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Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted to U.S. company from requirement to deliver interim financial statements to its Canadian shareholders providing alternative means of providing the information are used, including filing of statements on SEDAR – U.S. company is registered with the SEC, is controlled by U.S. securityholders, and its securities are traded over a market in the U.S. – U.S. company not required to deliver interim financial statements under U.S. securities laws.

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 91(1)(b)

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA
AND ONTARIO

AND

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

AND

IN THE MATTER OF BIOSANTE PHARMACEUTICALS, INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta and Ontario (the "Jurisdictions") has received an application from BioSante Pharmaceuticals, Inc. (the "Applicant" or "BioSante") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the Applicant be exempt from the requirements under the Legislation to send interim financial statements to its shareholders registered in the Jurisdictions;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Applicant has represented to the Decision Maker that:

1. BioSante is a corporation established under the laws of the State of Delaware with its head office in the State of Illinois, United States of America. Its common stock is registered with the Securities and Exchange Commission ("SEC") of the United States.
2. BioSante is a reporting issuer in each of the Jurisdictions and is not in default of any requirement of the Legislation.
3. As at September 30, 2001, the issued share capital of BioSante consisted of 63,208,798 shares of common stock with no par value.
4. The common shares of BioSante trade on the Over the Counter Bulletin Board in the United States under the symbol BTPH.

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5. The common shares of BioSante were also listed on the Canadian Venture Exchange under the symbol BAI until July 20, 2000 when they were delisted at the request of BioSante.
6. As at September 30, 2001, there were a total of 1,648 shareholders of BioSante, of which 1,276 were shareholders having their registered addresses in Canada.
7. At September 30, 2001, shareholders having their registered addresses in Canada held an aggregate of 4,689,500 common shares, representing approximately 7.4% of the total number of outstanding common shares.
8. Under United States securities laws, including the Securities Exchange Act of 1934, BioSante is not required to deliver interim financial statements to its shareholders provided that it files all interim financial statements with the SEC and each stock exchange upon which its securities are listed and provided that it issues a press release summarizing the results of such interim financial statements.
9. BioSante files its interim financial statements as prepared for the SEC with the Decision Maker of each of the Jurisdictions and issues a press release disseminated throughout Canada and the United States summarizing the results of such interim financial statements.
10. BioSante posts its latest financial statements on its website.

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 pursuant to the Legislation is that:

The Applicant is exempt from the requirements contained in the Legislation to deliver interim financial statements to its shareholders resident in the Jurisdictions (the "Canadian Shareholders"), provided that:

1. The Applicant continues to file its interim financial statements with the Decision Makers;
2. The Applicant includes a prominent notification on its website and in its annual financial statements sent to Canadian Shareholders that the interim financial statements are prepared and filed on SEDAR and are available to Canadian Shareholders upon request at no charge; and
3. The Applicant issues and files a press release concurrently with the filing of its interim financial statements summarizing the results of such interim financial statements.

DATED at Toronto, Ontario this 17th day of January, 2002

Howard I. Wetston, Q. C.

R. Stephen Paddon, Q. C.