THE SECURITIES ACT	)	Order No. 3729
	)	
Section 20	)	April 24, 2002

## ROYAL LASER TECH CORPORATION

## WHEREAS:

- (A) Application has been made by Royal Laser Tech Corporation (the "Applicant") to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of *The Securities Act*, R.S.M. 1988, c. S50 (the "Act") that certain trades in Subscription Receipts of the Applicant (the "Subscription Receipts") shall be exempt from sections 6 and 37 of the Act.
- **(B)** It has been represented to the Commission by the Applicant that:
  - 1. The Applicant was amalgamated under the laws of Ontario by articles of amalgamation dated May 1, 1998. The Applicant's registered head office is located at 1995 Williams Parkway, Brampton, ON L6S 6E5.
  - 2. The Applicant is in the business of the production of quality metal parts and assemblies primarily to the automotive and industrial sectors.
  - 3. The authorized share capital of the Applicant consists of an unlimited number of common shares ("Common Shares"). As at April 16, 2002, the issued and outstanding share capital of the Applicant consisted of 25,024,817 Common Shares. The Applicant's Common Shares are listed and posted for trading on The Toronto Stock Exchange.
  - 4. The Applicant is a reporting issuer or the equivalent in Manitoba, Quebec and Ontario.
  - 5. The Applicant will offer the Subscription Receipts in Manitoba and certain other Provinces in Canada (the "Selling Jurisdictions") pursuant to exemptions from the registration and prospectus requirements contained in the securities legislation of each of the Selling Jurisdictions. The minimum subscription amount is \$500,000. Each purchaser of Subscription Receipts (a "Purchaser") is required to complete a subscription agreement (a "Subscription Agreement") which sets out the terms and conditions of the Subscription Receipts. Each Subscription Receipt, upon exercise, entitles a holder to one Common Share of the Applicant (the "Underlying Common Shares") without payment of any consideration in addition to the issue price of such Subscription Receipts.

- 6. The Subscription Receipts will be issued pursuant to, and the exercise thereof shall be governed by, the provisions of a Subscription Receipt Agreement (the "Subscription Receipt Agreement") between the Corporation and Computershare Trust Company of Canada (the "Subscription Receipt Agent").
- 7. The Subscription Receipts are subject to the following terms and conditions:
  - (a) At closing, which is anticipated to be April 23, 2002, the gross proceeds of the Offering less the agents' commissions and fees and expenses are to be held in escrow with the Subscription Receipt Agent until all conditions precedent to closing the Applicant's acquisition of Rea International Inc. have been satisfied (the "Escrow Condition"). If the Escrow Condition is not satisfied by June 30, 2002 the gross proceeds of the Offering and accrued interest will be returned to each Purchaser and the Subscription Receipts will be null and void and will be redeemed by the Applicant;
  - (b) The Subscription Receipts are not exercisable until receipt by the Subscription Receipt Agent of a certificate from the Applicant and the agents that the Escrow Condition is met; and
  - (c) Once the Escrow Condition has been met, the Subscription Receipts will be automatically exercised and, upon tendering of the Subscription Receipt Certificates, the subscribers will receive the Underlying Common Shares (the "Automatic Conversion").
- (C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

## IT IS ORDERED:

- 1. THAT, pursuant to subsection 20(1) of the Act all trades in connection with the Automatic Conversion shall be exempt from sections 6 and 37 of the Act provided that no commission or other remuneration is paid or given to any person in respect of such trades except for ministerial or professional services or for services performed by a person or company registered for trading in securities under the Act.
- **2. THAT** the fee for this order shall be \$1,000.00.

BY ORDER OF THE COMMISSION

Deputy-Director