

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

AND

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

AND

IN THE MATTER OF ANTHEM PROPERTIES CORP.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, and Newfoundland and Labrador (collectively, the "Jurisdictions") has received an application from Anthem Properties Corp. ("Anthem") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that, in connection with the offer to purchase by Anthem of a portion of its outstanding common shares (the "Shares") pursuant to an issuer bid (the "Offer"), Anthem be exempt from the requirements in the Legislation to:

- (a) take up and pay for securities proportionately according to the number of securities deposited by each securityholder (the "Proportionate Take-up and Payment Requirement");
- (b) disclose in the issuer bid circular (the "Circular") such proportionate take-up and payment (the "Associated Disclosure Requirement"); and
- (c) disclose in the Circular the number of securities sought under the Offer (the "Number of Securities Requirement");

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 Anthem has represented to the Decision Makers that:

1. Anthem has its head office in Vancouver, British Columbia, is a reporting issuer or the equivalent in each of the Jurisdictions and is not in default of any requirement of the Legislation;
2. Anthem's authorized capital is 250,000,000 common shares (the "Shares"), of which 3,810,305 Shares were outstanding as of the date of the Circular, and 250,000,000 preferred shares with a par value of \$1.00 per share issuable in series, of which none are outstanding;

3. the Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE") under the symbol "ANT";

4. under the Offer, Anthem proposes to acquire Shares through the following modified Dutch auction procedure (the "Procedure"), as disclosed in the Circular sent by Anthem to each holder of Shares (collectively, the "Shareholders"):

(a) the Circular specifies a range of not more than \$8.25 and not less than \$7.25 per Share (the "Range") within which Anthem is prepared to purchase Shares under the Offer;

(b) the Circular specifies that the maximum number of Shares that Anthem will purchase is 800,000 Shares (the "Specified Number"), representing approximately 21% of the outstanding Shares, excluding the Shares that Anthem will purchase under the procedures described in paragraph 4(j) below;

(c) any Shareholder wishing to tender to the Offer will have the right either to: (i) specify the lowest price within the Range at which the Shareholder is willing to sell the tendered Shares (an "Auction Tender"); or (ii) elect to be deemed to have tendered the Shares at the price of \$7.25 per Share (a "Purchase Price Tender");

(d) all Shares tendered and not withdrawn by Shareholders who fail to specify any tender price for the tendered Shares and fail to indicate that they have tendered their Shares pursuant to a Purchase Price Tender will be considered to have been tendered pursuant to a Purchase Price Tender;

(e) the purchase price (the "Purchase Price") of the Shares tendered to the Offer will be the lowest price that will enable Anthem to purchase the Specified Number (or such lesser number as are properly deposited), and will be determined based upon the number of Shares tendered and not withdrawn pursuant to an Auction Tender at each price within the Range and tendered and not withdrawn pursuant to a Purchase Price Tender;

(f) all Shares tendered at prices above the Purchase Price will be returned to the appropriate Shareholders;

(g) all Shares tendered by Shareholders who specify a tender price for such tendered Shares that falls outside the Range will be considered to have been improperly tendered, will be excluded from the determination of the Purchase Price, will not be purchased by Anthem and will be returned to the appropriate Shareholders;

(h) if the aggregate number of Shares validly tendered to the Offer and not withdrawn is less than or equal to the Specified Number, Anthem will purchase all Shares so deposited;

(i) all Shares tendered and not withdrawn at or below the Purchase Price pursuant to an Auction Tender and all Shares tendered and not withdrawn pursuant to a Purchase Price Tender will be taken up and paid for at the Purchase Price, subject to proration if the aggregate number of Shares validly tendered to the Offer and not withdrawn at or below the Purchase Price pursuant to Auction Tenders or pursuant to Purchase Price Tenders exceeds the Specified Number; subject to paragraph 4(j) below, any Shares tendered but not taken up and paid for by Anthem in accordance with this procedure will be returned to the appropriate tendering Shareholders;

(j) if, after giving effect to Anthem's purchase of Shares in accordance with the procedure described in paragraph 4(i) above, a Shareholder who had properly tendered and not withdrawn all of the Shareholder's Shares to the Offer at or below the Purchase Price were to hold fewer than 100 Shares (an "Odd Lot"), Anthem also will purchase any such Odd Lot at the Purchase Price; in determining whether a Shareholder would hold an Odd Lot, all of the Shares held by the Shareholder under separate certificates or in different accounts or tendered by the Shareholder pursuant to separate Auction Tenders or Purchase Price Tenders and that otherwise would be retained by the Shareholder after giving effect to the purchase of Shares in accordance with the procedure described in paragraph 4(i) above will be aggregated; and

(k) the aggregate amount that Anthem will expend and the aggregate number of Shares to be acquired pursuant to the Offer will not be determined until the number of Shares, if any, to be purchased in accordance with the procedure described in paragraph 4(j) is determined;

5. prior to the Offer's expiry, all information regarding the number of Shares tendered and the prices at which such Shares are tendered will be kept confidential, and the depository will be directed by Anthem to maintain such confidentiality until the Purchase Price is determined.

6. since the Offer is for fewer than all the Shares, if the number of Shares tendered to the Offer at or below the Purchase Price and not withdrawn exceeds the Specified Number, the Legislation would require Anthem to take up and pay for deposited Shares proportionately, according to the number of Shares deposited by each Shareholder; in addition, the Legislation requires disclosure in the Circular that Anthem would, if Shares tendered to the Offer exceeded the Specified Number, take up such Shares proportionately according to the number of Shares tendered by each Shareholder;

7. to Anthem's knowledge, no person or company other than the Carlson Family Trust holds more than 10% of the issued and outstanding Shares;

8. the Carlson Family Trust, which holds, directly and indirectly, 1,280,378 Shares as of the date of the Circular, representing approximately 33.6% of the issued and outstanding Shares, has advised Anthem that it does not intend to tender any Shares to the Offer;

9. the Circular:

- (a) discloses the mechanics for the take-up of and payment for, or the return of, Shares as described in paragraph 4 above;
- (b) explains that, by tendering Shares at the lowest price in the Range or pursuant to a Purchase Price Tender, a Shareholder reasonably can expect that the Shares so tendered will be purchased at the Purchase Price, subject to pro ration as described in paragraph 4 above;
- (c) describes the background to the Offer;
- (d) discloses every prior valuation of Anthem that has been made in the 24 month period preceding the Offer and whose existence is known after reasonable enquiry to Anthem or any of its directors or senior officers, if any;
- (e) discloses any bona fide prior offer that relates to the Shares or is otherwise relevant to the Offer, if any, where such prior offer was received by Anthem in the 24 month period preceding the date the Offer was publicly announced, together with a description of such prior offer and the background to it;
- (f) describes the review and approval process adopted by the board of directors of Anthem for the Offer, including any materially contrary view or abstention by a director;
- (g) includes a statement of the intention, if known to Anthem after reasonable enquiry, of every person or company, other than a bona fide lender, that, whether alone or in combination with others, holds or would reasonably be expected to hold, upon successful completion of the Offer, securities of Anthem sufficient to affect materially its control (an "Interested Party") to accept or not accept the Offer; and
- (h) includes a description of the effect that Anthem anticipates the Offer, if successful, will have on the direct or indirect voting interest of every Interested Party; and

10. except to the extent evidenced by this Decision, the Offer complies with the Legislation;

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, in connection with the Offer, Anthem is exempt from the Proportionate Take-up and Payment Requirement, the Associated Disclosure Requirement, and the Number of Securities Requirement, provided that Shares tendered to the Offer are taken up and paid for, or returned to the Shareholders, in the accordance with the Procedure.

DATED January 28, 2002.

"Brenda Leong"
Brenda Leong
Director

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Dutch auction issuer bid – with respect to securities tendered at or below the purchase price, offer providing for additional purchases from certain shareholders to prevent the creation of odd lots – offeror exempt from the requirements in the legislation to take up and pay for securities proportionately according to the number of securities deposited by each security holder and the associated disclosure requirement, and the requirement to disclose the exact number of shares it intends to purchase

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 105(g), 108(7) and 114(2)(c)

Form 62-903F, Items 2 and 9