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Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from the requirement to have a current AIF filed on SEDAR in order to be a qualifying issuer for the purposes of MI 45-102 *Resale of Securities* - relief from the requirement contained in NI 43-101 *Standards of Disclosure for Mineral Projects* to file an independent technical report upon mineco becoming a reporting issuer

Applicable British Columbia Provisions

Multilateral Instrument 45-102 *Resale of Securities*, s. 4.1

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

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, ONTARIO, QUÉBEC, NOVA SCOTIA, NEW BRUNSWICK, PRINCE EDWARD ISLAND AND NEWFOUNDLAND AND LABRADOR

AND

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

AND

IN THE MATTER OF DENISON ENERGY INC., DENISON MINES INC. AND DENISON OIL CORPORATION

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador (the “Jurisdictions”) has received an application (the “Application”) from Denison Energy Inc. (“Energyco”), Denison Mines Inc. (“Mineco”) and Denison Oil Corporation (“Oilco”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”),
 - (a) in connection with a proposed arrangement (the “Denison Arrangement”) by way of plan of arrangement (the “Denison Plan of Arrangement”) under section 182 of the *Business Corporations Act* (Ontario) (the “OBCA”) involving Energyco, Mineco, Oilco, Denison Resources Inc. (“Resourceco”), Denison Mines Holding Corporation (“Mine Holdco”), Denison Resources Partnership (the

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“Partnership”), Tenwest Uranium Limited (“Tenwest”), E. Peter Farmer and the holders (“Energyco Shareholders”) of common shares (“Energyco Common Shares”) of Energyco and the holders (“Energyco Optionholders”) of options (“Energyco Options”) to purchase Energyco Common Shares; and

- (b) in connection with a proposed arrangement (the “Forte Arrangement”) by way of plan of arrangement (the “Forte Plan of Arrangement”) that is anticipated to occur as soon as is practicable following the completion of the Denison Arrangement under section 193 of the *Business Corporations Act* (Alberta) (the “ABCA”) involving Energyco, Oilco, Resourceco, the Partnership, Mineco, 1087215 Alberta Ltd. (“Subco”), Forte Oil Corporation (“Forte”), the holders (“Forte Common Shareholders”) of common shares (“Forte Common Shares”) of Forte, the holders (“Forte Performance Shareholders”) of certain preferred shares (“Forte Performance Shares”) of Forte, and the holders (“Forte Optionholders”) of options (“Forte Options”) to purchase Forte Common Shares and to be considered and approved by the Energyco Shareholders, who will be the holders (“Oilco Shareholders”) of common shares (“Oilco Common Shares”) of Oilco following completion of the Denison Arrangement, that:
- 1.1 in British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia, and Newfoundland and Labrador, the requirement for each of Mineco and Oilco to have a “current AIF” filed on SEDAR in order to be considered a “qualifying issuer” under Multilateral Instrument 45-102 (“MI 45-102”), and in order to qualify for the shortened hold period contemplated by decision no. 2003-C-0377 (decision no. 2003-C-0417 on and after March 30, 2004) (collectively, the “AMF Resale Decisions”) of the Autorité des marchés financiers (“AMF”), would not apply, subject to certain provisions;
 - 1.2 would deem or declare Mineco and Oilco to be reporting issuers at the time of the Denison Arrangement becoming effective for the purposes of the legislation in the Jurisdictions of Alberta, Ontario, Nova Scotia, and Newfoundland and Labrador; and
 - 1.3 pursuant to section 9.1 of National Instrument 43-101 (“NI 43-101”), would grant a discretionary exemption from the requirement that the technical report that is to be filed for each material property

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upon an issuer first becoming a reporting issuer in the Jurisdictions be prepared by an *independent* qualified person.

2. AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the Ontario Securities Commission is the Principal Regulator for the Application;
3. AND WHEREAS unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or Québec Commission Notice 14-101;
4. AND WHEREAS Energyco, Mineco and Oilco have represented to the Decision Makers that:

Background

- 4.1 On December 30, 2003, Energyco entered into an arrangement agreement, which was amended and restated on January 26, 2004 and January 28, 2004 (the “Denison Arrangement Agreement”) in respect of a reorganization to be effected pursuant to the Denison Plan of Arrangement under section 182 of the OBCA. The effect of the Denison Arrangement will be to reorganize Energyco into three corporations, being Mineco, Oilco and the restructured Energyco (“New Energyco”). Through a series of transactions, Mineco will acquire Energyco's uranium assets (including the mining leases, mining infrastructure and the uranium inventory) and assets associated with its environmental services business (together, the “Uranium Assets”) and related liabilities, including the reclamation and other liabilities associated with Energyco's decommissioned mine in Elliot Lake, Ontario (the “Uranium Liabilities”), Oilco, through its wholly-owned subsidiary, Resourceco, will acquire Energyco's petroleum and natural gas assets (the “PNG Assets”) and certain related liabilities (the “PNG Liabilities”), and New Energyco will continue to hold an option to purchase all of the outstanding shares of a private oilfield services company granted to Energyco on December 23, 2003.
- 4.2 Pursuant to the Denison Arrangement, Energyco Shareholders (other than dissenting Energyco Shareholders) will exchange each Energyco Common Share for: (i) $\frac{1}{21}$ of one new common share of Energyco (“New Energyco Common Share”); (ii) $\frac{1}{5}$ of one Oilco Common Share, and (iii) one common share of Mineco (“Mineco Common Share”).

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- 4.3 Immediately following completion of the Denison Arrangement, Matco Capital Ltd. (“Matco”), a private investment firm based in Calgary, will, subject to the satisfaction of certain conditions, make an investment (the “Matco Subscription”) in New Energyco in exchange for the issuance of New Energyco Common Shares that will result in Matco owning 45% of the issued and outstanding New Energyco Common Shares following the Matco Subscription. The remaining 55% of the New Energyco Common Shares, as well as 100% of the outstanding Mineco Common Shares and 100% of the outstanding Oilco Common Shares, will be held by former Energyco Shareholders. Following completion of the Denison Arrangement, New Energyco will proceed with a \$120 million public offering of New Energyco Common Shares which, if completed, will allow New Energyco to exercise the option to acquire all of the outstanding shares of an oilfield services company, resulting in a change in the direction of its business.
- 4.4 On January 28, 2004, Energyco entered into an arrangement agreement (the “Forte Arrangement Agreement”) in respect of a reorganization to be effected pursuant to the Forte Plan of Arrangement under section 193 of ABCA, following the completion of the Denison Arrangement. The effect of the Forte Arrangement will be to combine the business of Forte with that of Oilco. Following completion of the Forte Arrangement, Energyco Shareholders will hold approximately 20% of the outstanding Oilco Common Shares, and former Forte Common Shareholders will hold approximately 80% of the outstanding Oilco Common Shares. Resourceco and Forte will each be wholly-owned subsidiaries of Oilco.
- 4.5 Pursuant to the Forte Arrangement, Forte Common Shareholders (other than dissenting Forte Common Shareholders) will receive 0.894 Oilco Common Shares for each Forte Common Share held and Forte Performance Shareholders will receive 0.894 Oilco Performance Shares for each Forte Performance Share held.
- 4.6 The information circular (the “Denison Information Circular”) with respect to the Denison Meeting to be held on March 3, 2004, at which Energyco Securityholders will consider the Denison Arrangement, the Forte Arrangement and other matters related to the reorganization of Energyco, was mailed to the Energyco Securityholders on February 9, 2004.

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- 4.7 The information circular (the “Forte Information Circular”) with respect to the Forte Meeting to be held on March 2, 2004, at which Forte securityholders will consider the Forte Arrangement and other related matters, was mailed to the Forte securityholders on February 6, 2004.

Energyco

- 4.8 Energyco was incorporated in Ontario by the amalgamation in 1973 of Denison Mines Limited and Stanrock Uranium Mines Limited. Energyco changed its name from Denison Mines Limited to Denison Energy Inc. in 2002. Energyco's head office is located in Toronto, Ontario.
- 4.9 Energyco's business is divided into three segments operated by Energyco directly rather than through separate subsidiaries.
- 4.9.1 Mining and Uranium Operations – In recent years, this has been Energyco's principal business. Its uranium mining operations consist of a 22.50% interest in the McClean Lake Uranium facility in Northern Saskatchewan and a 19.96% interest in the Midwest Uranium Project, also located in Northern Saskatchewan. Energyco also owns interests in certain mining exploration properties. In 2002, Energyco's revenues from its mining business were \$28,511,000 with net earnings of \$4,893,000.
- 4.9.2 Denison Environmental Services (“DES”) – DES provides environmental consulting services to other mining resource companies with respect to the rehabilitation and monitoring of closed mine sites. In 2002, DES had revenues of \$3,313,000 and a net loss of \$536,000.
- 4.9.3 Oil and Natural Gas Exploration and Development – Energyco owns interests in a number of oil and natural gas exploration and development properties located in Alberta and Saskatchewan. In 2002, Energyco's oil and natural gas business had revenues of \$6,142,000 and net earnings of \$1,033,000.
- 4.10 The authorized capital of Energyco consists of an unlimited number of Energyco Common Shares, of which, as at December

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30, 2003, 17,717,057 Energyco Common Shares were issued and outstanding. In addition, Energyco had, as at December 30, 2003, 1,051,000 Energyco Options to purchase Energyco Common Shares outstanding.

- 4.11 Energyco is, and has been for a period of time in excess of 12 months, a reporting issuer (where such concept exists) under the securities legislation of the Jurisdictions. To the best of its knowledge, information and belief, Energyco is not in default of the requirements under the legislation of the Jurisdictions or the regulations made thereunder.
- 4.12 The Energyco Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the trading symbol "DEN".

Mineco

- 4.13 Mineco is a corporation incorporated under the OBCA, having its head office in Toronto, Ontario. Mineco was incorporated on September 25, 2003.
- 4.14 Mineco has not conducted any business to date, but has executed the Denison Arrangement Agreement and agreements related to the Denison Arrangement Agreement.
- 4.15 The authorized capital of Mineco consists of an unlimited number of Mineco Common Shares. As of the date hereof, there is issued and outstanding one Mineco Common Shares, which is currently owned by Energyco.
- 4.16 After completion of the Denison Arrangement, all of the Uranium Assets and Uranium Liabilities will have been transferred from Energyco to Mineco.
- 4.17 Mineco is not currently a reporting issuer in any Jurisdiction. However, disclosure with respect to the Uranium Assets and Uranium Liabilities to be transferred to Mineco pursuant to the Denison Arrangement has been publicly available through Energyco's public filings.
- 4.18 Mineco intends to apply to the TSX to list the Mineco Common Shares on the TSX (or failing approval by the TSX, to apply to the

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TSX Venture Exchange (the “TSX Venture”) to list the Mineco Common Shares on the TSX Venture) upon the completion of the Denison Arrangement.

Oilco

- 4.19 Oilco is a corporation incorporated under the ABCA and having its head office in Calgary, Alberta. Oilco was incorporated on January 21, 2004.
- 4.20 Oilco has not conducted any business to date, but has executed the Denison Arrangement Agreement and the Forte Arrangement Agreement.
- 4.21 The authorized capital of Oilco consists of an unlimited number of Oilco Common Shares, an unlimited number of Oilco First Preferred Shares, 3,500,000 Oilco Performance Shares, and an unlimited number of Oilco Second Preferred Shares. As of the date hereof, there is one issued and outstanding Oilco Common Share, which is owned by Energyco. Following the completion of the Denison Arrangement, there will be approximately 3,734,111 Oilco Common Shares issued and outstanding which will be held by the former Energyco Shareholders.
- 4.22 After giving effect to the Denison Arrangement, all of the PNG Assets and PNG Liabilities will have been transferred from Energyco to Resourceco, a wholly-owned subsidiary of Oilco. Pursuant to the Forte Arrangement, Forte will amalgamate with Subco, a wholly-owned subsidiary of Oilco.
- 4.23 Oilco is not currently a reporting issuer in any Jurisdiction. However, disclosure with respect to the PNG Assets and PNG Liabilities to be transferred to Resourceco, Oilco's wholly-owned subsidiary, pursuant to the Denison Arrangement has been publicly available through Energyco's public filings.
- 4.24 Oilco intends to apply to the TSX to list the Oilco Common Shares on the TSX (or failing approval by the TSX, to apply to the TSX Venture to list the Oilco Common Shares on the TSX Venture) upon the completion of the Denison Arrangement and the Forte Arrangement.

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Forte

- 4.25 Forte is a corporation incorporated under the ABCA on May 8, 2001, having its head office in Calgary, Alberta.
- 4.26 Forte's business is the exploration for, and the development, production and sale of, petroleum and natural gas in Alberta.
- 4.27 The authorized capital of Forte consists of an unlimited number of Forte Common Shares, an unlimited number of First Preferred Shares, including 3,500,000 Forte Performance Shares, and an unlimited number of Second Preferred Shares, of which there are currently issued and outstanding 16,398,700 Forte Common Shares and 3,000,000 Forte Performance Shares. In addition, Forte currently has 885,000 Forte Options to purchase Forte Common Shares outstanding.
- 4.28 Forte is not a reporting issuer under the securities legislation of any of the Jurisdictions.

The Denison Arrangement

- 4.29 On January 29, 2004, Energyco was issued, pursuant to section 182 of the OBCA, an interim order (the "Denison Interim Order") by the Superior Court of Justice of Ontario (the "Ontario Court") which specifies, among other things, certain procedures and requirements to be followed in connection with the calling and holding of the Denison Meeting and the completion of the Denison Arrangement.
- 4.30 With respect to matters to be brought before the Denison Meeting pertaining to matters of business affecting Oilco and Mineco, each Energyco Shareholder shall be entitled to one vote on a ballot at the Denison Meeting for each Energyco Common Share held, and such resolutions will be effective resolutions of the shareholders of each of Oilco and Mineco as if passed at a meeting of the shareholders of each of Oilco and Mineco entitled to vote on such matters.
- 4.31 The Denison Meeting is to be held on March 3, 2004 at which Energyco will seek the requisite Energyco Securityholder approval for the special resolutions approving the Denison Arrangement. Pursuant to the Denison Interim Order, the requisite approval is 66

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2/3% of the votes cast by Energyco Shareholders and 66 2/3% of the votes cast by Energyco Optionholders, represented at the Denison Meeting in person or by proxy, with Energyco Shareholders and Energyco Optionholders voting as separate classes.

- 4.32 In connection with the Denison Meeting and pursuant to the Denison Interim Order, Energyco mailed on February 9, 2004 to each Energyco Securityholder (i) a notice of the Denison Meeting, (ii) a form of proxy, and (iii) the Denison Information Circular (collectively, the “Denison Meeting Materials”). The Denison Information Circular has been prepared in accordance with OSC Form 30 - Information Circular, and, pursuant to OSC Rule 54-501, contains prospectus-level disclosure of the three businesses resulting from the Denison Arrangement and the Forte Arrangement, being each of Energyco, Mineco and Oilco. The Denison Information Circular also contains a description of the Forte Arrangement and prospectus-level disclosure of the business and affairs of Forte.

Transactions Relating to the Denison Arrangement and the Matco Subscription

- 4.33 The following is a summary of the Denison Arrangement and the Matco Subscription:
- 4.33.1 The Uranium Assets and Uranium Liabilities will be, directly and indirectly, transferred and assigned by Energyco to Mineco in exchange for the issuance of Mineco Common Shares to Energyco;
- 4.33.2 The PNG Assets and PNG Liabilities will be, directly and indirectly, transferred and assigned by Energyco to Oilco through Oilco's wholly-owned subsidiary, Resourceco, in exchange for the issuance of Oilco Common Shares to Energyco;
- 4.33.3 As a result of 4.33.1 and 4.33.2, Energyco will own the number of Mineco Common Shares equal to the number of Energyco Common Shares issued and outstanding on the effective date of the Denison Arrangement, and the number of Oilco Common Shares equal to $\frac{1}{5}$ of the number of

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Energyco Common Shares, issued and outstanding on the effective date of the Denison Arrangement;

- 4.33.4 Energyco Shareholders who are non-residents of Canada within the meaning of the *Income Tax Act* (Canada) (the “Tax Act”) will transfer their Energyco Common Shares to Energyco, indirectly through Mine Holdco, and, for each Energyco Common Share transferred, will receive in exchange (subject to adjustment in certain situations) (i) $\frac{1}{21}$ of one New Energyco Common Share, (ii) $\frac{1}{5}$ of one Oilco Common Share, and (iii) one Mineco Common Share;
- 4.33.5 Energyco Shareholders who are residents of Canada within the meaning of the Tax Act will transfer their Energyco Common Shares directly to Energyco, and, for each Energyco Common Share transferred, will receive in exchange (subject to adjustment in certain situations) (i) $\frac{1}{21}$ of one New Energyco Common Share, and (ii) one Series I preference share of Energyco (“Energyco Spin-Out Share”), specifically created and issued in connection with the Denison Arrangement, which Energyco Spin-Out Share will be transferred to Mine Holdco in exchange for $\frac{1}{5}$ of one Oilco Common Share and one Mineco Common Share;
- 4.33.6 Upon completion of the Denison Arrangement, former Energyco Shareholders will hold 100% of the issued and outstanding common shares of Mineco, Oilco and New Energyco; Oilco will indirectly hold all of the PNG Assets and PNG Liabilities; and Mineco will own all of the Uranium Assets and Uranium Liabilities. New Energyco will hold the option to purchase all of the outstanding shares of a private oilfield services company;
- 4.33.7 Following completion of the Denison Arrangement, Matco will, subject to the satisfaction of certain conditions, complete the Matco Subscription which will result in Matco owning 45% of the issued and outstanding New Energyco Common Shares following the Matco Subscription. The remaining 55% of the New Energyco Common Shares will be held by former Energyco Shareholders.

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The Forte Arrangement

- 4.34 On January 30, 2004, Forte obtained, under section 193 of the ABCA, an interim order (the “Forte Interim Order”) by the Court of Queen's Bench of Alberta which specifies, among other things, certain procedures and requirements to be followed in connection with the calling and holding of a special meeting (the “Forte Meeting”) of the Forte Common Shareholders, Forte Performance Shareholders and Forte Optionholders (collectively, the “Forte Securityholders”), and the completion of the Forte Arrangement.
- 4.35 The Forte Meeting will be held on March 2, 2004 at which Forte will seek the requisite Forte Securityholder approval for the special resolution approving the Forte Arrangement. Pursuant to the Forte Interim Order, the requisite approval is 66 2/3% of the votes cast by the Forte Securityholders, represented at the Forte Meeting in person or by proxy, voting together as a single class.
- 4.36 In connection with the Forte Meeting and pursuant to the Forte Interim Order, Forte mailed on February 6, 2004 to each Forte Securityholder (i) a notice of special meeting, (ii) forms of proxy, (iii) the Forte Information Circular (with a copy of the Denison Information Circular attached as an Appendix thereto), and (iv) a letter of transmittal. The Forte Information Circular, by virtue of incorporating the Denison Information Circular, contains prospectus-level disclosure of the three businesses resulting from the Denison Arrangement and the Forte Arrangement, being each of Energyco, Mineco and Oilco, and contains a description of the Denison Arrangement, the Forte Arrangement, and prospectus-level disclosure of the business and affairs of Forte.

Transactions Relating to the Forte Arrangement

- 4.37 The following is a summary of the Forte Arrangement:
- 4.37.1 Forte and Subco shall amalgamate to form “Forte Oil Corporation” (the “Amalgamated Corporation”);
- 4.37.2 on the amalgamation:

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- 4.37.2.1 holders of Forte Common Shares shall receive 0.894 Oilco Common Shares for each Forte Common Share held;
 - 4.37.2.2 holders of Forte Performance Shares shall receive 0.894 Oilco Performance Shares for each Forte Performance Share held;
 - 4.37.2.3 Oilco shall receive one share of the Amalgamated Corporation for each share of Subco held;
- 4.37.3 on the effective date of the Forte Arrangement, each Forte Option will, without any further action on the part of any holder thereof, become an option to purchase the number of Oilco Common Shares determined by multiplying the number of Forte Common Shares subject to such Forte Option at the effective date of the Forte Arrangement by 0.894, at an exercise price per Oilco Common Share equal to the exercise price per share of such Forte Option at the effective time of the Forte Arrangement divided by 0.894. If the foregoing calculation results in an option being exercisable for a fraction of an Oilco Common Share, then the number of Oilco Common Shares subject to such option will be rounded up to the nearest whole number of shares, and the exercise price per whole Oilco Common Share will be determined as above. Such options will be deemed to have been granted under the Oilco Option Plan. Except as provided in this subsection, the term, exercisability and all other of the terms and conditions of the Forte Options in effect at the effective date of the Forte Arrangement shall govern the Forte Options as so converted.

General

- 4.38 Detailed information regarding the Uranium Assets and Uranium Liabilities to be transferred to Mineco and the PNG Assets and PNG Liabilities to be transferred to Oilco, through its wholly-owned subsidiary, Resourceco, has been available through the public disclosure made by Energyco, which has been a reporting issuer in the Jurisdictions for a period of time in excess of 12 months, and prospectus-level disclosure is provided in the Denison Information Circular and the Forte Information Circular for each of

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Mineco and Oilco (incorporating information regarding Resourceco and Forte, Oilco's wholly-owned subsidiaries following the completion of the Denison Arrangement and Forte Arrangement). Detailed information regarding the assets and liabilities of each company has been made available to the public in the context of Energyco's reporting history and has been made available to the public in the Denison Information Circular, enabling investors to make informed decisions regarding the purchase of the Mineco Common Shares or Oilco Common Shares upon the first trades of such securities by former Energyco Shareholders or Forte Common Shareholders, as the case may be.

- 4.39 The Denison Information Circular being disseminated in connection with the Denison Arrangement and the Forte Arrangement provides prospectus-level disclosure about Mineco, Oilco and Forte and the businesses to be transferred to each of Mineco, Oilco and Forte pursuant to the Denison Arrangement and the Forte Arrangement and includes audited historical financial statements for the portions of the business of Energyco to be acquired by each of Mineco and Oilco pursuant to the Denison Arrangement, audited historical financial statements of Energyco and Forte, pro forma financial statements for the portions of the business of Energyco to be acquired by each of Mineco and Oilco, and of Oilco after completion of the Forte Arrangement, and complete descriptions of the Uranium Assets and Uranium Liabilities, the PNG Assets and the PNG Liabilities, and the business of Forte, directors and officers, share capital and all other items required to be included in prospectuses under OSC Rule 41-501 General Prospectus Requirements, as required by OSC Form 30 - Information Circular and OSC Rule 54-501.
- 4.40 The Denison Information Circular is available on SEDAR, contains all of the information that is required to be included in a prospectus (as included in the definition of "current AIF" in MI 45-102) and information comparable to the information contained in an annual information form. Consequently, the Denison Information Circular provides any purchaser of securities of Mineco or Oilco on the secondary market with the information necessary to make an informed decision regarding an investment in Mineco or Oilco.
- 4.41 Energyco's mining operations consist of a 22.50% interest in the McClean Lake Uranium Facility in Northern Saskatchewan and a 19.96% interest in the Midwest Uranium Project, also located in

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Northern Saskatchewan. Cogema Resources Inc. (“Cogema”), part of a reputable international uranium group, is the operator and majority owner of the McClean Lake and Midwest projects, holding a 70.00% and 54.84% interest in the McClean Lake and Midwest properties, respectively. Energyco also owns interests in several mining exploration properties. Mining and milling operations at the McClean Lake property have been carried out continuously since 1999 at, or above, design capacity of the mill. Sufficient uranium ore has been mined and stockpiled to feed the McClean mill until mid-2006.

- 4.42 Energyco has had a technical report prepared dated October 10, 2003 (the “Report”) with respect to all of the McClean Lake and Midwest uranium reserves and resources, except for the McClean North reserves which were covered by a separate report dated November 29, 2003 (the “Supplemental Report”). The Report and the Supplemental Report were both prepared under the direct supervision and responsibility of William C. Kerr, who was, at that time, Energyco’s Director, Resource Evaluation. Mr. Kerr is a qualified person as defined in NI43-101. The other individuals who assisted in the preparation of the Report are all “qualified persons” with certain individuals being both “qualified persons” and “independent” within the interpretation of such terms in NI43-101. The requirement to engage an *independent* engineer to prepare an entire *independent* technical report with respect to the mining properties that are material to Energyco would have added substantially to the cost and time required to undertake the Denison Arrangement described above.
- 4.43 Energyco's uranium exploration and production activities and information related to the Uranium Assets have been the subject of continuous disclosure on an ongoing basis for more than 12 months pursuant to Energyco's responsibilities as a reporting issuer. Consequently, information regarding the material mining properties in which Energyco has an interest, and which interest shall be transferred to Mineco pursuant to the Denison Arrangement, has been available to the public and to Energyco Shareholders on an ongoing basis. Since the implementation of NI 43-101, there have not been any material changes in the reserves in the McClean Lake and Midwest properties.
- 4.44 Energyco's mining business, which will become the mining business of Mineco following completion of the Denison

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Arrangement, is part of an existing public company whose investors have had access to Energyco's public disclosure in the past. Although Mineco will become a new reporting issuer upon completion of the Denison Arrangement, it would, in effect, be a successor to the bulk of Energyco's business. Energyco's material mining properties are not part of a speculative or new exploration area. Rather, the McClean Lake deposit has been part of a producing mine for several years.

- 4.45 Mineco's only material mineral properties after the transaction will be the McClean Lake and Midwest Properties. None of the other entities resulting after the transaction will hold any material mineral properties.
- 4.46 Energyco is in compliance with all continuous disclosure requirements of the Legislation. (For clarity, Energyco has heretofore not been required by NI43-101 to have a technical report filed in connection with the technical information in its annual information form). The Report and the Supplemental Report are consistent with all technical disclosure about Energyco's material properties filed prior to the date of such reports and there has been no material change in that information up to the date of this Decision.
5. AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");
6. AND WHEREAS, 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;
7. THE DECISION of the Decision Makers under the Legislation is that Mineco and Oilco shall, upon completion of the Denison Arrangement, be deemed or declared to be reporting issuers for the purposes of the Legislation in the Jurisdictions of Alberta, Ontario, Nova Scotia, and Newfoundland and Labrador.

DATED this 4th day of March, 2004.

Paul M. Moore

Paul K. Bates

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8. IT IS FURTHER THE DECISION of the Decision Makers under the Legislation that,
 - 8.1 Upon completion of the Denison Arrangement:
 - 8.1.1 in British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland and Labrador, the requirement contained in the Legislation to have a “current AIF” filed on SEDAR in order to be a “qualifying issuer” for the purposes of MI 45-102 shall not apply to Mineco or Oilco provided that:
 - 8.1.1.1 each of Mineco and Oilco files a notice on SEDAR advising that the Denison Information Circular has been filed as an alternate form of annual information form and identifying the SEDAR Project Number under which the Denison Information Circular was filed; and
 - 8.1.1.2 each of Mineco and Oilco files a Form 45-102F2 on or before the tenth day after the distribution date of any securities certifying that it is a “qualifying issuer” except for the requirement to have a “current AIF”;

with such order to expire on the later of March 30, 2004 and the date on which the proposed changes to MI 45-102 come into force; and
 - 8.1.2 in Québec, the requirement to have a current annual information form filed on SEDAR pursuant to paragraph 1(e) of decision no. 2003-C-0377 shall not apply for the purposes of each of Mineco and Oilco qualifying for the shortened hold period contemplated by the AMF Resale Decisions of the AMF, with such order to expire at the time decision 2003-C-0413 comes into force around March 30, 2004; and
 - 8.2 The requirement in Section 5.3(1) of NI 43-101 that a technical report filed pursuant to Section 4.1(1) of NI 43-101 upon Mineco first becoming a reporting issuer in the Jurisdictions be prepared by an *independent* qualified person does not apply to Mineco upon it

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becoming a reporting issuer in the Jurisdictions pursuant to the Denison Arrangement and paragraph 7 above.

DATED this 4th day of March, 2004.

Charlie MacCready