

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA,
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, NOVA SCOTIA AND
NEWFOUNDLAND

AND

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

AND

IN THE MATTER OF INTERNATIONAL FOREST PRODUCTS LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from International Forest Products Limited ("Interfor") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to offer holders of the same class of securities identical consideration (the "Identical Consideration Requirement"), shall not apply in connection with Interfor's offer (the "Offer") to purchase all of the issued and outstanding common shares (the "Primex Shares") of Primex Forest Products Ltd. ("Primex"), not owned by Interfor or its affiliates, insofar as it relates to the U.S. Holders (as defined below);

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the British Columbia Securities Commission is the principal regulator for this application;

AND WHEREAS Interfor has represented to the Decision Makers that:

1. Interfor is a company continued by amalgamation under the laws of British Columbia with its head office in Vancouver, British Columbia; Interfor is engaged in the business of logging and sawmilling and is a producer of wood products;
2. Interfor is a reporting issuer or the equivalent under the securities legislation in each province of Canada and is not in default of any requirement of such legislation;
3. the authorized capital of Interfor consists of 100,000,000 Class "A" subordinate voting shares (the "Interfor A Shares"), 1,700,000 Class "B" common shares (the "Interfor Common Shares") and 5,000,000 preference shares of which there were 31,066,262 Interfor A Shares, 1,015,779 Interfor Common Shares and no preference shares issued and outstanding as at December 31, 2000;
4. the Interfor A Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE");

5. Primex is a company incorporated under the laws of British Columbia with its head office in Delta, British Columbia; Primex is engaged in the business of sawmilling and is a producer of wood products;
6. Primex is a reporting issuer in each of British Columbia and Ontario and is not in default of any requirement of the Legislation of British Columbia or Ontario;
7. based on publicly available information, there were 16,439,028 Primex Shares issued and outstanding as at March 12, 2001;
8. the Primex Shares are listed and posted for trading on the TSE;
9. on March 30, 2001, Interfor made the Offer; under the Offer, any holder of Primex Shares (a "Primex Shareholder") who accepts the Offer will receive, at the Primex Shareholder's election, for each Primex Share validly tendered under the Offer, either \$6.65 in cash (the "Cash Alternative"), 1.5647 Interfor A Shares (the "Share Alternative") or any combination of cash and Interfor A Shares such that the total consideration to be received for each Primex Share is \$6.65, valuing each Interfor A Share at \$4.25 (the "Split Alternative"), except that the maximum number of Interfor A Shares to be issued under the Offer is limited to 15% of the total consideration to be paid by Interfor under the Offer;
10. based on the Primex Shareholder list, there are four Primex Shareholders who are resident in the United States (the "U.S. Holders") holding 139,800 Primex Shares, which constitutes 0.85% of the total issued and outstanding Primex Shares;
11. the Interfor A Shares issuable under the Offer have not been and will not be registered or otherwise qualified for distribution under the applicable securities legislation in the United States (the "U.S. Law"); accordingly, the delivery of Interfor A Shares to U.S. Holders under the Share Alternative or Split Alternative may constitute a violation of U.S. Law;
12. although Interfor is eligible to make use of the multijurisdictional disclosure system for Canadian issuers adopted by the United States Securities and Exchange Commission, it is of the view that the time and expense required to obtain registration under the U.S. Law and to obtain "blue sky" clearance from applicable state securities regulators regarding the Interfor A Shares issuable under the Share Alternative or Split Alternative to U.S. Holders would be unduly onerous; the maximum number of Interfor A Shares that could be issued to U.S. Holders is approximately 32,000 Interfor A Shares which, as of the date of the Offer, would have a market value of approximately \$136,000;
13. the U.S. Holders who elect the Split Alternative or Share Alternative under the Offer will be deemed to have elected the Cash Alternative; and
14. the Offer will be made in compliance with the Legislation, except to the extent that exemptive relief is granted;

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 that Interfor is exempt from the Identical Consideration Requirement insofar as the U.S. Holders who accept the Offer will be deemed to have accepted the Cash Alternative.

DATED April 30, 2001.

Derek E. Patterson
Manager

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief from the requirement to offer identical consideration to all shareholders as the shareholders of offeree issuer resident outside Canada to receive cash instead of shares.

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 107(1), 114(2)(c)