

ORD. # 2004/15
REC. #1081888
FILE # B08268

ALBERTA SECURITIES COMMISSION

IN THE MATTER OF the *Securities Act*,

R.S.A. 2000, c. S-4 ("Act")

- and -

IN THE MATTER OF
Sierra Leone Diamond Company Limited
(formerly Africa Diamond Holdings Ltd.)

ORDER

(Subsection 151(c) and Subsection 214(1))

1. WHEREAS Sierra Leone Diamond Company Limited (the "Company") has made an application to the Alberta Securities Commission (the "Commission") for an order:
 - 1.1 pursuant to subsection 151(c) of the Act to exempt the Company from the requirement to file certain interim financial statements with the Executive Director as required under section 148 of the Act and to send those financial statements to its security holders as required by section 150 of the Act; and
 - 1.2 pursuant to subsection 214(1) of the Act to revoke the cease trade order issued by the Commission on October 13, 2000 (the "Cease Trade Order");
2. AND WHEREAS the Company has represented to the Commission that:
 - 2.1 the Company was incorporated under the *Business Corporations Act* (Alberta) as "Choice Foods Corporation" on March 25, 1986, which name was subsequently changed to "White Swan Resources Inc." on January 20, 1995 to "Africa Diamond Holdings Ltd." on January 18, 1999, and to Sierra Leone Diamond Company Limited on January 6, 2004.
 - 2.2 the Company is a reporting issuer in Alberta, British Columbia and Saskatchewan;

- 2.3 the Company is authorized to issue an unlimited number of common shares (the "Common Shares"), of which 21,833,245 Common Shares are issued and outstanding, an unlimited number of first preferred shares, issuable in series (the "First Preferred Shares"), of which no First Preferred Shares are issued and outstanding, and an unlimited number of second preferred shares, issuable in series (the "Second Preferred Shares"), of which no Second Preferred Shares are issued and outstanding;
- 2.4 the Common Shares were listed on The Alberta Stock Exchange but such shares were delisted as a result of a cease trade order issued by the Commission on November 6, 1997. The Company intends to apply to the TSX Venture Exchange to have the Common Shares listed and posted for trading on the Exchange;
- 2.5 the Cease Trade Order was issued as a result of the Company's failure to file and deliver its annual audited financial statements for the year ended April 30, 2000 and first quarter interim unaudited financial statements for the period ended July 31, 2000 (the "Financial Statements");
- 2.6 the Company was unable to file the Financial Statements as a result of civil unrest in Sierra Leone in 2000;
- 2.7 due to continued civil unrest in Sierra Leone, the Company subsequently failed to file in a timely manner its interim unaudited financial statements for the periods ended July 31, October 31, and January 31 for each of 2000 and 2001 and July 31 and October 31 for 2002 and its annual audited financial statements for the years ended April 30, 2001 and April 30, 2002 (collectively, the "Subsequent Financial Statements");
- 2.8 the Financial Statements and Subsequent Financial Statements, with the exception of the interim unaudited financial statements for the periods ended July 31, October 31 and January 31 for each of the 2000 and 2001 fiscal years (collectively, the "Interim Unaudited Financial Statements"), were filed on SEDAR on January 23, 2003;
- 2.9 the Company is subject to a cease trade order of the British Columbia Securities Commission (the "BCSC") dated November 7, 1997 and was subject to a cease trade order of the Saskatchewan Securities Commission (the "SSC") dated February 20, 2002. The cease trade order of the SSC was subsequently revoked in August of 2003;
- 2.10 the Company has applied to the BCSC for a revocation of the BCSC cease trade order;
- 2.11 except for filing the Interim Unaudited Financial Statements, the Company is now up-to-date in meeting its continuous disclosure obligations, has paid all outstanding filing fees associated therewith, and is no longer in default of any requirements of the Act or any of the regulations made under the Act;

- 2.12 the Company is engaged in the business of exploring for and, ultimately, producing diamonds from its properties located in Sierra Leone;
 - 2.13 the Company’s Sierra Leone interests are comprised of 12 mineral licenses covering an area of approximately 14,600 square kilometers;
 - 2.14 the Company is reactivating its operations in Sierra Leone and has moved its head office to Bermuda. The Company has been continued under the companies law of Bermuda;
 - 2.15 in order to finance the reactivation of its operations the Company has completed two private placements outside of Canada for gross proceeds of \$7,450,000;
 - 2.16 detailed information regarding the Company’s mineral licenses can be found in an independent engineering report entitled *Geological Report on the Sierra Leone Diamond Exploration Properties: Yengema-Koidu and Sewa River Areas and Northeastern Sierra Leone for Africa Diamond Holdings Ltd.* dated February 5, 2003 (the "Engineering Report") prepared by Bruce T. Evans, P. Geol.;
 - 2.17 a summary of the Engineering Report has been filed on SEDAR;
- 3. AND WHEREAS the Commission is satisfied that to do so would not be prejudicial to the public interest;
 - 4. IT IS HEREBY ORDERED pursuant to subsection 151(c) of the Act that the Company is hereby exempted from the requirements of section 148 of the Act to file first, second and third quarter interim unaudited financial statements for the periods ended July 31, 2000 and July 31, 2001, October 31, 2000 and October 31, 2001, January 31, 2000 and January 31, 2001, respectively, and from sending those financial statements to its security holders as required by section 150 of the Act; and
 - 5. IT IS HEREBY ORDERED under subsection 214(1) of the Act that the Cease Trade Order be revoked.

DATED at the City of Calgary)	
)	
in the Province of Alberta)	<u>“original signed by”</u>
)	Glenda A. Campbell, Q.C., Vice-Chair
this 23 rd day of April, 2004.)	
)	
)	<u>“original signed by”</u>
)	David W. Betts, CFA, Member
)	