

BRASCAN CORP/
Form SC13E4F
October 05, 2005

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SCHEDULE 13E-4F

Tender Offer Statement Pursuant to Section 13(e)(1) of the
Securities Exchange Act of 1934 and Rule 13e-4 Thereunder

SECURITIES AND EXCHANGE COMMISSION WASHINGTON, DC 20549

Issuer Tender Offer Statement Pursuant to Section 13(e)(1)
of the Securities Exchange Act of 1934

Brascan Corporation

(Exact Name of Issuer as Specified in Its Charter)

Ontario

(Jurisdiction of Issuer's Incorporation or Organization)

Brascan Corporation

(Name(s) of Person(s) Filing Statement)

Class A Limited Voting Shares

(Title of Class of Securities)

10549P 60 6

(CUSIP Number of Class of Securities (if applicable))

Brascan Corporation

BCE Place, Suite 300

181 Bay Street, P.O. Box 762

Toronto, Ontario, Canada M5J 2T3

*(Name, Address and Telephone Number of Person Authorized to Receive Notices
and Communications on Behalf of the Person(s) Filing Statement)*

October 5, 2005

(Date Tender Offer First Published, Sent or Given to Security Holders)

CALCULATION OF FILING FEE

Transaction Valuation	Amount of Filing Fee
US \$49,892,523 (1)	US \$5,872.35 (1)

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(1)

The fee has been calculated pursuant to the instructions for Schedule 13E-4F as prescribed by Section 13(e)(3) of the Securities Exchange Act of 1934, as amended, based upon the value of the estimated 91.2 million Class A limited voting shares of Brascan Corporation held by United States residents and that may be tendered to the offer at US\$41 per share.

Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

Amount Previously Paid:

Registration No.:

Filing Party:

Form/Schedule:

Date Filed:

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PART I

**INFORMATION REQUIRED TO BE
SENT TO SHAREHOLDERS**

Item 1. Home Jurisdiction Documents

Document 1: Offer to Purchase and Circular dated October 2, 2005
Document 2: Letter of Transmittal
Document 3: Notice of Guaranteed Delivery

Item 2. Informational Legends

See the cover of the Tender Offer Circular

**OFFER
BY
BRASCAN CORPORATION**

**TO PURCHASE FOR CASH
UP TO 12.2 MILLION OF ITS CLASS A LIMITED VOTING SHARES FOR U.S. \$41.00 PER SHARE**

This offer (the "Offer") provides the shareholders of Brascan Corporation ("Brascan" or the "Company") with the opportunity to deposit Class A Limited Voting shares (the "Class A Limited Voting Shares") of Brascan for purchase by Brascan for U.S. \$41.00 per share (the "Purchase Price"), upon the terms and subject to the conditions set forth in the Offer. **The Offer expires at 5:00 p.m., Toronto time, on November 9, 2005 unless extended (the "Expiration Date").**

Each shareholder who has properly deposited Class A Limited Voting Shares pursuant to the Offer and who has not withdrawn Class A Limited Voting Shares will receive the Purchase Price, payable in cash (subject to applicable withholding taxes), for all Class A Limited Voting Shares purchased upon the terms and subject to the conditions of the Offer including the provisions relating to proration described herein. Class A Limited Voting Shares not purchased because of proration will not be purchased in the Offer and will be returned to the tendering shareholder at Brascan's expense as promptly as practicable after the expiration of the Offer.

If the number of Class A Limited Voting Shares properly deposited by the Expiration Date pursuant to the Offer is greater than 12.2 million Class A Limited Voting Shares (an "Over-Subscription"), Brascan will, upon the terms and subject to the conditions of the Offer, purchase at the Purchase Price 12.2 million Class A Limited Voting Shares so deposited on a *pro rata* basis. In order to minimize "Odd Lot" remainders for shareholders who own, beneficially or of record, fewer than 100 Class A Limited Voting Shares, and who tender all such Class A Limited Voting Shares pursuant to the Offer, Brascan will purchase all such Class A Limited Voting Shares without subjecting them to proration, provided such shareholders check Box A, "Odd Lots" in the accompanying Letter of Transmittal and, if applicable, the Notice of Guaranteed Delivery. See Section 1 of the Offer, "Number of Shares; Proration".

No person owns more than 10% of the Class A Limited Voting Shares other than Partners Limited ("Partners") and its shareholders, who collectively own, directly or indirectly, or exercise control or direction over, or have options and warrants to acquire, approximately 45 million Class A Limited Voting Shares as of the date hereof, representing approximately 17% of the issued and outstanding Class A Limited Voting Shares on a fully diluted basis. These shareholdings include approximately 17.4 million Class A Limited Voting Shares held through BNN Investments Ltd. ("BNN Investments"), a public company listed on the Toronto Stock Exchange. Partners, together with 14 of its shareholders, owns approximately 85% of BNN Investments. Partners also owns 85,120 Class B Limited Voting Shares of the Company (the "Class B Limited Voting Shares"), representing 100% of the issued and outstanding Class B Limited Voting Shares. Partners and BNN Investments have advised the Company that they will not tender any of their Class A Limited Voting Shares to the Offer. In the event Brascan takes up and purchases 12.2 million Class A Limited Voting Shares pursuant to the Offer, Partners and its shareholders will own approximately 17% of the issued and outstanding Class A Limited Voting Shares.

On September 14, 2005, the last full trading day prior to the announcement of the Offer, the closing prices per Class A Limited Voting Share on the Toronto Stock Exchange (the "TSX") and on the New York Stock Exchange (the "NYSE") were Cdn. \$49.13 and U.S. \$41.50, respectively. The average closing prices per Class A Limited Voting Share on the TSX and on the NYSE over the 20 trading days preceding the announcement of the Offer were Cdn. \$47.51 and U.S. \$39.89, respectively.

Brascan reserves the right to withdraw the Offer and not take up and pay for any Class A Limited Voting Shares deposited under the Offer unless certain conditions are satisfied. See Section 5 of the Offer, "Conditions of the Offer".

Neither Brascan nor its Board of Directors makes any recommendation to any shareholder as to whether to deposit or refrain from depositing Class A Limited Voting Shares. Each shareholder must make the decision whether to deposit Class A Limited Voting Shares under the Offer. Brascan believes that the Class A Limited Voting Shares have been trading in price ranges which do not fully reflect the value of the company's business and future prospects. **Shareholders are urged to consult their own investment and tax advisors and make their own decisions whether to deposit Class A Limited Voting Shares to the Offer and, if so, how many Class A Limited Voting Shares to deposit.**

Shareholders should carefully consider the income tax consequences of accepting the Offer. See Section 8 of the Circular, "Income Tax Consequences".

Any shareholder who wishes to deposit all or any portion of his or her Class A Limited Voting Shares under the Offer should complete and sign the Letter of Transmittal (or a manually executed photocopy thereof) in accordance with the instructions in such Letter of Transmittal and deliver it and all other required documents to CIBC Mellon Trust Company, as Depositary (the "Depositary"), and deliver the share certificates for such Class A Limited Voting Shares to the Depositary set forth in the Offer under "Procedure for Depositing Shares", or request his or her broker, dealer, commercial bank, trust company or other nominee to effect the transaction for him or her. Any shareholder whose Class A Limited Voting Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee should contact such person or institution if the shareholder wishes to deposit such Class A Limited Voting Shares. Any shareholder who wishes to deposit Class A Limited Voting Shares and whose certificates for such Class A Limited Voting Shares are not immediately available must deposit such Class A Limited Voting Shares by following the procedures for guaranteed delivery set forth in Section 3 of the Offer, "Procedure for Depositing Shares".

All references to "U.S. \$" in this Offer and Circular refer to U.S. dollars and all references to "Cdn. \$" refer to Canadian dollars.

INFORMATION FOR UNITED STATES SHAREHOLDERS ONLY

This Offer is made by Brascan, a Canadian issuer, for its own securities, and while the Offer is subject to the disclosure requirements of the province of Ontario and the other provinces of Canada, U.S. shareholders should be aware that these disclosure requirements are different from those of the United States. Financial statements incorporated by reference herein have been prepared in accordance with Canadian generally accepted accounting principles, and are subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies. The enforcement by investors of civil liabilities under U.S. federal securities laws may be adversely affected by the fact that the Company is incorporated under the provincial laws of Ontario and that in most cases its directors and officers are residents of countries other than the United States. Enforcement of civil liabilities under U.S. securities laws may further be adversely affected by the fact that some or all of the experts named in the Offer may be residents of Canada.

U.S. shareholders should be aware that the acceptance of the Offer will have certain tax consequences under United States and Canadian law. See Section 8 of the Circular, "Income Tax Consequences". Brascan has filed with the Securities and Exchange Commission (the "SEC") an Issuer Tender Offer Statement on Schedule 13E-4F with respect to the Offer, pursuant to Section 13(e)(1) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 13e-4(g) promulgated thereunder. See Section 1 of the Circular, "Certain Information Concerning Brascan".

October 2, 2005

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, Brascan may, in its sole judgment, take such action as it may deem necessary to extend the Offer to shareholders in such jurisdiction.

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SUMMARY

This summary is qualified in its entirety by reference to the full text and more specific details in this Offer.

Number of Shares to be Purchased	Up to 12.2 million. See Section 1 of the Offer, "Number of Shares; Proration".
Purchase Price	U.S. \$41.00.
Proration and Odd Lots	If the number of Class A Limited Voting Shares properly deposited by the Expiration Date pursuant to the Offer is greater than 12.2 million Class A Limited Voting Shares (an "Over-Subscription"), Brascan will, upon the terms and subject to the conditions of the Offer, purchase at the Purchase Price up to 12.2 million Class A Limited Voting Shares so deposited on a pro rata basis. Multiple tenders by the same shareholder will be aggregated for this purpose. In order to minimize "Odd Lot" remainders for shareholders who own, beneficially or of record, fewer than 100 Class A Limited Voting Shares, and who tender all such Class A Limited Voting Shares, Brascan will purchase all such Class A Limited Voting Shares without subjecting them to proration, provided such shareholders check Box A, "Odd Lots" in the accompanying Letter of Transmittal and, if applicable, the Notice of Guaranteed Delivery. See Section 1 of the Offer, "Number of Shares; Proration".
Directors, Major Shareholders and Officers	<p>No person owns more than 10% of the Class A Limited Voting Shares other than Partners and its shareholders, who collectively own, directly or indirectly, or exercise control or direction over, or have options and warrants to acquire, approximately 45 million Class A Limited Voting Shares as of the date hereof, representing approximately 17% of the issued and outstanding Class A Limited Voting Shares on a fully diluted basis. These shareholdings include approximately 17.4 million Class A Limited Voting Shares held through BNN Investments Ltd., a public company listed on the Toronto Stock Exchange. Partners, together with 14 of its shareholders, owns approximately 85% of BNN Investments. Partners also owns 85,120 Class B Limited Voting Shares, representing 100% of the issued and outstanding Class B Limited Voting Shares. Partners and BNN Investments have advised the Company that they will not tender any of their Class A Limited Voting Shares to the Offer. In the event Brascan takes up and purchases 12.2 million Class A Limited Voting Shares pursuant to the Offer, Partners and its shareholders will own approximately 17% of the issued and outstanding Class A Limited Voting Shares.</p> <p>To the knowledge of Brascan, after reasonable enquiry, no directors or officers of the Company, or their associates, will be depositing Class A Limited Voting Shares pursuant to the Offer. See Section 5 of the Circular, "Interest of Directors and Officers; Transactions and Arrangements Concerning the Offer - Acceptance of the Offer".</p>
Brokerage Commissions	None.
Conditions of the Offer	Brascan reserves the right to withdraw the Offer and not take up and pay for Class A Limited Voting Shares deposited under the Offer unless the conditions described under Section 5 in the Offer are satisfied or waived.
Expiration Date	November 9, 2005 at 5:00 p.m., Toronto time, or such later date and time to which the Offer may be extended by Brascan (the "Expiration Date").
Payment Date	Brascan will take up and pay for Class A Limited Voting Shares as soon as practicable after the Expiration Date, and in any event within 10 days after the Expiration Date.

Currency of Payment

The Purchase Price will be denominated in U.S. dollars. Registered shareholders who are resident in Canada will receive the Canadian dollar equivalent of the Purchase Price, unless they elect, in Box B, "Choice of Currency" in the accompanying Letter of Transmittal, to receive the Purchase Price in U.S. dollars. Registered shareholders who are not resident in Canada will receive the Purchase Price in U.S. dollars unless they elect, in Box B, "Choice of Currency" in the Letter of Transmittal, to receive the Purchase Price in Canadian dollars. The Canadian dollar equivalent of the Purchase Price will be calculated using the exchange rate for one U.S. dollar expressed in Canadian dollars based upon the noon buying rate provided by the Bank of Canada on the date on which the Class A Voting Shares are taken up.

Position of Brascan and Its Directors

Neither Brascan nor its Board of Directors make any recommendation to any shareholder as to whether to deposit or refrain from depositing Class A Limited Voting Shares. Brascan and its Board of Directors believe that the Class A Limited Voting Shares have been trading in price ranges that do not fully reflect the value of the Company's business and future prospects. Shareholders are urged to consult **their own investment and tax advisors and make their own decision whether to deposit Class A Limited Voting Shares to the Offer and, if so, how many Class A Limited Voting Shares to deposit.**

Withdrawal Rights

Deposited Class A Limited Voting Shares may be withdrawn at any time until the Class A Limited Voting Shares have been taken up by Brascan. Once the Class A Limited Voting Shares have been taken up by Brascan, deposited Class A Limited Voting Shares may be withdrawn if they are not paid for within three business days of having been taken up. See Section 4 of the Offer, "Withdrawal Rights".

Where (i) there is a variation in the terms of the Offer before the Expiration Date or (ii) a change occurs in the information contained in the Offer or Circular (as amended from time to time), either before the Expiration Date or after the Expiration Date but before the expiry of all rights of withdrawal in respect of the Offer, that would reasonably be expected to affect the decision of a shareholder to accept or reject the Offer, any Class A Limited Voting Shares deposited under the Offer but not yet taken up by Brascan may be withdrawn by or on behalf of the depositing shareholder at any time before the expiration of 10 days from the date of mailing or other communication of the notice of such respective variation or change.

Tax

Shareholders should carefully consider the income tax consequences of accepting the Offer. See Section 8 of the Circular, "Income Tax Consequences".

Further Information Regarding the Offer

Contact the Depository or consult your broker. The addresses and telephone number of the Depository are set out in the Letter of Transmittal.

No person has been authorized to make any recommendation on behalf of Brascan as to whether shareholders should deposit or refrain from depositing shares pursuant to the offer. No person has been authorized to give any information or to make any representations in connection with the offer other than as set forth in this Offer or in the letter of transmittal. If given or made, any such recommendation or any such information or representation must not be relied upon as having been authorized by Brascan.

DEFINITIONS

In the Offer and the Circular, unless the subject matter or context is inconsistent therewith, the following terms have the meanings set forth below:

"BNN Investments" means BNN Investments Ltd.;

"Brascan" or the **"Company"** means Brascan Corporation;

"Board of Directors" means the board of directors of Brascan;

"CDS" means the Canadian Depository for Securities Limited;

"Circular" means the offering circular accompanying the Offer;

"Class A Limited Voting Shares" means the Class A Limited Voting shares of Brascan;

"Class A Preference Shares" means the Class A Preference shares of Brascan;

"Class AA Preference Shares" means the Class AA Preference shares of Brascan;

"Class B Limited Voting Shares" means the Class B Limited Voting shares of Brascan;

"Depository" means CIBC Mellon Trust Company;

"Deposited Class A Limited Voting Shares" means Class A Limited Voting Shares validly deposited pursuant to the Offer;

"Eligible Institution" means a Canadian Schedule I chartered bank, a major trust company in Canada, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada and/or the United States, members of the Investment Dealers Association of Canada, or members of the National Association of Securities Dealers;

"Exchange Act" means the Securities Exchange Act of 1934, as amended;

"Expiration Date" means 5:00 p.m., Toronto time, on November 9, 2005, unless Brascan, in its sole discretion, shall have extended the period during which the Offer is open, in which event the term "Expiration Date" shall refer to the latest time and date at which the Offer, as so extended by Brascan, shall expire;

"Falconbridge" means Falconbridge Limited (formerly Noranda Inc.);

"Letter of Transmittal" means the letter of transmittal on blue paper in the form accompanying the Offer;

"Non-Canadian Holder" has the meaning ascribed thereto in Section 8 of the Circular, "Income Tax Consequences";

"Notice of Guaranteed Delivery" means the notice of guaranteed delivery on green paper in the form accompanying the Offer;

"NYSE" means the New York Stock Exchange;

"Odd Lot" means the number of Class A Limited Voting Shares held by or on behalf of a shareholder that is less than a whole number of board lots, determined on an aggregate basis for each shareholder; in the case of Brascan, a board lot is equal to 100 Class A Limited Voting Shares;

"Offer" means the offer by Brascan to purchase for cash up to 12.2 million Class A Limited Voting Shares;

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"Over-Subscription" means the proper deposit of greater than 12.2 million Class A Limited Voting Shares to the Offer on or prior to the Expiration Date, which Class A Limited Voting Shares are not withdrawn in accordance with Section 4 of the Offer, "Withdrawal Rights";

"Partners" means Partners Limited;

"Post-Offer Odd Lot Purchase" has the meaning ascribed thereto in Section 1 of the Offer, "Number of Shares; Proration";

"Purchase Price" means U.S. \$41.00;

"SEC" means the Securities and Exchange Commission;

"Tax Act" means the Income Tax Act (Canada);

"TD Securities" means TD Securities Inc.;

"Trading Day" means any trading day on which trading occurs on the TSX;

"TSX" means the Toronto Stock Exchange; and

"VN" means the TSX Venture Exchange.

OFFER TO PURCHASE

To the Holders of Class A Limited Voting Shares of Brascan Corporation

This offer (the "Offer") provides shareholders of Brascan Corporation ("Brascan" or the "Company") with the opportunity to deposit Class A Limited Voting shares (the "Class A Limited Voting Shares") of Brascan for purchase by Brascan for U.S. \$41.00 per share (the "Purchase Price"), upon the terms and subject to the conditions set forth in this Offer and the Letter of Transmittal.

THE OFFER IS NOT CONDITIONAL UPON ANY MINIMUM NUMBER OF SHARES BEING DEPOSITED. THE OFFER IS, HOWEVER, SUBJECT TO CERTAIN OTHER CONDITIONS. SEE SECTION 5 OF THE OFFER, "CONDITIONS OF THE OFFER".

All shareholders who have properly deposited and not withdrawn their Class A Limited Voting Shares pursuant to the Offer will receive the Purchase Price, net to the shareholder in cash (but subject to applicable withholding taxes), for all Class A Limited Voting Shares purchased upon the terms and subject to the conditions of the Offer, including the provisions relating to proration described herein.

If, prior to the Expiration Date, more than 12.2 million Class A Limited Voting Shares are properly deposited to the Offer and not withdrawn (an "Over-Subscription"), Brascan will purchase at the Purchase Price on a pro rata basis, 12.2 million Class A Limited Voting Shares from shareholders who properly deposit their Class A Limited Voting Shares (with adjustments to avoid the purchase of fractional shares). In order to minimize "Odd Lot" remainders for shareholders who own, beneficially or of record, fewer than 100 Class A Limited Voting Shares, and who tender all such Class A Limited Voting Shares, Brascan will purchase all such Class A Limited Voting Shares without subjecting them to proration. See Section 1 of the Offer, "Number of Shares; Proration". Brascan will return all Class A Limited Voting Shares not purchased under the Offer, including Class A Limited Voting Shares not purchased because of proration. Depositing shareholders will not be obligated to pay brokerage fees or commissions on the purchase of Class A Limited Voting Shares by Brascan pursuant to the Offer.

Neither Brascan nor its Board of Directors makes any recommendation to any shareholder as to whether to deposit or refrain from depositing Class A Limited Voting Shares. Brascan believes that the Class A Limited Voting Shares have been trading in price ranges which do not fully reflect the value of the Company's business and future prospects. **Shareholders are urged to consult their own investment and tax advisors and make their own decisions whether to deposit Class A Limited Voting Shares to the Offer and, if so, how many Class A Limited Voting Shares to deposit.**

The accompanying Circular and Letter of Transmittal contain important information and should be read carefully before making a decision with respect to the Offer.

1. NUMBER OF SHARES; PRORATION

Upon the terms and subject to the conditions of the Offer, Brascan will accept for payment and purchase at the Purchase Price up to 12.2 million Class A Limited Voting Shares, or such lesser number of Class A Limited Voting Shares as are properly deposited at or prior to the Expiration Date (and not withdrawn in accordance with Section 4 of the Offer, "Withdrawal Rights"), pursuant to the Offer. Any Class A Limited Voting Shares purchased pursuant to the Offer will be cancelled.

If the number of Class A Limited Voting Shares properly deposited by the Expiration Date (and not withdrawn in accordance with Section 4 of the Offer, "Withdrawal Rights") pursuant to the Offer is less than or equal to 12.2 million Class A Limited Voting Shares, Brascan will, upon the terms and subject to the conditions of the Offer, purchase at the Purchase Price all Class A Limited Voting Shares deposited.

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If the number of Class A Limited Voting Shares properly deposited by the Expiration Date (and not withdrawn in accordance with Section 4 of the Offer, "Withdrawal Rights") pursuant to the Offer is greater than 12.2 million Class A Limited Voting Shares, Brascan will, upon the terms and subject to the conditions of the Offer, purchase at the Purchase Price 12.2 million Class A Limited Voting Shares so deposited on a pro rata basis (with adjustments to avoid the purchase of fractional shares). Brascan's determination as to proration shall be final and binding on all parties. In addition, in order to minimize "Odd Lot" remainders for shareholders who own, beneficially or of record, fewer than 100 Class A Limited Voting Shares, and who tender all such Class A Limited Voting Shares to the Offer, Brascan will purchase all such Class A Limited Voting Shares without subjecting them to proration (the "Post-Offer Odd Lot Purchase"), provided such shareholders check Box A, "Odd Lots" in the accompanying Letter of Transmittal and, if applicable, the Notice of Guaranteed Delivery. Promptly after it has made its determination as to proration, Brascan will determine the number of Class A Limited Voting Shares to be purchased under the Post-Offer Odd Lot Purchase and will, upon the terms and subject to the conditions of the Offer, purchase such Class A Limited Voting Shares concurrently with the 12.2 million Class A Limited Voting Shares to be purchased by Brascan pursuant to the Offer.

In order to qualify for the Post-Offer Odd Lot Purchase, a shareholder must own, beneficially or of record, fewer than 100 Class A Limited Voting Shares (including Class A Limited Voting Shares held by the shareholder under separate certificates or in different accounts), must properly tender all such Class A Limited Voting Shares pursuant to the Offer and must check Box A, "Odd Lots" in the accompanying Letter of Transmittal and, if applicable, the Notice of Guaranteed Delivery.

2. PURCHASE PRICE

All shareholders who have properly deposited Class A Limited Voting Shares pursuant to the Offer and not withdrawn their Class A Limited Voting Shares will receive the Purchase Price, net to the shareholder in cash (but subject to applicable withholding taxes), for all Class A Limited Voting Shares purchased. Brascan will take up and pay for such Class A Limited Voting Shares as promptly as practicable, and in any event within 10 days after the Expiration Date. Brascan will pay for such Class A Limited Voting Shares within three business days after taking them up.

Registered shareholders who are resident in Canada will receive the Canadian dollar equivalent of the Purchase Price, unless they elect, in Box B, "Choice of Currency" in the Letter of Transmittal, to receive the Purchase Price in U.S. dollars. Registered shareholders who are not resident in Canada will receive the Purchase Price in U.S. dollars unless they elect, in Box B, "Choice of Currency" in the Letter of Transmittal, to receive the Purchase Price in Canadian dollars. The Canadian dollar equivalent of the Purchase Price will be calculated using an exchange rate for one U.S. dollar expressed in Canadian dollars based upon the noon buying rate provided by the Bank of Canada on the business day immediately preceding the payment date.

3. PROCEDURE FOR DEPOSITING SHARES

Proper Deposit of Shares. To deposit Class A Limited Voting Shares pursuant to the Offer, (i) a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) with any required signature guarantees and any other documents required by the Letter of Transmittal must be received by the CIBC Mellon Trust Company, as depositary (the "Depositary") at one of its addresses set forth on the back cover of this Offer, by the Expiration Date, or (ii) the guaranteed delivery procedure described below must be followed.

Participants of the Canadian Depositary for Securities Limited in Canada ("CDS") should contact such depositary with respect to the deposit of their Class A Limited Voting Shares under the Offer. CDS will be issuing instructions to its participants as to the method of depositing such Class A Limited Voting Shares under the terms of the Offer.

Odd Lot holders who deposit all their Class A Limited Voting Shares must complete Box A, "Odd Lots" in the Letter of Transmittal and, if applicable, the Notice of Guaranteed Delivery in order to qualify for the preferential treatment available to Odd Lot holders as set forth in Section 1 of the Offer, "Number of Shares; Proration".

Signature Guarantees. No signature guarantee is required on the Letter of Transmittal if (i) the Letter of Transmittal is signed by the registered holder of the Class A Limited Voting Shares exactly as the name of the registered holder appears on the certificate deposited therewith, and payment is to be made directly to such registered holder, or (ii) Class A Limited Voting Shares are deposited for the account of an Eligible Institution. In all other cases, all signatures on the Letter of Transmittal must be guaranteed by an Eligible Institution. See Instruction 1 of the Letter of Transmittal. If a certificate representing Class A Limited Voting Shares is registered in the name of a person other than the signer of a Letter of Transmittal, or if payment is to be made, or certificates representing Class A Limited Voting Shares not purchased or deposited are to be issued to a person other than the registered owner, the certificate must be endorsed or accompanied by an appropriate stock power, in either case, signed exactly as the name of the registered owner appears on the certificate with the signature on the certificate or stock power guaranteed by an Eligible Institution.

A shareholder who wishes to deposit Class A Limited Voting Shares under the Offer and whose certificate is registered in the name of a broker, dealer, commercial bank, trust company or other nominee should immediately contact such nominee in order to take the necessary steps to be able to deposit such Class A Limited Voting Shares under the Offer.

Method of Delivery. The method of delivery of Class A Limited Voting Shares and all other required documents is at the option and risk of the depositing shareholder. If certificates for Class A Limited Voting Shares are to be sent by mail, registered mail with return receipt requested, properly insured, is recommended and it is suggested that the mailing be made sufficiently in advance of the Expiration Date to permit delivery to the Depository on or prior to such date. Delivery will only be made upon actual receipt of such Class A Limited Voting Shares by the Depository.

Guaranteed Delivery. If a shareholder wishes to deposit Class A Limited Voting Shares pursuant to the Offer and cannot deliver certificates for such Class A Limited Voting Shares or time will not permit all required documents to reach the Depository by the Expiration Date, such Class A Limited Voting Shares may nevertheless be deposited if all of the following conditions are met:

- (a) such deposit is made by or through an Eligible Institution;
- (b) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by Brascan (on green paper) is received by the Depository at its Toronto office as set out in the Notice of Guaranteed Delivery by the Expiration Date; and
- (c) the certificates for all deposited Class A Limited Voting Shares in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) relating to such Class A Limited Voting Shares, with signatures guaranteed if so required in accordance with the Letter of Transmittal, and any other documents required by the Letter of Transmittal, are received by the Depository at its Toronto office as set out in the Notice of Guaranteed Delivery before 4:30 p.m., Toronto time, on or before the third Trading Day after the Expiration Date.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by facsimile transmission or mail to the Toronto office of the Depository and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery.

Notwithstanding any other provision hereof, payment for Class A Limited Voting Shares deposited and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depository of certificates for such Class A Limited Voting Shares, a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) relating to such Class A Limited Voting Shares, with signatures guaranteed if so required, and any other documents required by the Letter of Transmittal.

Determination of Validity. All questions as to the number of Class A Limited Voting Shares to be accepted, the price to be paid therefor, the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any deposit of Class A Limited Voting Shares will be determined by Brascan, in its sole discretion, which determination shall be final and binding on all parties. Brascan reserves the absolute right to reject any or all deposits of Class A Limited Voting Shares determined by it not to be in proper form or the acceptance for payment of or payment for which may, in the opinion of Brascan's counsel, be unlawful. Brascan also reserves the absolute right to waive any of the conditions of the Offer or any defect or irregularity in any deposit of Class A Limited Voting Shares. No deposit of Class A Limited Voting Shares will be deemed to be properly made until all defects and irregularities have been cured or waived. None of Brascan, the Depository or any other person will be under any duty to give notification of any defect or irregularity in deposits or incur any liability for failure to give any such notice. Brascan's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the Notice of Guaranteed Delivery) will be final and binding.

Under no circumstances will interest be paid by Brascan or the Depository by reason of any delay in making payment to any person using the guaranteed delivery procedures, including without limitation any delay arising because the Class A Limited Voting Shares to be delivered pursuant to the guaranteed delivery procedures are not so delivered to the Depository, and therefore payment by the Depository on account of such Class A Limited Voting Shares is not made until after the date the payment for deposited Class A Limited Voting Shares accepted for payment pursuant to the Offer is made by Brascan.

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Formation of Agreement. The proper deposit of Class A Limited Voting Shares pursuant to any one of the procedures described above will constitute a binding agreement between the depositing shareholder and Brascan, effective as of the Expiration Date, upon the terms and subject to the conditions of the Offer.

4. WITHDRAWAL RIGHTS

Except as otherwise provided in this Section, deposits of Class A Limited Voting Shares pursuant to the Offer will be irrevocable. Class A Limited Voting Shares deposited pursuant to the Offer may be withdrawn at any time until the Class A Limited Voting Shares have been taken up by Brascan. Once the Class A Limited Voting Shares have been taken up by Brascan, deposited Class A Limited Voting Shares may be withdrawn if they are not paid for within three business days of having been taken up.

Unless otherwise required or permitted by applicable law, if (i) before the Expiration Date there is a variation in the terms of the Offer (including any extension of the period during which Class A Limited Voting Shares may be deposited under the Offer or any modification of any term or condition of the Offer, but excluding, unless otherwise required by applicable law, a variation which consists solely of an increase in the consideration offered pursuant to the Offer where the Expiration Date is not extended for a period of greater than 10 days or a variation which consists solely of a waiver of a condition of the Offer as listed in Section 5, "Conditions of the Offer"), or (ii) before the Expiration Date or after the Expiration Date but before the expiry of all rights of withdrawal in respect of the Offer, a change occurs in the information contained in the Offer or in the Circular (as amended from time to time) that would reasonably be expected to affect the decision of a shareholder to accept or reject the Offer, any Class A Limited Voting Shares deposited under the Offer but not yet taken up by Brascan may be withdrawn by or on behalf of the depositing shareholder at any time before the expiration of 10 days from the date of mailing or other communication of the notice of such respective variation or change.

For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be received in a timely manner by the Depository at the place of deposit of the relevant Class A Limited Voting Shares. Any such notice of withdrawal must be signed by or on behalf of the person who signed the Letter of Transmittal that accompanied the Class A Limited Voting Shares being withdrawn and must specify the name of the person who deposited the Class A Limited Voting Shares to be withdrawn, the name of the registered holder, if different from that of the person who deposited such Class A Limited Voting Shares, and the number of Class A Limited Voting Shares to be withdrawn. If the certificates have been delivered or otherwise identified to the Depository, then, prior to the release of such certificates, the depositing shareholder must submit the serial numbers shown on the particular certificates evidencing the Class A Limited Voting Shares to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an Eligible Institution, except in the case of Class A Limited Voting Shares deposited by an Eligible Institution. **A withdrawal of Class A Limited Voting Shares deposited pursuant to the Offer can only be accomplished in accordance with the foregoing procedure. The withdrawal shall take effect only upon actual receipt by the Depository of the properly completed and executed written notice.**

All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by Brascan, in its sole discretion, which determination shall be final and binding. None of Brascan, the Depository, or any other person shall be obligated to give any notice of any defects or irregularities in any notice of withdrawal and none of them shall incur any liability for failure to give any such notice.

Any Class A Limited Voting Shares properly withdrawn will thereafter be deemed not deposited for purposes of the Offer. However, withdrawn Class A Limited Voting Shares may be redeposited prior to the Expiration Date by again following any of the procedures described in Section 3, "Procedure for Depositing Shares".

If Brascan extends the period of time during which the Offer is open, is delayed in its purchase of Class A Limited Voting Shares or is unable to purchase Class A Limited Voting Shares pursuant to the Offer for any reason, then, without prejudice to Brascan's rights under the Offer, the Depository may, subject to applicable law, retain on behalf of Brascan all deposited Class A Limited Voting Shares, and such Class A Limited Voting Shares may not be withdrawn except to the extent depositing shareholders are entitled to withdrawal rights as described in this Section 4, "Withdrawal Rights".

5. CONDITIONS OF THE OFFER

Notwithstanding any other provision of the Offer, Brascan shall not be required to accept for purchase, purchase or pay for any Class A Limited Voting Shares deposited and may terminate or cancel the Offer or may postpone the payment for Class A Limited Voting Shares deposited if, at any time on or the date of this Offer and Circular and at or before the take up of any such Class A Limited Voting Shares, any of the following events shall have occurred (or shall have been determined by Brascan to have occurred) which, in Brascan's sole judgment in any such case and regardless of the circumstances, makes it inadvisable to proceed with the Offer or with such acceptance for purchase or payment:

- (a) there shall have been threatened, instituted or pending any action or proceeding by any government or governmental authority or regulatory or administrative agency in any jurisdiction, or by any other person in any jurisdiction, before any court or governmental authority or regulatory or administrative agency in any jurisdiction, (i) challenging or seeking to cease trade, make illegal, delay or otherwise directly or indirectly restrain or prohibit the making of the Offer, the acceptance for payment for some or all of the Class A Limited Voting Shares or otherwise directly or indirectly relating in any manner to or affecting the Offer, or (ii) that otherwise, in the sole judgment of Brascan, has or may have a material adverse effect on the Class A Limited Voting Shares or the business, income, assets, liabilities, condition (financial or otherwise), properties, operations, results of operations or prospects of Brascan or has impaired or may materially impair the contemplated benefits of the Offer to Brascan;
- (b) there shall have been any action or proceeding threatened, pending or taken or approval withheld or any statute, rule, regulation, stay, decree, judgment or order or injunction proposed, sought, enacted, enforced, promulgated, amended, issued or deemed applicable to the Offer or Brascan by any court, government or governmental authority or regulatory or administrative agency in any jurisdiction, that, in the sole judgment of Brascan, might, directly or indirectly, result in any of the consequences referred to in clauses (i) or (ii) of paragraph (a) above or would or might prohibit, prevent, restrict or delay consummation of or materially impair the contemplated benefits of the Offer to Brascan;
- (c) there shall have occurred (i) any general suspension of trading in, or limitation on prices for, securities on any securities exchange or in the over-the-counter market in Canada or the United States, (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in Canada or the United States (whether or not mandatory), (iii) the commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving Canada or the United States, (iv) any limitation by any governmental, regulatory or administrative authority or agency or any other event that, in the sole judgment of Brascan, might affect the extension of credit by banks or other lending institutions, (v) a reduction in the market price of the Class A Limited Voting Shares (determined as provided in section 183 of the Regulation under the Securities Act (Ontario)) to a price less than U.S. \$39.00 per share, (vi) any change in the general political, market, economic or financial conditions that has or may have a material adverse effect on Brascan's business, operations or prospects or the trading in, or value of, the Class A Limited Voting Shares, or (vii) any decline in any of the S&P/TSX Composite Total Return Index by an amount in excess of 10%, measured from the close of business on October 2, 2005;
- (d) any change shall have occurred (or any development shall have occurred involving any prospective change or changes) in the business, income, assets, liabilities, condition (financial or otherwise), properties, operations, results of operations or prospects of Brascan that, in the sole judgment of Brascan, have or may have material adverse significance with respect to Brascan taken as a whole;
- (e) Brascan shall have concluded that exemptions required under applicable securities legislation in Canada are not available to Brascan for the Offer and, if required under any such legislation, Brascan shall not have received such exemptions or waivers of the appropriate Canadian or U.S. securities regulatory authorities; and
- (f) any change shall have occurred or been proposed to the Tax Act that, in the opinion of Brascan, is detrimental to Brascan or a shareholder in respect of the Offer.

Any waiver of a condition or the withdrawal of the Offer shall be deemed to be effective on the date on which notice of such waiver or withdrawal is delivered or otherwise communicated to the Depository. Brascan, after giving notice to the Depository of any waiver of a condition or the withdrawal of the Offer, shall forthwith thereafter make a public announcement of such waiver or withdrawal and provide or cause to be provided notice of such waiver or withdrawal to the TSX, the NYSE and the Canadian and U.S. securities regulatory authorities. If the Offer is withdrawn, Brascan shall not be obligated to take up, accept for purchase or pay for any Class A Limited Voting Shares deposited under the Offer, and the Depository will return all certificates for deposited Class A Limited Voting Shares and Letters of Transmittal and any related documents to the parties by whom they were deposited.

The foregoing conditions are for the sole benefit of Brascan and may be asserted by Brascan in its sole discretion regardless of the circumstances (including any action or inaction by Brascan) giving rise to any such conditions, or may be waived by Brascan, in its sole discretion, in whole or in part at any time. The failure by Brascan at any time to exercise its rights under any of the foregoing conditions shall not be deemed a waiver of any such right, the waiver of any such right with respect to particular facts and circumstances shall not be deemed a waiver with respect to any other facts and circumstances, and each such right shall be deemed an ongoing right which may be asserted at any time or from time to time. Any determination by Brascan concerning the events described in this Section shall be final and binding on all parties.

6. ACCEPTANCE FOR PAYMENT AND PAYMENT FOR SHARES

Brascan will take up and pay for Class A Limited Voting Shares to be purchased pursuant to the Offer as soon as practicable after the Expiration Date, but in any event not later than 10 days after such time. Brascan will pay for such Class A Limited Voting Shares within three business days after taking up the Class A Limited Voting Shares.

Number of Shares. For purposes of the Offer, Brascan will be deemed to have accepted for payment, subject to proration, Class A Limited Voting Shares deposited and not withdrawn if, as and when Brascan gives oral (to be confirmed in writing) or written notice to the Depository of its acceptance of such Class A Limited Voting Shares for payment pursuant to the Offer.

Payment. Payment for Class A Limited Voting Shares accepted for purchase pursuant to the Offer will be made by depositing the aggregate Purchase Price for such Class A Limited Voting Shares with the Depository, which will act as agent for the depositing shareholders for the purpose of receiving payment from Brascan and transmitting such payment to the depositing shareholders. Under no circumstances will interest be paid by Brascan or the Depository to persons depositing Class A Limited Voting Shares by reason of any delay in paying for any Class A Limited Voting Shares or otherwise.

In the event of proration of Class A Limited Voting Shares deposited pursuant to the Offer, Brascan will determine the proration factor and pay for those deposited Class A Limited Voting Shares accepted for payment as soon as practicable after the Expiration Date. However, Brascan does not expect to be able to announce the final results of any such proration until approximately three Trading Days after the Expiration Date.

Certificates for all Class A Limited Voting Shares not purchased, including Class A Limited Voting Shares not purchased due to proration, will be returned as soon as practicable after the Expiration Date or termination of the Offer without expense to the depositing shareholder.

The Purchase Price for Class A Limited Voting Shares deposited and purchased will be paid by cheque issued to the order of, and certificate(s) representing Class A Limited Voting Shares not deposited or not purchased under the Offer will be issued to, the person signing the relevant Letter of Transmittal or to the order of such other person as identified by the person signing such Letter of Transmittal, by properly completing the box captioned "Special Payment Instructions" in such Letter of Transmittal. In the absence of an address being provided, cheques or certificates will be forwarded to the address of the person as shown on the register for the Class A Limited Voting Shares.

The Depository will forward cheques and certificates representing all Class A Limited Voting Shares not purchased by first-class mail to the person signing the relevant Letter of Transmittal or to such other person or such other address as identified by the person in such Letter of Transmittal (unless, in the case of a cheque, the person signing the Letter of Transmittal instructs the Depository to hold such cheque for pick-up) by properly completing the box captioned "Special Delivery Instructions" in such Letter of Transmittal. See Section 8 of the Offer, "Payment in the Event of Mail Service Interruption", in the event of real or possible mail service interruption.

Persons depositing Class A Limited Voting Shares will not be obligated to pay brokerage commissions.

7. EXTENSION AND VARIATION OF THE OFFER

Brascan expressly reserves the right, in its sole discretion, and regardless of whether or not any of the conditions specified under Section 5 of the Offer, "Conditions of the Offer", shall have occurred, at any time or from time to time, to extend the period of time during which the Offer is open or to vary the terms and conditions of the Offer by giving written or oral notice to be confirmed in writing of extension or variation to the Depositary and by causing the Depositary to provide, where required by law, as soon as practicable thereafter, a copy of the notice in the manner set forth under Section 10 of the Offer to all shareholders. Promptly after giving notice of an extension or variation to the Depositary, Brascan will make a public announcement of the extension or variation and provide or cause to be provided notice of such extension or variation to the TSX, the NYSE and the Canadian and U.S. securities regulatory authorities. Any notice of extension or variation will be deemed to have been given and be effective on the day on which it is delivered or otherwise communicated to the Depositary at its principal office in Toronto.

Where the terms of the Offer are varied, the period during which Class A Limited Voting Shares may be deposited pursuant to the Offer shall not expire before 10 days after the notice of variation has been given to holders of Class A Limited Voting Shares unless otherwise permitted by applicable law. During any such extension or in the event of any variation, all Class A Limited Voting Shares previously deposited and not taken up or withdrawn will remain subject to the Offer, subject to Section 4 of this Offer, "Withdrawal Rights". An extension of the Expiration Date or a variation of the Offer does not constitute a waiver by Brascan of its rights under Section 5 of this Offer, "Conditions of the Offer".

If, prior to the Expiration Date, a variation in the terms of the Offer increases the consideration offered to holders of Class A Limited Voting Shares by Brascan in its sole discretion, such increase shall be applicable to all holders whose Class A Limited Voting Shares are taken up pursuant to the Offer.

Notwithstanding the foregoing, the Offer may not be extended by Brascan if all the terms and conditions of the Offer have been complied with, except those waived by Brascan, unless Brascan first takes up all Class A Limited Voting Shares properly deposited under the Offer and not withdrawn, provided that if Brascan has previously given a notice of a variation, Brascan shall not take up any Class A Limited Voting Shares deposited under the Offer until the expiration of 10 days after the notice of variation has been given to holders of Class A Limited Voting Shares.

Brascan also expressly reserves the right, in its sole discretion, (i) to terminate the Offer and not to accept for purchase any Class A Limited Voting Shares not theretofore accepted for purchase upon the occurrence of any of the events specified in Section 5, "Conditions of the Offer", or (ii) at any time or from time to time to amend the Offer in any respect.

Any such extension, delay, termination or amendment will be followed as promptly as practicable by a public announcement thereof. Without limiting the manner in which Brascan may choose to make any public announcement, except as provided by applicable law, Brascan shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to Canada Newswire Ltd.

If Brascan makes a material change in the terms of the Offer or the information concerning the Offer, Brascan will extend the time during which the Offer is open to the extent required under applicable Canadian provincial securities legislation.

8. PAYMENT IN THE EVENT OF MAIL SERVICE INTERRUPTION

Notwithstanding the provisions of the Offer, cheques in payment for Class A Limited Voting Shares purchased under the Offer and certificates for any Class A Limited Voting Shares to be returned will not be mailed if Brascan determines that delivery by mail may be delayed. Persons entitled to cheques or certificates which are not mailed for this reason may take delivery at the office of the Depositary at which the deposited certificates for the Class A Limited Voting Shares were delivered until Brascan has determined that delivery by mail will no longer be delayed. Brascan will provide notice as provided under Section 10 of the Offer of any determination not to mail under this Section as soon as reasonably practicable after such determination is made. The deposit of cheques with the Depositary in these circumstances will constitute delivery to the persons entitled to them.

9. LIENS; DIVIDENDS

Class A Limited Voting Shares acquired pursuant to the Offer shall be acquired by Brascan free and clear of all liens, charges, encumbrances, security interests, claims, restrictions and equities whatsoever, together with all rights and benefits arising therefrom, provided that any dividends or distributions which may be declared, paid, issued, distributed, made or transferred on or in respect of such Class A Limited Voting Shares to shareholders of record on or prior to the date upon which the Class A Limited Voting Shares are taken up under the Offer shall be for the account of such shareholders. Each shareholder of record on that date will be entitled to receive that dividend, whether or not such shareholder deposits Class A Limited Voting Shares pursuant to the Offer.

10. NOTICE

Any notice to be given by Brascan or the Depositary under the Offer will be deemed to have been properly given if it is mailed by first-class mail, postage prepaid, to the registered holders of Class A Limited Voting Shares at their respective addresses as shown on the share registers maintained in respect of the Class A Limited Voting Shares and will be deemed to have been received on the first business day following the date of mailing. These provisions apply despite (i) any accidental omission to give notice to any one or more shareholders and (ii) an interruption of mail service in Canada or the United States following mailing. In the event of an interruption of mail service following mailing, Brascan will use reasonable efforts to disseminate the notice by other means, such as publication. In the event that post offices in Canada or the United States are not open for deposit of mail, or there is reason to believe there is or could be a disruption in all or any part of the postal service, any notice which Brascan or the Depositary may give or cause to be given under the Offer will be deemed to have been properly given and to have been received by shareholders if it is issued by way of a news release and if it is published once in the National Edition of *The Globe and Mail* or the *National Post* and in a French language daily newspaper of general circulation in Montreal.

11. OTHER TERMS

- (a) No broker, dealer or other person has been authorized to give any information or to make any representation on behalf of Brascan other than as contained in the Offer, and, if any such information or representation is given or made, it must not be relied upon as having been authorized.
- (b) It is a term of the Offer that for the purposes of subsection 191(4) of the *Income Tax Act* (Canada) the "Specified Amount" in respect of each Class A Limited Voting Share shall be U.S. \$41.00.
- (c) The Offer and all contracts resulting from the acceptance thereof shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- (d) Brascan, in its sole discretion, shall be entitled to make a final and binding determination of all questions relating to the interpretation of the Offer, the validity of any acceptance of the Offer and the validity of any withdrawals of Class A Limited Voting Shares.
- (e) The Offer is not being made to nor will deposits of Class A Limited Voting Shares be accepted from or on behalf of shareholders residing in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. Brascan may, in its sole discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and extend the Offer to shareholders in any such jurisdiction.

The accompanying Circular constitutes the issuer bid circular required under Canadian provincial securities legislation with respect to the Offer.

BRASCAN CORPORATION

(Signed) J. BRUCE FLATT

CIRCULAR

The following information is supplied with respect to the accompanying Offer by Brascan to purchase up to 12.2 million Class A Limited Voting Shares.

1. CERTAIN INFORMATION CONCERNING BRASCAN

Brascan was formed by articles of amalgamation dated August 1, 1997 and is organized pursuant to articles of amalgamation under the *Business Corporations Act* (Ontario) dated January 1, 2005. Brascan's registered and principal office is at BCE Place, 181 Bay Street, Suite 300, P.O. Box 762, Toronto, Ontario M5J 2T3.

Brascan is a global asset management company with a focus on property, power and infrastructure assets. It has direct investments of U.S. \$20 billion and a growing portfolio of U.S. \$50 billion of funds under management. Its assets include 70 premier office properties and over 130 power generating plants.

The authorized share capital of the Company consists of:

- (a) an unlimited number of Class A Limited Voting Shares, of which 260,831,147 are issued and outstanding as at August 31, 2005;
- (b) 85,120 Class B Limited Voting Shares, all of which are issued and outstanding;
- (c) an unlimited number of Class A Preference shares (the "Class A Preference Shares"), consisting of 72,753,701 issued and outstanding shares of 14 different series as at August 31, 2005; and
- (d) an unlimited number of Class AA Preference shares (the "Class AA Preference Shares"), issuable in series, of which no series is issued and outstanding.

The Class B Limited Voting Shares are voting. The Class A Preference Shares are non-voting. Except as set out below, each holder of Class A Limited Voting Shares is entitled to notice of, and to attend and vote at, all meetings of the Company's shareholders, other than meetings at which holders of only a specified class or series may vote, and shall be entitled to cast one vote per share. In the election of directors, holders of Class A Limited Voting Shares, together, in certain circumstances, with the holders of certain series of Class A Preference Shares, are entitled to elect one-half of the Board of Directors. Holders of Class B Limited Voting Shares are entitled to elect the other one-half of the Board of Directors. Subject to the prior rights of the holders of the Class A Preference Shares, the Class AA Preference Shares and any other senior ranking shares outstanding from time to time, holders of Class A Limited Voting Shares and Class B Limited Voting Shares rank on a parity with each other with respect to the payment of dividends (if, as and when declared by the Board of Directors) and the return of capital on the liquidation, dissolution or winding-up of the Company or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs.

Partners Limited ("Partners"), which holds all of the issued and outstanding Class B Limited Voting Shares, is a party to a Trust Agreement with Montreal Trust Company of Canada (as trustee for the holders of Brascan's Class A Limited Voting Shares) dated August 1, 1997. The Trust Agreement provides, among other things, that Partners has agreed not to sell any Class B Limited Voting Shares, directly or indirectly, pursuant to a takeover bid, unless a concurrent bid is made to all holders of Class A Limited Voting Shares. The concurrent offer must be: (i) for the same percentage of Class A Limited Voting Shares as the percentage of Class B Limited Voting Shares offered to be purchased from Partners; and (ii) the same in all material respects as the offer for the Class B Limited Voting Shares. Among other things, the Trust Agreement permits: (i) a sale by Partners of Class B Limited Voting Shares at a price per share less than 115% of the market price of Class A Limited Voting Shares and as part of a transaction involving the sale of shares by not more than five persons in the aggregate; and (ii) a direct or indirect sale of shares of Partners to a purchaser who is or will become a shareholder of Partners and will not hold more than 20% of Partners' outstanding shares as a result of the transaction.

The Class A Limited Voting Shares are listed and posted for trading on the TSX and the NYSE and certain series of the Class A Preference Shares are listed and posted for trading on the TSX or the TSX Venture Exchange:

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Class of Shares	TSX Symbol/NYSE Symbol
	(as applicable)
Class A Limited Voting Shares	BNN NYSE, BNN. LV. A TSX
Class A Preference Shares, Series 2	BNN. PR. B TSX
Class A Preference Shares, Series 3	BNN. PR. F VN
Class A Preference Shares, Series 4	BNN. PR. C TSX
Class A Preference Shares, Series 8	BNN. PR. E TSX
Class A Preference Shares, Series 9	BNN. PR. G TSX
Class A Preference Shares, Series 10	BNN. PR. H TSX
Class A Preference Shares, Series 11	BNN. PR. I TSX
Class A Preference Shares, Series 12	BNN. PR. J TSX
Class A Preference Shares, Series 13	BNN. PR. K TSX
Class A Preference Shares, Series 14	BNN. PR. L TSX

Please refer to Section 4 of the Circular, "Price Range of Shares; Dividends; Previous Sales and Purchases of Shares", for details regarding previous purchases of Class A Limited Voting Shares by Brascan in the 24 months prior to the date hereof in the ordinary course through the facilities of the TSX and the NYSE under normal course issuer bids.

Brascan is subject to the informational reporting requirements of applicable Canadian provincial securities legislation and the Exchange Act, and in accordance therewith files reports and other information with Canadian provincial securities regulators and the SEC. As a "foreign private issuer" under the Exchange Act, Brascan is exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements (which are prepared in accordance with applicable Canadian provincial securities legislation), and its officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, Brascan is not required to publish financial statements as frequently or as promptly as U.S. companies. Under the Multijurisdictional Disclosure System adopted by Canada and the United States, the Offer is subject to the disclosure requirements of the province of Ontario and the other provinces of Canada rather than those of the United States. U.S. shareholders should be aware that Canadian disclosure requirements are different from those of the United States. Brascan has filed with the SEC an Issuer Tender Offer Statement on Schedule 13E-4F with respect to the Offer, pursuant to Section 13(e)(1) of the Exchange Act and Rule 13e-4(g) thereunder. The Offer, which constitutes a part of the Schedule 13E-4F, does not contain all of the information set forth in the Schedule 13E-4F and its exhibits. Shareholders may read and copy any document that Brascan files with, or furnishes to, the SEC (including Brascan's Schedule 13E-4F relating to the Offer) at the SEC's public reference room at Room 1580, 100 F Street N.E., Washington, D.C. 20549. Shareholders may also obtain copies of the same documents from the public reference room of the SEC in Washington by paying a fee. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains a web site (www.sec.gov) that makes available reports and other information that Brascan files or furnishes electronically with it. Shareholders may access documents filed with Canadian provincial securities regulators through the Canadian System for Electronic Document Analysis and Retrieval (SEDAR).

2. PURPOSE AND EFFECT OF THE OFFER; BACKGROUND TO THE OFFER

As of August 31, 2005 Brascan had issued and outstanding 260,831,147 Class A Limited Voting Shares. The Class A Limited Voting Shares that Brascan is offering to purchase pursuant to the Offer represent approximately 5% of the Class A Limited Voting Shares issued and outstanding.

Brascan is making this Offer because it represents an effective use of Brascan's financial resources and Brascan believes it to be in the best interests of all of its shareholders. The Offer is expected to have a positive impact on earnings per share, without precluding Brascan from pursuing its future business opportunities. Brascan believes that the Class A Limited Voting Shares have been trading in price ranges which do not fully reflect the value of the Company's business and future prospects. As a result, the Company believes that taking up outstanding Class A Limited Voting Shares represents an attractive investment and an appropriate and desirable use of its available funds. **Shareholders are urged to consult their own investment and tax advisors and make their own decisions whether to deposit Class A Limited Voting Shares to the Offer and, if so, how many Class A Limited Voting Shares to deposit.**

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The Offer provides shareholders who are considering the sale of all or a portion of their Class A Limited Voting Shares the opportunity to sell such Class A Limited Voting Shares for cash without the usual transaction costs associated with market sales. In addition, shareholders who tender Class A Limited Voting Shares and own fewer than 100 Class A Limited Voting Shares will not only avoid the payment of brokerage commissions but also any Odd Lot discounts applicable on a sale of their Class A Limited Voting Shares in a transaction on the TSX or the NYSE. Shareholders who determine not to accept the Offer will realize a proportionate increase in their equity interest in Brascan if any Class A Limited Voting Shares are purchased pursuant to the Offer.

Neither Brascan nor its Board of Directors makes any recommendation to any shareholder as to whether to deposit or refrain from depositing any or all of such shareholder's Class A Limited Voting Shares. No person has been authorized to make any such recommendation. **Shareholders are urged to evaluate carefully all information in the Offer, consult their own investment and tax advisors and make their own decisions whether to deposit Class A Limited Voting Shares and, if so, how many Class A Limited Voting Shares to deposit.**

Management of the Company determined that pursuing an issuer bid would be an efficient use of its financial resources for the reasons set out above. On August 3, 2005, management of the Company met with the Board of Directors to discuss pursuing, and the proposed terms and timing of, a potential issuer bid. The Board of Directors requested that management advise the Board of Directors as to the optimal terms and timing of a potential issuer bid, but did not make a determination to undertake an issuer bid at that time. On September 12, 2005, management recommended to the Board of Directors that Brascan undertake an issuer bid on terms to be determined by management within a timeframe and price parameters determined by the Board of Directors. In considering management's recommendation, the Board of Directors considered (i) the significant increase in the book value of the common equity of the Company, (ii) the proceeds from the redemption of the preferred shares of Falconbridge held by the Company following the reorganization of the Company's investment in Falconbridge, (iii) the proceeds realized by the Company from its recent sale of common shares of Falconbridge to Xstrata plc ("Xstrata") and (iv) the fact that the Company had purchased approximately 418,000 Class A Limited Voting Shares in the preceding 18 month period. Following discussion, the Board of Directors unanimously determined that it would be in the best interests of the Company and all of its shareholders to proceed with an issuer bid. The Board of Directors reviewed with management the content of the proposed offer and issuer bid circular and authorized management, within specific delegated parameters, to fix the timing, size and price of the issuer bid. On September 14, 2005, within the scope of its delegated authority, management fixed the terms of the Offer.

Canadian securities laws prohibit Brascan and its affiliates from acquiring any Class A Limited Voting Shares, other than pursuant to the Offer, until at least 20 business days after the Expiration Date or termination of the Offer. Brascan may, subject to applicable law, in the future purchase additional Class A Limited Voting Shares on the open market, in private transactions, through issuer bids or otherwise. Any such purchases may be on the same terms or on terms which are more or less favourable to shareholders than the terms of the Offer. Any possible future purchases by Brascan will depend on many factors, including the market price of the Class A Limited Voting Shares, Brascan's business and financial position, the results of the Offer and general economic and market conditions.

Shareholders should carefully consider the income tax consequences of accepting the Offer. See Section 8 of the Circular, "Income Tax Consequences".

3. FINANCIAL STATEMENTS

The audited annual consolidated financial statements of Brascan for the year ended December 31, 2004 and the unaudited interim consolidated financial statements of Brascan for the six-month period ended June 30, 2005 have previously been mailed to shareholders. Shareholders may obtain copies of available financial statements, without charge, upon request to the Company by mail at Suite 300, 181 Bay Street, BCE Place, Box 762, Toronto, Ontario, M5J 2T3, by telephone at 416-363-9491, by facsimile at 416-363-2856, or by e-mail at enquiries@brascancorp.com.

4. PRICE RANGE OF SHARES; DIVIDENDS; PREVIOUS SALES AND PURCHASES OF SHARES

Trading of Shares on Principal Markets. The Class A Limited Voting Shares are listed on the TSX under the symbol "BNN. LV. A" and on the NYSE under the symbol "BNN". The following table sets forth for the periods indicat