

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 757 OF 1997

IN THE MATTER OF CAYMAN HLG INC.

AND

IN THE MATTER OF THE COMPANIES LAW (1995 REVISION)

PETITION TO CONFIRM REDUCTION OF CAPITAL BY  
PAYING OFF CAPITAL NOT WANTED FOR PURPOSES  
OF THE COMPANY WHERE THERE ARE NO CREDITORS

THE PETITION of Cayman HLG Inc. shows as follows:-

1. Your Petitioner Cayman HLG Inc. ("the Company") was incorporated as an Exempted Company on 23rd December, 1996, under The Companies Law (1995 Revision) ("the Law") as a company limited by shares.
2. The registered office of the Company is situate in George Town at the offices of International Corporation Services Ltd., One Regis Place, Fort and Mary Streets, P.O. Box 472, George Town, Grand Cayman.
3. The objects for which the Company was established are:-
  - (a) to do, perform and execute any and all acts, deeds, documents and things and to undertake and carry on all kinds of financial, commercial and other operations which an individual of full legal age and capacity is and would be entitled to do, perform and execute; and to undertake or carry out any lawful transaction; and to take advantage of or exercise any right, power or privilege, and to assume any duty, obligation or liability, that an individual of full legal age and capacity is and would be entitled to undertake, carry out, take advantage of or exercise or assume.
  - (b) to carry out all of its objects and to exercise and take

advantage of all or any of its rights, powers or privileges in any part of the world and either as principal, agent, contractor, trustee or otherwise, and by or through agents or otherwise, and either alone or jointly (including jointly and severally), or in conjunction with others.

- (c) to borrow or raise money in such manner as the Company thinks fit, and in particular without restricting the generality of the foregoing by the issue of debentures or debenture stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by debenture, mortgage, charge or lien upon the whole or any part of the Company's property or assets (whether present or future) including its uncalled capital; and also by a similar debenture, mortgage, charge or lien to secure and guarantee the performance by the Company of any obligation, liability or guarantee it may undertake; and to redeem and pay off any such loan or security.
  - (d) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, cheques, bills of lading, warrants, debentures and other negotiable or transferable instruments and to give guarantees.
  - (e) to do all such other things as may be deemed incidental or conducive to the attainment of these objects or any of them.
4. Shortly after incorporation, the Company commenced business and it has since carried on business.
  5. The authorised capital of the Company is US\$500,000,000.00 divided into 500,000,000 shares of US\$1.00 each.
  6. The Company has issued 291,311,000 ordinary shares of US\$1.00 each for cash to Placer Dome Inc. ("PDI") of Vancouver, B.C. Canada. PDI is the second largest gold mining company in the world and its shares are listed on the Toronto Stock Exchange. None of the remaining ordinary shares have been taken or

agreed to be taken by any person, and no person has any outstanding options or rights to subscribe for shares in the Company, so PDI is the Company's sole shareholder.

7. Article 28(3) of the Company's Articles of Association provides that, subject to the Law, the Company may by special resolution reduce its share capital.
8. Under Article 67 of the Company's Articles of Association, any ordinary or special resolution in writing signed by all the Members entitled to receive notice of and to attend and vote at general or class meetings (or being corporations by their duly authorised representatives) will be as valid and effective as if it had been passed at a general meeting or class meeting as the case may be duly convened and held.
9. By special resolution of the Company passed in accordance with Section 59 of the Law on 24th October, 1997, it was resolved by the Company's sole shareholder that  
"subject to the approval of the Court, the issued share capital of the Company be reduced from US\$291,311,000.00 divided into 291,311,000 fully-paid shares of US\$1.00 each to US\$236,253,221.00 divided into 291,311,000 fully-paid shares of US\$0.811 each and that the reduction be effected by paying US\$55,057,779.00 to its sole shareholder."  
A certified copy of that resolution has been filed with the Registrar of Companies.
10. The sum of US\$55,057,779.00 proposed to be repaid to the shareholders is in excess of the Company's needs and cannot in the Directors' opinion be any longer usefully employed in its business.

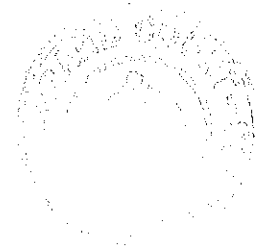
Your Petitioner the Company therefore humbly prays that:-

- (1) the reduction of the Company's capital proposed to be effected by the special resolution set out in paragraph 9 of this Petition be confirmed under Section 13 of the Law.
- (2) the Court make such order in this matter as it thinks fit.

DATED this 7 day of November, 1997.

MYERS & ALBERGA

Per: Leif De Coste



FILED by Myers & Alberga of One Regis Place, Fort and Mary Streets, George Town, Grand Cayman B.W.I., Attorneys-at-law for the Petitioner whose address for service is that of its said Attorneys-at-Law.