certain prescribed content requirements) and timely disclosure of material facts (as defined for the purposes of that exchange).

The Notes

15. The Notes were issued by U1 Investments, a wholly-owned subsidiary of the Filer. U1 Investments is not a reporting issuer.
16. The Notes are guaranteed by the Filer. The indenture governing the Notes (the Note Indenture) requires that certain disclosures be made by the Filer to holders of Notes. Specifically, the Note Indenture requires that annual and quarterly financial reports, prepared in accordance with IFRS, be provided to the holders of Notes, along with reports on material changes to the Filer. Such reports must also be posted on the Filer's website and the website of the Luxembourg Stock Exchange. The Note Indenture does not require maintenance of reporting issuer status.

Additional Disclosure

17. On the basis of the representations above, the Filer's outstanding securities, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 because the Ruble Bonds trade on a marketplace and it is a reporting issuer in British Columbia. The Filer could not voluntarily surrender its status as a reporting issuer in British Columbia under BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* because the Ruble Bonds are traded through or quoted on an exchange or quotation system.
18. Other than the Common Shares and the Ruble Bonds, the Filer has no other securities outstanding.
19. Based on the Filer's diligent inquiries described above, residents of Canada do not (i) directly or indirectly beneficially own more than 2% of each class or series of outstanding securities of the Filer worldwide; and (ii) do not directly or indirectly comprise more than 2% of the total number of securityholders of the Filer worldwide.

20. Since the Debenture Termination, none of the Filer's securities are listed, traded or quoted in Canada on: (i) a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or (ii) any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
21. The Filer has no intention to seek public financing by way of an offering of securities.
22. The Filer is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer.
23. Upon the grant of the Exemptive Relief Sought, the Filer will no longer be a reporting issuer in any jurisdiction in Canada.

Decision

- ¶ 4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the Decision.

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted.

"Monical Kowal"

Vice-Chair
Ontario Securities Commission

"James Turner"

Vice-Chair
Ontario Securities Commission