

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE No. 804 OF 2003

IN THE MATTER OF PDG SONA (CAYMAN) LTD.

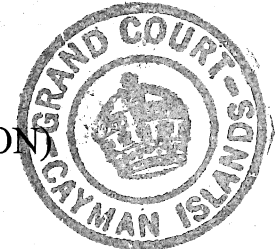
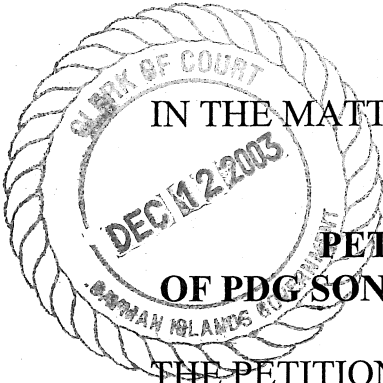
AND

IN THE MATTER OF THE COMPANIES LAW (2003 REVISION)

**PETITION TO CONFIRM REDUCTION OF CAPITAL  
OF PDG SONA (CAYMAN) LTD. 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 the 21<sup>st</sup> December, 2000, under The Companies Law (2003 Revision) ("the Law") as a company limited by shares and had an authorised capital of United States Dollars Two Billion (US\$2,000,000,000.00) divided into two billion shares of US\$1.00 each.
2. The registered office of the Company is situate in George Town at the offices of International Corporation Services Ltd., One Regis Place, 90 Fort Street, P.O. Box 472, George Town, Grand Cayman, Cayman Islands.
3. The objects for which the Company was established are:
  - (a) to do, perform and execute any and all acts, deed, 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 carried on in business since that date.
  5. The Company is a member of the Placer Dome Group of companies. Placer Dome ("Placer") was formed in Canada in 1987 and is headquartered in Vancouver, Canada. The Placer Group is the sixth largest gold mining corporation in the world. It has interest in eighteen mines in various countries around the world and employs approximately twelve thousand people. It's shares are traded on the Toronto, New York, Australian and Euronext-Paris Exchanges. The Company being a public company is regulated.
  6. On the 9<sup>th</sup> December, 2002, the Company reduced its share capital from two billion United States dollars (US\$2,000,000,000) to one billion seven hundred million United States dollars (US\$1,700,000,000) represented by two billion two hundred and thirty four million one hundred and sixty nine thousand three hundred and forty seven shares (2,234,169,347) of US\$0.7609 each.
  7. On the 16<sup>th</sup> December, 2002, the Company further reduced its capital from one billion seven hundred million United States dollars (US\$1,700,000,000) to one billion four hundred and seventy seven million United States dollars (US\$1,477,000,000) represented by two billion five hundred and thirty two

million five hundred and seventy eight thousand eight hundred and seventy five shares (2,532,578,875) of 0.832 United States dollars.

8. In each case in which a reduction of capital was made, the amount of the reduction was repaid to the shareholders of the Company, Placer Dome Inc. ("PDI") and Placer Dome CLA Limited.
9. The present authorised capital of the Company is one billion four hundred and seventy seven million United States dollars (US\$1,477,000,000) divided into two billion five hundred and thirty two million five hundred and seventy eight thousand eight hundred and seventy five shares (2,532,578,875) of US\$0.5382 each and its issued share capital is seven hundred and thirty one million, seven hundred and sixty six thousand, seven hundred and eighty nine United States dollars (US\$731,766,789) divided into one billion two hundred and fifty four million, seven hundred and sixty six thousand seven hundred and eighty nine (1,254,766,789) shares of US\$0.5832 each.
10. 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.
11. Under Article 67 of the Company's Articles of Association any ordinary or special resolution in writing signed by all members entitled to receive notice of and to attend and vote at general or class meetings (or incorporations 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 properly convened and held.

12. The Company wishes to further reduce its issued share capital and has passed a series of special resolutions during the course of the year to effect these reductions.
13. By special resolution of the Company passed in accordance with the Companies Law on the 17<sup>th</sup> day of March, 2003, it was resolved by the Company's shareholders, Placer Dome Inc. and Placer Dome CLA Limited, that the Company's issued share capital be reduced subject to confirmation of the Court.
14. The special resolution of the 11<sup>th</sup> March, 2003 provided that:  
BE IT RESOLVED that subject to the approval of the Court, the issued share capital of the Company be reduced from seven hundred and thirty one million, seven hundred and sixty six thousand, seven hundred and eighty nine United States dollars (US\$731,766,789) divided into one billion two hundred and fifty four million seven hundred and sixty six thousand seven hundred and eighty nine (1,254,766,789) shares of US\$0.5832 each to four hundred and ninety eight million, three hundred and twenty four thousand, seven hundred and eighty three United States dollars (US\$498,324,783) divided into one billion two hundred and fifty four million seven hundred and sixty six thousand seven hundred and eighty nine (1,254,766,789) shares of US\$0.3971 each and that the reduction be effected by:
  - (a) cancelling one hundred and thirty eight million four hundred and forty two thousand and six United States dollars (US\$138,442,006) of share capital which is unrepresented by available assets and;

- (b) returning twenty five million one hundred and thirty seven thousand United States dollars (US\$25,137,000) to its shareholder, Placer Dome Inc. then cancelling the existing share certificate for three hundred and thirty one million nine hundred and eighty nine thousand and eight (331,989,008) shares of US\$0.4729 per share and issuing a new share certificate for three hundred and thirty one million nine hundred and eighty nine thousand and eight (331,989,008) of US\$0.3971 per share to Placer Dome Inc.; and
- (c) returning sixty nine million eight hundred and sixty three thousand United States dollars (US\$69,863,000) to its shareholder, Placer Dome (CLA) Limited, then cancelling the existing share certificates for nine hundred and twenty two million seven hundred and seventy seven thousand seven hundred and eighty one (922,777,781) shares of US\$0.4729 per share and issuing a new share certificate for nine hundred and twenty two million seven hundred and seventy seven thousand seven hundred and eighty one (922,777,781) to Placer Dome (CLA) Limited for US\$0.3971 per share.

BE IT RESOLVED that subject to confirmation of the Court, 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 one billion two hundred and forty three million five hundred and fifty seven thousand nine hundred and ninety four United States dollars (US\$1,243,557,994) divided into three billion, one hundred and thirty one million, five hundred and ninety nine

thousand and seventy eight (3,131,599,078) shares of US\$0.3971 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.

15. On the 11<sup>th</sup> June, 2003, at an extraordinary general meeting of the shareholders of the Company, it was resolved to pass a special resolution which further reduced the issued capital of the Company subject to Court confirmation.

16. The special resolution of the 11<sup>th</sup> June, 2003 resolved:

BE IT RESOLVED that subject to the approval of the Court, the issued share capital of the Company be reduced from four hundred and ninety eight million, three hundred and thirty seven thousand, nine hundred and eighty five United States dollars (US\$498,337,985) divided into one billion two hundred and fifty four million seven hundred and sixty six thousand seven hundred and eighty nine (1,254,766,789) shares of US\$0.3972 each to four hundred and sixty eight million, three hundred and thirty seven thousand, nine hundred and eighty five United States dollars (US\$468,337,985) divided into one billion two hundred and fifty four million seven hundred and sixty six thousand seven hundred and eighty nine (1,254,766,789) shares of US\$0.3732 each and that the reduction be effected by:

(a) returning seven million nine hundred and thirty eight thousand United States dollars (US\$7,938,000) to its shareholder, Placer Dome Inc. then cancelling the existing share certificate for three hundred and

thirty one million nine hundred and eighty nine thousand and eight hundred (331,989,008) shares of US\$0.3972 per share and issuing a new share certificate for three hundred and thirty one million nine hundred and eighty nine thousand eight hundred (331,989,008) of US\$0.3732 per share to Placer Dome Inc.; and

- (b) returning twenty two million and sixty two thousand five hundred United States dollars (US\$22,062,000) to its shareholder, Placer Dome (CLA) Limited, then cancelling the existing share certificates for nine hundred and twenty two million seven hundred and seventy seven thousand seven hundred and eighty one (922,777,781) shares of US\$0.3971 per share and issuing a new share certificate for nine hundred and twenty two million seven hundred and seventy seven thousand seven hundred and eighty one million (922,777,781) to Placer Dome (CLA) Limited for US\$0.3732 per share.

BE IT RESOLVED that subject to confirmation of the Court, 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 one billion two hundred and thirteen million five hundred and fifty seven thousand nine hundred and ninety four United States dollars (US\$1,213,557,994) divided into three billion two hundred and fifty one million, seven hundred and sixty three thousand, one hundred and fourteen (3,251,763,114) shares of US\$0.3732 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.

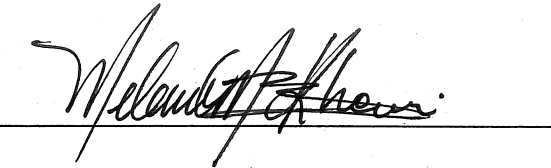
17. A certified copy of the resolutions have been filed with the Registrar of Companies.
18. The amounts set out in the above mentioned resolutions by which the capital of the Company has been reduced, will not affect the Company's ability to carry on business and will leave the Company with significant capital beyond its current needs. No creditors will be affected by the reductions.

Your Petitioner the Company therefore humbly prays that:

- (a) the reduction of the Company's share capital proposed to be effected by the special resolution set out in this Petition be confirmed;
- (b) that the advertisement of the hearing of the Petition be dispensed with;  
and
- (c) the Court make such order in this matter as it thinks fit.

DATED this 11<sup>th</sup> day of December, 2003.

MYERS & ALBERGA

Per: 

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