

November 5, 2010

In the Matter of
the Securities Legislation of
Manitoba and Ontario (the Jurisdictions)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
IMRIS INC. (the Filer)

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for relief from the prospectus requirement to permit the Filer to post certain electronic roadshow materials (the Website Materials) on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com, during the waiting period between the date of the receipt for a preliminary short form base PREP prospectus and the date of receipt of the final short form base PREP prospectus (the Exemption Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the Manitoba Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in each of the provinces and territories of Canada, and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Furthermore, the Decision Makers have received a request from the Filer for a decision that the application and this decision be kept confidential and not made public until the earlier of (i) the date of issuance by the Manitoba Securities Commission of a receipt for the Preliminary Prospectus (as defined below), (ii) the date on which the Filer advises the Decision Makers that there is no longer any need for the application and this decision to remain confidential, or (iii) the date that is 90 days after the date of this decision (the Confidentiality Sought).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer was incorporated under the Canada Business Corporations Act on May 18, 2005.
2. The principal office of the Filer is located at 100-1370 Sony Place, Winnipeg, Manitoba, R3T 1N5.
3. The Filer intends to file a preliminary short form base PREP prospectus (the Preliminary Prospectus) in respect of a treasury offering of common shares by the Filer and a secondary offering of common shares by certain shareholders of the Filer (the Offering).
4. Contemporaneously with the filing of the Preliminary Prospectus, the Filer also intends to file a registration statement on Form F-10 (the Form F-10) under the United States Securities Act of 1933, as amended (the "1933 Act"), with the United States Securities and Exchange Commission (the SEC) in respect of the Offering.
5. Following the issuance of a receipt pursuant to National Instrument 11-202 Process for Prospectus Reviews in Multiple Jurisdictions from the Manitoba Securities Commission, as principal regulator, in respect of the Preliminary Prospectus the Filer intends to commence the marketing of the Offering.
6. During the period between the date of the receipt for the Preliminary Prospectus and the date of the receipt for the final base PREP prospectus for the Offering (the Waiting Period), the Filer intends to utilize the Website Materials as part of the marketing of the Offering, as is now typical for an initial public offering in the United States.
7. Rule 433(d)(8)(ii) under the 1933 Act, requires the Filer to either file the Website Materials with the SEC or make them "available without restriction by means of graphic communication to any person...".
8. Compliance with applicable U.S. securities laws requires the Filer to either make the Website Materials available in a manner that affords unrestricted access to the public, or file the Website Materials on the SEC's EDGAR system, which will have the same effect as affording unrestricted access. However, affording unrestricted access to the Website Materials during the Waiting Period is contrary to Canadian securities laws, in particular, the prospectus requirement and activities that are permissible during the Waiting Period which, when applied together, require that access to the Website Materials be controlled by the Filer or the underwriters by such means as password protection and otherwise, as suggested by National Policy 47-201 Trading Securities Using the Internet and Other Electronic Means (NP 47-201).
9. The Filer wishes to comply with applicable U.S. securities laws by posting the Website Materials on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com, without any restriction thereon, such as password protection.
10. The securities laws of the Jurisdictions do not, absent the requested relief, allow the Filer to post the Website Materials during the waiting period in a manner that would allow the Website Materials to be accessible to all prospective investors in the Jurisdictions without restriction.
11. The Website Materials will contain a statement that information conveyed through the

Website Materials does not contain all of the information in the Preliminary Prospectus, including any amendments to it, or the final base PREP prospectus, including any amendments to it or the supplemented PREP prospectus, including any amendments to it (the Final Prospectus) and that prospective purchasers should review all of those prospectuses, in addition to the Website Materials, for complete information.

12. The Website Materials will be fair and balanced.
13. The Website Materials will also contain a hyperlink to the prospectuses referred to in the foregoing paragraph, as at and after such time as a particular prospectus is filed.
14. Canadian purchasers will only be able to purchase common shares of the Filer under the Offering through at least one underwriter that is registered in the jurisdiction of residence of the purchaser under the Final Prospectus.
15. The Website Materials, the Preliminary Prospectus, any further amendments thereto and the Final Prospectus will state that purchasers of the Offered Shares in the Jurisdictions will have a contractual right of action against the Filer and the underwriters in connection with the information contained in the Website Materials posted on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com.
16. The Filer is not in default of securities legislation.
17. At least one underwriter that will sign the Preliminary Prospectus, any subsequently amended preliminary prospectus and the Final Prospectus will be registered in each of the provinces and territories of Canada.
18. The Filer acknowledges that the Exemption Sought relates only to the posting of the Website Materials on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:


1. the Filer and the Canadian underwriters provide each Canadian purchaser of the Filer's common shares under the Final Prospectus, including any amendments to it, with a contractual right of action against the Filer and the Canadian underwriters as described in the disclosure required by condition 2;
2. the Preliminary Prospectus, including any amendments to it, and the Final Prospectus, including any amendments to it, state that purchasers of the Offered Shares in each of the Jurisdictions have a contractual right of action against the Filer and the Canadian underwriters, substantially in the following form:

"We may make available certain material describing the Offering (the Website Materials) on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com under the heading "IMRIS Inc." in accordance with US

federal securities laws during the period prior to obtaining a final receipt for the final short form base PREP prospectus relating to the Offering (the Final Prospectus) from the securities regulatory authorities in each of the provinces and territories of Canada. In order to give purchasers in each of the provinces and territories of Canada the same unrestricted access to the Website Materials as provided to US purchasers, we have applied for and obtained exemptive relief in a decision dated *, 2010 from the securities regulatory authorities in each of the provinces and territories of Canada. Under the terms of that exemptive relief, we and each of the Canadian underwriters signing the certificate contained in the Final Prospectus agreed that, if the Website Materials contained any untrue statement of a material fact or omitted to state a material fact required to be stated or necessary in order to make any statement therein not misleading in light of the circumstances in which it was made (a misrepresentation), a purchaser resident in a province or territory of Canada who purchases Offered Shares under the Final Prospectus during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, rights against us and each of the Canadian underwriters for the misrepresentation that are equivalent to the rights under section 141 of the *Securities Act* (Manitoba) or the comparable provision of the securities legislation in each of the other provinces and territories of Canada, as if that misrepresentation was contained in the Final Prospectus."

3. the Website Materials will not include comparables unless the comparables are also included in the Preliminary Prospectus;
4. the Website Materials will also contain a hyperlink to the Preliminary Prospectus, including any amendments to it, and the Final Prospectus including any amendments to it, as at and after such time as a particular prospectus is filed; and
5. at least one underwriter signing the Preliminary Prospectus, including any amendments to it, and the Final Prospectus, including any amendments to it, will be registered in each of the provinces and territories of Canada.

Furthermore, the decision of the Decision Makers is that the Confidentiality Sought is granted.

 _____ (Name of signatory for the principal regulator)

Deputy Director – Legal _____ (Title)

The Manitoba Securities Commission _____ (Name of principal regulator)
(justify signature block)