

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

AND

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

AND

IN THE MATTER OF PELANGIO-LARDER MINES, LIMITED  
MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland, and Prince Edward Island (the "Jurisdictions") has received an application from Pelangio-Larder Mines, Limited ("Pelangio" or the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained, in the Legislation to be registered to trade in a security and to file a preliminary prospectus and prospectus and to receive receipts therefor (collectively, the "Registration and Prospectus Requirements") shall not apply to certain trades in *securities* in connection with a plan of arrangement (the "Arrangement") involving the Filer and Marl Resources Corp. ("Marl");

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

AND WHEREAS the Filer has represented to the Decision Makers that:

1. the Filer is: continued under the *Business Corporations Act* (Ontario) (the "OBCA") and has its head office in Milton, Ontario;
2. the Filer is a reporting Issuer in Ontario and is not in default of any requirement of the *Securities Act* (Ontario), but is not a reporting issuer or the equivalent in any of the Jurisdictions;
3. the authorized capital of the Filer consists of an Unlimited number of common shares without nominal or par value (the "Pelangio Shares") of which 14,450,997 Pelangio Shares were issued and outstanding as of April 4., 2000; the Pelangio Shares are quoted on the Canadian Dealing Network under the symbol "PLLM";
4. Marl is incorporated under the *Business Corporations Act* (Alberta) and has its head office in Timmins, Ontario;
5. Marl is a reporting issuer under the securities legislation of British Columbia, Alberta and Ontario and is not in default of *any* requirement of such legislation; Marl has applied to become

a reporting issuer under the securities legislation of Nova Scotia upon the effective date of the Arrangement, but is not a reporting issuer or the equivalent in any of the other Jurisdictions;

6. the authorized capital of Marl consists of an unlimited number of common shares without nominal or par value (the "Marl Shares"), an unlimited number of first preferred shares and an unlimited number of second preferred shares without nominal or par value, of which 8,883,163 Marl Shares and no first preferred shares or second preferred shares were issued and outstanding as at April 4, 2000; the Marl Shares trade on the Canadian Venture Exchange ("CDNX") under the symbol "MOC".

7. Pelangio owns 1,594,334 or approximately 18% of the issued and outstanding Marl Shares;

8. Pelangio and Marl both engage in mineral exploration primarily in Ontario and hold interests in several common properties;

9. Pelangio and Marl entered into an agreement dated April 3, 2000 (the "Arrangement Agreement") to effect the Arrangement; under which, among other things, certain assets of Pelangio will be transferred to Marl in exchange for Marl Shares and the assumption by Marl of substantially all of the liabilities of Pelangio, and the Marl Shares held by Pelangio will be distributed to the shareholders of Pelangio;

10. in accordance with the terms of the Arrangement Agreement the following steps to the Arrangement shall occur in the order specified:

(a) Pelangio will transfer to Marl all of the assets and property of Pelangio, other than the 1,594,334 Marl Shares currently owned by Pelangio, for an attributed value of \$2,720,591, in consideration for which Marl will issue to Pelangio an aggregate of 13,602,955 Marl Shares and assume all of the liabilities and obligations of Pelangio and Pelangio shall be released from such liabilities other than liabilities for certain expenses (to a maximum of \$19,000) relating to the Arrangement and the annual and special meeting of registered holders of Pelangio Shares ("Pelangio Shareholders") to be held May 8, 2000 (the "Meeting");

(b) 99% of the Pelangio Shares held by each holder thereof will be acquired and cancelled by Pelangio in exchange for a *pro rata* portion of the 15,197,289 Marl Shares then owned by Pelangio, ignoring shares held by dissenting shareholders, if any; provided that the *pro rata* entitlement of Ingrid Hibbard (the President of Pelangio) and Maurex Resources Limited, Ingamar Explorations Limited and 1188826 Ontario Limited, corporations controlled by her, as Pelangio Shareholders, shall be satisfied, in part, by the exchange of the applicable number of Pelangio Shares now held by them for 1,062,890 of the Marl Shares currently owned by Pelangio which are subject to escrow restrictions imposed by CDNX and the Alberta Securities Commission;

(c) the Pelangio Shares which remain outstanding after such exchange will be consolidated so that, disregarding fractions, each holder of Pelangio Shares will

hold one-tenth the number of Pelangio Shares immediately thereafter as the number of Pelangio Shares such holder held immediately prior to the effective date of the Arrangement;

(d) all outstanding options to purchase Pelangio Shares will be cancelled;

(e) warrants ("Pelangio Warrants") to purchase an aggregate of 500,000 Pelangio Shares at a price of \$0.75 per share expiring on December 10, 2001 and an aggregate of 750,000 Pelangio Common Shares at a price of \$0.30 per share expiring on February 15, 2001 will be adjusted such that the exercise price thereof is multiplied by ten (10) and the number of shares entitled to be purchased is divided by ten (10), and warrants ("Marl Warrants") to purchase Marl Shares an aggregate of 500,000 Marl Shares at an exercise price of \$0.75 per share expiring on December 10, 2001 and an aggregate of 750,000 Marl Shares at an exercise price of \$0.30 per share expiring on February 15, 2001 will be issued by Marl to such holders of Pelangio Warrants;

(f) the number of directors of Pelangio will consist of a minimum of one (1) and a maximum of ten (10) directors, and the board of directors shall be empowered to determine the number of directors; and

(g) Pelangio will change its name to "PL Internet Inc.";

11. the Arrangement will result in each Pelangio Shareholder owning the same proportionate equity and voting interests in Pelangio as they did prior to the Arrangement and becoming a direct shareholder of Marl which will then hold substantially all of the assets currently owned by Pelangio (other than the Marl Shares currently owned by Pelangio) and be responsible for substantially all of Pelangio's existing liabilities;

12. based on the number of Pelangio Shares outstanding as of April 4, 2000 (and ignoring any dissenting shareholder rights exercised by holders of Pelangio Shares), approximately 1,445,099 common shares of PL Internet Inc. ("PL Shares") and approximately 22,486,118 Marl Shares will be issued and outstanding immediately after giving effect to the Arrangement; holders of PL Shares will hold approximately 15,197,289 Marl Shares, being approximately 67.6% of the total number of outstanding Marl Shares;

13. Pelangio has obtained from the Ontario Superior Court of Justice (the "Court") pursuant to the OBCA an interim order dated April 3, 2000 (the "Interim Order") for directions on the holding of the Meeting to approve the Arrangement;

14. in connection with the Meeting and the Arrangement, Pelangio delivered to Pelangio Shareholders a management proxy circular containing prospectus-level disclosure with respect to the business and affairs of Marl and a detailed description of Marl Shares;

15. the Arrangement must be approved by special resolution of the Pelangio Shareholders at the Meeting;

16. following approval by holders of Pelangio Shares, the Arrangement will require the approval of the Court by way of a final order (the "Final Order"); the bearing in respect of the Final Order is scheduled to take place on May 10, 2000; upon receipt of the Final Order, articles of arrangement will be filed with the Ministry of Consumer and Corporate Relations (Ontario) giving effect to the Arrangement;

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 Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that:

1. the Registration and Prospectus Requirements shall not apply to the trades of securities under the Arrangement; and

2. a trade in Marl Shares acquired by holders of Pelangio Shares under this MRRS Decision Document is a distribution under the Legislation of the Jurisdiction in which the trade occurs (the "Applicable Legislation") unless:

(a)

(i) Marl is a reporting issuer or the equivalent under the Applicable Legislation;

(ii) if the seller is an insider of Marl, other than a director or senior officer of Marl, the seller has filed all insider reports and personal information Loans that are required to be filed under the Applicable Legislation;

(iii) if the seller, is a director or senior officer of Marl, the seller has filed all insider reports and personal information forms that are required to be filed under the Applicable Legislation, and Marl has filed all records required to be filed under the material change reporting, insider reporting and interim and annual financial statement requirements of the Applicable Legislation;

(iv) no unusual effort is made to prepare the market or create a demand for the Marl Shares;

(v) no extraordinary commission or other consideration is paid in, respect of the trade;

(vi) the trade is not a distribution from the holdings of a person or company, or combination of persons and companies, acting in concert or by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of Marl to affect materially the control of Marl and if a person or company or combination of persons and companies holds more than 20% of the voting rights attached to all outstanding voting securities of Marl, the person or company or combination of persons and companies is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of Marl; or

(b)

(i) at the time of the acquisition of the Marl Shares, Marl is not a reporting issuer or the equivalent under the Applicable Legislation;

(ii) at the time of the acquisition of the Marl Shares (and after giving effect to the Arrangement), persons or companies whose last address as shown on the books of Marl was in the Jurisdiction of the seller

(A) did not hold more than 10% of the outstanding Marl Shares; and

(B) did not represent in number more than 10% of the total number of holders of Marl Shares; and

(iii) the trade is made through the facilities of a stock exchange outside of the Jurisdiction in which the seller resides.

DATED May "11", 2000.

Margaret Sheehy  
Director

Head note

Mutual Reliance Review System for Exemptive Relief Applications - Relief from the registration and prospectus requirements of the legislation with respect to trades in connection with a statutory plan of arrangement where the "arrangement exemptions" in the legislation are unavailable for technical reasons - first trade relief for trades in securities acquired under the arrangement

Applicable British Columbia Provisions

*Securities Act*, R.S.B.C. 1996, c. 418, ss. 34(1)(a), 45(2)(9), 48, 61, 74(2)(8), 76