

IN THE MATTER OF THE CANADIAN SECURITIES LEGISLATION OF THE
PROVINCES OF ALBERTA, BRITISH COLUMBIA, SASKATCHEWAN, MANITOBA,
NEWFOUNDLAND, NOVA SCOTIA, THE NORTHWEST TERRITORIES AND NEW
BRUNSWICK

AND

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

AND

IN THE MATTER OF THE BROKEN HILL PROPRIETARY COMPANY LIMITED
MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan, Manitoba, Newfoundland, Nova Scotia, the Northwest Territories and New Brunswick (the "Jurisdictions") has received an application from The Broken Hill Proprietary Company Limited (the "BHP") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirement") and to file and obtain a receipt for a preliminary prospectus and a prospectus in respect of such security (the "Prospectus Requirement") shall not apply to intended trades in ordinary shares of OneSteel Limited (the "OneSteel Shares"), a wholly-owned subsidiary of BHP, in connection BHP's spin-off and de-merger of OneSteel by way of schemes of arrangements;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "MRRS"), the Executive Director of the British Columbia Securities Commission is the principal regulator for this application;

AND WHEREAS BHP has represented to the Decision Makers that:

1. BHP is a company organized under the laws of Australia;
2. the outstanding ordinary shares of BHP (the "BHP Shares") are listed and posted on the Australian Stock Exchange (the "ASX");
3. BHP has in excess of 270,000 shareholders of whom approximately 390, or less than 1%, are residents of Canada;
4. as at August 15, 2000 there was 1 holder of BHP Shares in New Brunswick, 12 in Québec, 111 in Ontario, 5 in Saskatchewan, 36 in Alberta, 4 in Manitoba, 7 in the Northwest Territories, 8 in Nova Scotia, 1 in Newfoundland and 205 in British Columbia;

5. as at August 15, 2000, BHP had approximately 1,782,077,291 fully paid and 6,643,000 partly paid ordinary shares issued and outstanding of which 652,705, or less than 1%, of the total issued fully paid shares and 250,000, or approximately 4%, of the total issued partly paid shares were held by Canadian residents as follows: 19,542 fully paid shares held in the Northwest Territories, 353,297 in British Columbia, 65,030 in Alberta, 11,431 in Saskatchewan, 1,169 in Manitoba, 175,946 in Ontario, 13,542 in Quebec, 155 in New Brunswick, 1,163 in Newfoundland and 11,430 in Nova Scotia; and 140,000 and 110,000 partly paid shares held in British Columbia and Alberta respectively;

6. BHP is not a reporting issuer, or the equivalent, in any of the provinces or territories of Canada and has no current intention of becoming a reporting issuer in any Canadian jurisdiction;

7. OneSteel is a company organized under the laws of Australia and is currently a wholly-owned subsidiary of BHP;

8. OneSteel is not a reporting issuer, or the equivalent, in any of the provinces or territories of Canada and has no current intention of becoming a reporting issuer in any Canadian jurisdiction;

9. as at June 30, 2000, the issued capital of OneSteel consisted of A\$59.1 million; it is anticipated that 446 million ordinary shares will be issued by OneSteel to BHP prior to the spin-off and de-merger;

10. BHP intends to enter into a spin-off and de-merger of OneSteel by way of schemes of arrangement (the "Scheme");

11. under the Scheme, OneSteel Shares will be listed and posted on the ASX on or about October 23, 2000;

12. under the Scheme, through the implementation of a capital reduction of approximately A\$0.66 cents a share and a scheme of arrangement, ordinary shareholders of BHP will receive one ordinary share of OneSteel for each four ordinary fully paid shares of BHP currently held; a separate scheme of arrangement is proposed between BHP and holders of partly paid shares of BHP whereby the capital reductions of approximately A\$0.66 cents per share will be applied to meet an interim call on partly paid shares; the Scheme is not dependent on the approval of the proposal for partly paid shares (the term "Scheme" includes the schemes of arrangement for both fully and partly paid shares of BHP);

13. the BHP shareholders will not be required to pay any consideration in order to receive the OneSteel Shares under the Scheme;

14. immediately following the completion of the spin-off and de-merger of OneSteel, holders of OneSteel Shares in Canada will hold less than 1% of the total number of outstanding OneSteel Shares and represent less than 1% of the number of total number of holders of OneSteel Shares;

15. the Scheme will require both shareholder and court approval for completion;

16. a scheme booklet (the "Scheme Booklet"), which includes all material information regarding the business and operations of OneSteel and the Scheme has been prepared in accordance with applicable Australian Corporations Law and has been mailed to all the holders of BHP Shares in connection with the solicitation by the management of BHP of proxies to be voted at meetings of its shareholders scheduled to be held on or about October 17, 2000, the principal purpose of which is to consider and, if deemed advisable, to approve the Scheme;

17. each Canadian holder of BHP Shares has received all public disclosure with regard to BHP and, as such disclosure (particularly BHP's financial statements) is prepared on a consolidated basis, has received ongoing information regarding the steel manufacturing and distribution activities carried on by OneSteel in the past;

18. OneSteel will concurrently send to holders of OneSteel Shares resident in Canada all disclosure material it sends to holders of OneSteel Shares resident in Australia;

19. there is no market in Canada for the OneSteel Shares and none is expected to develop; and

20. the intended trade in OneSteel Shares in connection with the Scheme to holders of BHP Shares resident in the Jurisdictions (the "Distribution") is not exempt from the Registration Requirement and the Prospectus Requirement under the Legislation of certain of the Jurisdictions;

AND WHEREAS under the MRRS, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

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;

THE DECISION of the Decision Makers under the Legislation is that:

1. the Registration Requirement and the Prospectus Requirement shall not apply to the Distribution; and

2. a trade in any of the OneSteel Shares acquired under this Decision is deemed to be a distribution or, where applicable, a primary distribution to the public unless the trade is executed through the facilities of a stock exchange or market outside of Canada in accordance with the laws and rules applicable to such stock exchange or market.

DATED October 18, 2000.

"Brenda Leong"
Brenda Leong
Director

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from the registration and prospectus requirements in connection with an Australian listed company’s spin-off and de-merger of its wholly-owned subsidiary to its existing shareholders by way of a scheme of arrangements. Relief granted to permit a *de minimis* number shareholders of the parent company resident in Canada holding a *de minimis* number shares of the parent to participate in the scheme and trade their shares of the spun-off company over an exchange or market outside of Canada.

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 48 and 76