

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE No. 914 OF 2002

IN THE MATTER OF PDG SONA (CAYMAN) LTD.

AND

IN THE MATTER OF THE COMPANIES LAW (2002 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 PDG SONA (CAYMAN) LTD. shows as follows:-

1. Your Petitioner PDG Sona (Cayman) Ltd. ("the Company") was incorporated as an Exempted Company on 21<sup>st</sup> December, 2000, under The Companies Law (2002 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\$1,700,000,000 divided into 2,234,196,347 shares of US\$0.7609 each.
  6. The Company has issued 331,989,008 ordinary shares of US\$0.7609 each to Placer Dome Inc. ("PDI") of Vancouver, B.C., Canada and 922,777,781 ordinary shares of

US\$0.7609 each to Placer Dome (CLA) Limited. PDI is the fifth largest gold mining company in the world and its shares are listed on the Toronto Stock Exchange.

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 resolutions of the Company passed in accordance with The Companies Law on 12<sup>th</sup> December, 2002, it was resolved by the Company's shareholders Placer Dome Inc. and Placer Dome (CLA) Limited that:

“subject to the approval of the Court, the authorised share capital of the Company be reduced from US\$1,700,000,000 (US\$1.7 Billion) divided into 2,234,196,347 shares of US\$0.7609 each to US\$1,477,000,000 (US\$1,477,000,000) divided into 2,532,578,875 shares of US\$0.5832 each and that the reduction be effected by paying US\$223,000,000 to its shareholders”

“that pursuant to Section 15 of The Companies Law (2002 Revision) of the Cayman Islands, the company reduce its share capital by:

- (a) returning US\$59,001,840.00 to its shareholder Placer Dome Inc. then cancelling the existing share certificates for 331,989,008 shares of US\$0.7609 each, and issuing a new share certificate for 331,989,008 shares of US\$0.5832 each to Placer Dome Inc.; and

(b) returning US\$163,998,160 to its shareholder Placer Dome (CLA) Limited and then cancelling the existing share certificates for 922,777,781 shares of US\$0.7609 each and issuing a new share certificate for 922,777,781 shares of US\$0.5832 each to Placer Dome (CLA) Limited;”

“the Company’s Memorandum of Association be amended by deleting Clause 8 and inserting a new clause as follows:

The authorised share capital of the Company is US\$1,477,000,000 divided into 2,532,578,875 shares of US\$0.5832 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividend, capital, voting transfer, transmission or otherwise.”

A certified copy of the resolutions have been filed with the Registrar of Companies.

10. The sums of US\$59,001,840 and US\$163,998,160 proposed to be repaid to the shareholders are 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 share capital proposed to be effected by the special resolution set out in paragraph 9 of this Petition be confirmed;

- (2) that the advertisement of the hearing of the Petition be dispensed with;
- (3) the Court make such order in this matter as it thinks fit.

DATED this      day of December, 2002.

MYERS & ALBERGA

Per: \_\_\_\_\_