

DATE: MAY 4, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
MANITOBA, NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR
(collectively, the "**Jurisdictions**")

AND

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

AND

IN THE MATTER OF ZINIFEX CANADIAN ENTERPRISES INC.
(the "**Offeror**" or the "**Applicant**")

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the "**Decision Makers**") in each of the Jurisdictions has received an application from the Applicant for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the Applicant be exempt in all of the Jurisdictions from the requirement under the Legislation that the offer or circular in respect of a take-over bid to acquire all of the outstanding common shares of Wolfden Resources Inc. contain a summary of a valuation of the offeree issuer (the "**Valuation Requirement**").

2. Under National Policy 12-201 – *Mutual Reliance Review System for Exemptive Relief Applications* (the "**MRRS**"):

(a) The Manitoba Securities Commission is the principal regulator for this application; and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

3. Defined terms contained in National Instrument 14-101 – *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

4. This decision is based on the following facts represented by the Applicant:

(a) Pursuant to a support agreement dated March 16, 2007 (the "**Support Agreement**"), Zinifex Ltd. ("**Zinifex**") and the Offeror agreed to make or cause to be made, and Wolfden Resources Inc. ("**Wolfden**") agreed to support, an offer to acquire all the issued and outstanding common shares of Wolfden ("**Common Shares**"), including Common Shares that may become issued and outstanding after the date of the Offer but before the expiry time of the offer upon the conversion, exchange or exercise of options, warrants or other securities of Wolfden that are convertible into or exchangeable or exercisable for Common Shares, at a price of Cdn.\$3.81 cash per Common Share, subject to the conditions set forth therein (the "**Offer**").

(b) On April 2, 2007, the Offeror commenced the Offer by filing and mailing a take-over bid circular (the "**Offer and Circular**") setting out the terms of the Offer. The Offer and Circular was mailed to holders of Common Shares on April 2, 2007, in compliance with the Legislation (assuming the issuance of the exemptive relief sought hereby) and the securities legislation of the provinces of Canada.

(c) Zinifex, an Australian company with headquarters in Melbourne, Australia, is a major zinc, lead and silver producing company which operates two mines, three zinc refineries and a lead smelter. Zinifex also owns 50% of a lead-acid-battery recycling business. Its shares are listed on the Australian Stock Exchange.

(d) The Offeror is a wholly-owned indirect subsidiary of Zinifex and was incorporated under the laws of the Province of British Columbia on March 15, 2007 for the purpose of making the Offer. The Offeror has not carried on any business prior to the date hereof other than in connection with matters directly related to the Offer.

(e) None of the officers or directors of Zinifex or the Offeror is, or ever has been, an officer or director of Wolfden. Neither Zinifex nor the Offeror, nor any persons acting jointly or in concert with Zinifex or the Offeror, beneficially own or control any Common Shares and, therefore, the Offer is not an "insider bid" for the purposes of the Legislation.

(f) Neither Zinifex nor the Offeror has any knowledge of any material fact concerning the securities of Wolfden that has not been generally disclosed by Wolfden.

(g) The Offer is being made in compliance with the take-over bid requirements of the Legislation and the applicable take-over bid requirements of the other Canadian jurisdictions where registered holders of Common Shares are located.

(h) The Offeror anticipates that a business combination or going private transaction will follow the Offer for the purposes of the Legislation if a Compulsory Acquisition (as defined in the Offer and Circular) cannot be or

otherwise is not completed under the *Business Corporations Act* (British Columbia).

(i) In connection with any business combination or going private transaction which follows the Offer, the Offeror will be subject to the provisions of Ontario Securities Commission Rule 61-501 – *Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions* ("**Rule 61-501**") and Québec Regulation Q-27 – *Respecting Protection of Minority Securityholders in the Course of Certain Transactions* ("**Regulation Q-27**"), which requires valuations in connection with business combinations or going private transactions unless an exemption is available or granted. It is currently anticipated that any such acquisition of Common Shares will be exempt from the valuation requirements in Rule 61-501 and Regulation Q-27, in that:

(i) the business combination of Wolfden will be effected by the Offeror or an affiliate(s) of the Offeror following the formal bid constituted by the Offer and will be in respect of the Common Shares for which the Offer was made and that were not acquired in the Offer;

(ii) the business combination will be completed no later than 120 days after the date of expiry of the Offer;

(iii) the consideration per Common Share paid by the Offeror or an affiliate of the Offeror in the business combination will be (A) at least equal in value to the consideration per share that is being paid by the Offeror under the Offer; and (B) in the same form as the consideration per share being paid by the Offeror under the Offer;

(iv) the intent of the Offeror to effect a business combination is disclosed in the Offer and Circular;

(v) the Offer and Circular discloses:

(A) that if the Offeror acquires Common Shares under the Offer the Offeror intends to acquire the remainder of the outstanding Common Shares by Compulsory Acquisition or Subsequent Acquisition Transaction (as defined in the Offer and Circular); and

(B) the expected tax consequences of the Offer and the Subsequent Acquisition Transaction, to the extent currently known to the Offeror.

(j) The Offer is being made in compliance with Rule 61-501, Regulation Q-27 and other applicable securities laws, regulations and policies in all jurisdictions in Canada where the Offer is being made.

Decision

5. Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the decision has been met.

6. The decision of the Decision Makers pursuant to the Legislation is that the Requested Relief is granted provided that the Applicant complies with the other requirements in the Legislation applicable to formal take-over bids.

“Doug Brown”

Douglas Brown
Director-Legal