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COR#02/050

Variation Order

Mercury Partners & Company Inc.

and

Canadian Venture Exchange Inc., VisuaLABS Inc., and Quest Ventures Ltd.

Section 171 of the *Securities Act*, RSBC 1996, c. 418

[para 1]

On February 27, 2002, the Commission made orders under sections 28 and 165(4) of the *Securities Act*, RSBC 1996, c. 418 following a hearing and review of a decision of the Canadian Venture Exchange Inc. conditionally approving an issuance of 4,000,000 shares by VisuaLABS Inc. to Quest Ventures Ltd.

[para 2]

On April 17, 2002, VisuaLABS applied under section 171 of the Act for an order varying the February 27, 2002 orders.

[para 3]

The Commission, considering that to do so would not be prejudicial to the public interest, orders under section 171 of the Act that the February 27, 2002 orders are varied so that they read as follows:

1. on May 23, 2002, VisuaLABS hold the annual and special meeting of its shareholders at which the shareholders will elect the board of directors of VisuaLABS;
2. at the meeting, before the election of the board, the shareholders vote whether to ratify VisuaLABS' issuance of 4,000,000 shares to Quest on November 28, 2001, or to direct the board to take all necessary steps to reverse the issuance of the Quest shares;
3. the ratification of the issuance of the Quest shares be by way of resolution passed by a majority of the votes cast at the meeting, other than votes attaching to shares owned, directly or indirectly, by
 - (a) Quest, the officers or directors of Quest, the officers or directors of VisuaLABS, or the associates of any of them, or
 - (b) Sheldon Zelitt, Joy Zelitt or Downsview;
4. the information circular provided to the shareholders in connection with the meeting disclose all material facts relating to the issuance of the Quest shares;

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5. if the shareholders do not ratify the issuance of the Quest shares
 - (a) the Quest shares cannot be voted in respect of the election of the board at the meeting; and
 - (b) the boards of VisuaLABS and Quest take all necessary steps to reverse the issuance of the Quest shares; and
6. if any issues arise in connection with our order, any of the parties may apply to the Commission for further direction.

[para 4]
April 19, 2002

Adrienne Salvail-Lopez
Commissioner

Joan L. Brockman
Commissioner

Roy Wares
Commissioner