

IN THE MATTER OF THE SECURITIES LEGISLATION OF THE
PROVINCES OF QUEBEC AND MANITOBA

AND

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

AND

IN THE MATTER OF
CENTURY MINING CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of Quebec and Manitoba (collectively, the "Jurisdictions") has received an application (the "Application") from Century Mining Corporation (the "Filer" or "Century") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that, subject to certain conditions, the registration and prospectus requirements contained in the Legislation shall not apply to trades of certain securities to be issued by the Filer to unsecured creditors and the trustee in the context of a proposal made by Sigma-Lamaque Limited Partnership under the Bankruptcy and Insolvency Act (Canada);

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Autorite des marches financiers is the principal regulator for this Application;

AND WHEREAS unless otherwise defined, the terms herein have the meanings set out in National Instrument 14-101, Definitions;

AND WHEREAS the Filer has represented to the Decision Makers that:

A. Century

1.1 Century is a publicly traded company whose Century Shares are listed for trading on the TSX Venture Exchange (the "TSX-V").

1.2 Century is a reporting issuer in the provinces of Quebec, Alberta and British Columbia, and has been a reporting issuer in each of such jurisdictions for more than four months.

1.3 The registered office of Century is located at 200 - 204 Lambert St., Whitehorse, YT, Y1A 3T2.

1.4 The operations of Century are focused in the area of gold mining and exploration.

B. Letter of Intent

1.5 On April 28, 2004, Century entered into a letter of intent (which was subsequently amended on May 3, 2004) (the "Letter of Intent") with McWatters Mining Inc. ("McWatters") and Sigma-Lamaque Limited Partnership ("SL") to purchase all of the assets of SL, consisting principally of the Sigma-Lamaque Mining Complex located in Val d'Or, Quebec (the "Purchase"). The Sigma-Lamaque Mining Complex is located on the Abitibi Gold Belt and has produced over 9 million ounces of gold since 1937.

1.6 The Letter of Intent was executed by the parties in the context of bankruptcy proceedings instituted by McWatters, SL and Gestion Sigma-Lamaque Inc. (collectively, the "McWatters Companies") pursuant to the BIA. The McWatters Companies filed for protection from their creditors under the BIA on January 15, 2004.

1.7 Pursuant to the Letter of Intent, the consideration to be paid by Century for the assets described in paragraph 1.5 above shall consist of (i) the assumption of \$18,543,961 of debt owing to Investissement Quebec, (ii) the payment to the secured creditors of SL (the "Secured Creditors") of a maximum of \$541,000 in cash, (iii) the payment to the unsecured creditors of SL (the "Unsecured Creditors") of a maximum of \$6,000,000 in a combination of cash and Century Shares (as described more fully in paragraph 1.13.3 below), and (iv) the payment of a maximum of \$741,455 in cash in back wages owing to McWatters employees who previously provided services to SL.

1.8 Pursuant to the Letter of Intent, the closing of the Purchase is subject to a number of conditions, including the closing by Century of a \$10 million private placement equity offering.

C. Bankruptcy Proceeding and Proposal

1.9 On June 7, 2004, each of the McWatters Companies filed a proposal with the Superior Court of Quebec pursuant to which it set forth a plan for the settlement of its debts. These proposals were accepted by the various creditors of the McWatters Companies on June 22, 2004 and approved by the Superior Court of Quebec on July 9, 2004.

1.10 The proposal filed by SL indicates that SL has a total of \$48,664,978 in liabilities and a total of \$25,084,961 in assets. Of these liabilities, a total of \$19,566,713 is owed to the Secured Creditors and \$29,098,265 is owed to the Unsecured Creditors. A more detailed description of the financial position and operating history of SL can be found in the proposal filed with the Court by SL (the "SL Proposal").

1.11 The implementation of the SL Proposal is conditional upon the dosing of the Purchase.

1.12 The terms of the settlement with the Secured Creditors are not relevant for the purposes of this application given that no securities of Century will be issued in connection therewith.

1.13 As regards the claims of the Unsecured Creditors and the claims of Raymond Chabot Inc., the trustee acting under the SL Proposal (the "Trustee") in respect of fees and expenses incurred after the Closing Date (as hereinafter defined), the SL Proposal provides as follows:

1.13.1 Unsecured Creditors will have the option of choosing between the Cash Option (as defined below) or the Share/Cash Option (as defined below).

1.13.2 Under the "Cash Option", a pool of \$125,000 will be made available to the Unsecured Creditors choosing this option, each of whom will receive a maximum of \$1,500 in full satisfaction of its claim, subject to pro rata reduction in the event that the total amount payable to Unsecured Creditors choosing this option would otherwise exceed \$125,000.

1.13.3 Under the "Share/Cash Option", a pool of Century Shares will be made available to the Unsecured Creditors choosing this option and to the Trustee, to be divided among them on a pro rata basis. Under the Share/Cash Option, the payments owing to the Trustee will be made in priority to the payments owing to the Unsecured Creditors. The number of Century Shares to be made so available will be equal to the quotient obtained by dividing (A) the difference between (i) \$6,000,000 less (ii) the total payment made pursuant to the Cash Option by (B) the Market Price. The "Market Price" means the average closing price of the Century Shares on the TSX-V during the 10-day period immediately preceding the closing of the Purchase (the "Closing Date"), or such other price as may be required by the TSX-V.

1.13.4 The Century Shares issued pursuant to the Share/Cash Option will be issued in increments in accordance with the following schedule and, once issued, such shares will not be permitted to be alienated or otherwise transferred before the expiry of four months following the date of their issuance:

<u>Issue Date</u>	<u>Percentage of Total Century Shares Issued</u>
Closing Date	15%
4 months after Closing Date	10%
8 months after Closing Date	15%
12 months after Closing Date	15%
16 months after Closing Date	15%
20 months after Closing Date	15%
24 months after Closing Date	15%

1.13.5 At the time of any required issuance of Century Shares in accordance with the Share/Cash Option, Century has the right to decide not to issue Century Shares to the Unsecured Creditors or the Trustee and to instead pay to each Unsecured Creditor and to the Trustee a cash payment equal to the product of (A) the number of Century Shares which such Unsecured Creditor or the Trustee would have otherwise received multiplied by (B) the Market Price of such Century Shares.

1.13.6 By letter dated June 28, 2004, the TSX-V has conditionally accepted the listing of the Century Shares contemplated to be issued pursuant to the Share/Cash Option.

1.14 According to the SL Proposal, the information currently known by SL regarding the Unsecured Creditors is as follows:

<u>Geographic Location</u>	<u>Number of Unsecured Creditors</u>	<u>Amount of Claim</u>
Quebec	199	\$28,358,350
Ontario	30	\$668,263
Manitoba	2	\$1,979
British Columbia	1	\$37,392
New Jersey (U.S.A.)	2	\$32,281
Unknown	4	
TOTAL	238	\$29,098,265

1.15 The information contained in paragraph 1.14 above reflects the information currently known to SL and is subject to modification as further information becomes known in the future.

AND WHEREAS under the System 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:

(a) that the issuance of any Century Shares by Century to the Unsecured Creditors and the Trustee pursuant to the SL Proposal (hereinafter referred to as the "Trades") shall not be subject to the registration and prospectus requirements of the Legislation; and

(b) that the first trade (alienation) of Century Shares issued under the SL Proposal shall be a distribution (or a primary distribution to the public, as the case may be) under the applicable Legislation unless:

(i) Century is and has been a reporting issuer in Quebec for the four months immediately preceding the trade;

(ii) No unusual effort is made to prepare the market or to create a demand for the security that is subject of the trade;

(iii) No extraordinary commission or consideration is paid to a person or company in respect of the trade;

(iv) If the selling security holder is an insider or officer of Century, the selling security holder has no reasonable grounds to believe that Century is in default of securities legislation.

DATED this 1 day of September, 2004.

" Josee Deslauriers "

Directrice du marche des capitaux