

IN THE MATTER OF
THE SECURITIES LEGISLATION OF THE PROVINCES OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, NEW
BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND AND NEWFOUNDLAND

AND

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

AND

IN THE MATTER OF Cell-Loc Inc.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland (collectively, the Jurisdictions") has received an application (the "Application") from Cell-Loc Inc. ("Cell-Loc") for a waiver pursuant to Section 4.5 of National Policy 47 ("NP 47") from the provisions of section 4.1(2) of NP 47 to permit Cell-Loc to be eligible to participate in the prompt offering qualification system (the "POP" System);

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this application;

AND WHEREAS the Cell-Loc has represented to the Decision Makers that:

1. Cell-Loc was incorporated on June 30, 1995 under the *Business Corporations Act* (Alberta) and maintains its head office in Calgary, Alberta;
2. Cell-Loc has been a reporting issuer or equivalent in Alberta and British Columbia since March 25, 1997 and in Ontario and Manitoba since February 28, 2000, and is not in default of any requirement of the securities legislation of such provinces;
3. Cell-Loc's Common Shares are currently listed and posted for trading on The Toronto Stock Exchange under the symbol "CLQ";
4. Cell-Loc's financial year-end is June 30;
5. As at June 30, 1999, the date of Cell-Loc's most recent financial year end, 14,488,250 Common Shares were issued and outstanding, of which 7,740,000 were beneficially owned, directly or indirectly, or over which control or direction was exercised by Persons (as defined in

NP 47) that alone or together with their respective affiliates or Associates (as defined in NP 47) beneficially owned or exercised control or direction over more than 10% of the Common Shares (the "Insider Shares");

6. As at June 30, 1999, the aggregate market value of Cell-Loc's Common Shares, excluding the Insider Shares, calculated in accordance with NP 47 was \$16,938,108 (based on an arithmetic average closing trading price for the month of June 1999 of \$2.51);

7. Cell-Loc would be eligible under NP 47 to participate in the POP System but for the fact that the aggregate market value of the Equity Securities for the month of June 1999 was less than \$75,000,000;

8. As at February 29, 2000, 17,529,755 Common Shares were issued and outstanding, of which 7,783,800 were Insider Shares;

9. As at February 29, 2000, the aggregate market value of Cell-Loc's Common Shares excluding Insider Shares, calculated in accordance with NP 47 was \$339,646,532 (based on an arithmetic average closing trading price for the month of February 2000 of \$34.85);

10. As at March 22, 2000, 20,658,305 Common Shares were issued and outstanding, of which 8,394,640 were Insider Shares;

11. As at March 22, 2000, the aggregate market value of Cell-Loc's Common Shares excluding Insider Shares, calculated in accordance with NP 47 was \$710,556,750 (based on an arithmetic average closing trading price for the period March 1 - 22, 2000 of \$57.94); and

12. Cell-Loc would be eligible to participate in the POP System upon the filing and acceptance of its Initial AIF under Proposed National Instrument 44-101, which would replace the current calculations of the market value of an issuer's Equity Securities under NP 47 by a calculation as of a date within 60 days before the filing of the issuer's preliminary short form prospectus;

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 securities legislation of the applicable Jurisdiction that provides the Decision Maker with the jurisdiction to make the Decision has been met, and is further satisfied that to do so would be appropriate in the circumstances and would not be prejudicial to the public interest;

THE DECISION of the Decision Makers in the Jurisdictions pursuant to section 4.5 of NP 47 is that the Decision Makers waive the provisions of section 4.1(2) of NP 47 in respect of Cell-Loc to permit Cell-Loc to be eligible to participate in the POP System, provided that:

(a) Cell-Loc complies in all other respects with the requirements of NP 47;

(b) Cell-Loc satisfies the criteria of section 4.1(1)(c) of NP 47 on a date within 60 days before the date of filing of Cell-Loc's preliminary short form prospectus;

(c) the eligibility certificate to be filed in respect of the Applicant's Initial AIF shall state that the Applicant satisfies the eligibility criteria set out in Sections 4.1(1)(a) and 4.1(1)(b) of NP 47, and shall make reference to this waiver; and

(d) this waiver terminates on the earlier of

(i) 140 days after the end of Cell-Loc's financial year ended June 30, 2000; and

(ii) the date of filing of a Renewal AIF (as defined in NP 47) by Cell-Loc in respect of its financial year ended June 30, 2000.

DATED at Edmonton, Alberta on April "27th" 2000

Agne Lau, CA
Deputy Director, Capital Markets

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - waiver of the eligibility requirements under National Policy 47 to allow the Application to participate in the prompt offering qualification system.

Applicable National Provision

National Policy Statement No. 47, ss. 4.1(2)