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December 21, 2004

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Securities Act s. 48,76 Employees & Consultants - Exemption from s. 34(1)(a) requirement to be registered as a dealer in connection with a trade and s. 61 requirement to file a prospectus in connection with a distribution involving employees, consultants, past employees and similar persons - A US issuer is seeking first trade relief for securities that it will issue or has issued to Canadian residents - The issuer meets all of the conditions of section 2.14 of Multilateral Instrument 45-102 Resale of Securities and section 3.2 of MI 45-105 Trades to Employees, Senior Officers, Directors, and Consultants, except that residents of Canada own more than 10% of the securities of the class; if the holdings of a control person were excluded from the calculation, all of the conditions of section 2.14 of MI 45-102 and section 3.2 of MI 45-105 would be satisfied; the exemption does not apply to the holdings of the control person

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 34(1)(a), 61, 48 and 76
Multilateral Instrument 45-102 Resale of Securities, s. 2.14

In the Matter of
the Securities Legislation
of Alberta, British Columbia and Ontario (the Jurisdictions)

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of
Energy Exploration Technologies Inc. (the Filer)

MRRS Decision Document

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for:

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- 1.1 an exemption from the prospectus requirement of the Legislation (the Prospectus Requirement) for the first trade of the Issued Shares (as defined below)(the Prospectus Relief); and
- 1.2 an exemption from the dealer registration requirement of the Legislation (the Registration Requirement) for the first trade of the Issued Shares (as defined below) by a person or company described in subsection 2.1(1) of Multilateral Instrument 45-105 *Trades to Employees, Senior Officers, Directors, and Consultants* (MI 45-105)(the Registration Relief); and
2. Under the Mutual Reliance Review System for Exemptive Relief Applications (MRRS)
 - 2.1 the Alberta Securities Commission is the principal regulator for this application, and
 - 2.2 this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

3. Terms defined in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are otherwise defined in this decision.

Representations

4. This decision is based on the following facts represented by the Filer:
 - 4.1 The Filer was incorporated under the *Business Corporations Act* (Alberta) on October 24, 2003.
 - 4.2 The Filer's head office is located in Calgary, Alberta.
 - 4.3 The Filer is registered with the SEC in the United States under the 1934 Act and is not exempt from the reporting requirements of the 1934 Act pursuant to Rule 12g3-2 made thereunder. The Filer is not in default of any securities legislation in the United States or any other jurisdiction.
 - 4.4 The Filer is not a reporting issuer in any jurisdiction in Canada.
 - 4.5 The authorized capital of the Filer consists of an unlimited number of common shares (Shares) and an unlimited number of preferred shares, of which 20,448,409 Shares were issued and outstanding as of September 23, 2004.

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- 4.6 The Shares are publicly traded over-the-counter within the United States on the NASD OTC Bulletin Board and are listed on the Frankfurt Stock Exchange and Berlin Stock Exchange, but are not listed on any Canadian stock exchange.
- 4.7 As of September 23, 2004, the percentage of total issued and outstanding Shares held by residents of the Jurisdictions is as follows: Alberta – 30.5%, Ontario - 1.4% and British Columbia - 0.4%.
- 4.8 One Alberta resident shareholder, Mr. George Liszicasz (Mr. Liszicasz), is the founder of the Filer and holds 5,062,490 Shares, representing 24.8% of the total issued and outstanding Shares as of September 23, 2004.
- 4.9 From October 16, 2003 to September 15, 2004 the Filer issued
 - 4.9.1 124,000 Shares (the Fee Shares) pursuant to exemptions from the Registration Requirement and the Prospectus Requirement (together the Registration and Prospectus Requirements), to certain individuals who are employees, consultants and officers of the Filer as finders' fees in connection with the private placement of 1,875,000 common shares on October 14, 2003,
 - 4.9.2 230,000 Shares (the Debt Shares) pursuant to exemptions from the Registration and Prospectus Requirements, to consultants in payment of invoices,
 - 4.9.3 670,269 units (Units), each comprised of one Share (Unit Share) and one common share purchase warrant (Warrant), to certain subscribers pursuant to exemptions from the Registration and Prospectus Requirements. Each Warrant entitles the holder to purchase a Share (a Warrant Share) until March 18, 2005 or September 7, 2005, as the case may be,
 - 4.9.4 36,000 flow-through Shares (Flow-Through Shares) to certain subscribers pursuant to exemptions from the Registration and Prospectus Requirements, and
 - 4.9.5 47,198 common share purchase warrants (Compensation Warrants) pursuant to exemptions from the Registration and Prospectus Requirements, to certain employees, consultants, officers and other third parties. Each Compensation Warrant entitles the holder to purchase a Share (a Compensation Warrant

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Share) until March 18, 2005 or September 7, 2005, as the case may be.

- 4.10 Any resale of the Fee Shares, the Debt Shares, the Unit Shares, the Flow-Through Shares, the Warrant Shares and the Compensation Warrant Shares (collectively, the Issued Shares) is expected to be executed over-the-counter within the United States on the NASD OTC Bulletin Board, as there is no market for the Shares in Canada and none is expected to develop.
- 4.11 The exemption from the Prospectus Requirement under section 2.14 of Multilateral Instrument 45-102 *Resale of Securities* is unavailable to the holders of the Fee Shares, the Debt Shares, the Units, the Flow-Through Shares or the Compensation Warrants for first trades of the Issued Shares through the NASD OTC Bulletin Board because as at the respective distribution dates of the Fee Shares, the Debt Shares, the Units, the Flow-Through Shares and the Compensation Warrants (the Distribution Dates), residents of Canada owned directly or indirectly more than 10% of the outstanding Shares.
- 4.12 Excluding the Shares owned by Mr. Liszicasz, on the Distribution Dates residents of Canada
 - 4.12.1 did not own directly or indirectly more than 10% of the outstanding Shares, and
 - 4.12.2 did not represent in number more than 10% of the total number of owners directly or indirectly of Shares.
- 4.13 In the absence of this decision:
 - 4.13.1 the first trade in the Issued Shares will be deemed to be a distribution in the absence of a further exemption from the Prospectus Requirement, unless, among other things, the Filer has been a reporting issuer for four months immediately preceding the trade in a province or territory, and
 - 4.13.2 the Registration Requirement will apply to a first trade of the Issued Shares by a person or company described in subsection 2.1(1) of MI 45-105.

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4.14 The relief granted in this decision does not apply to Mr. Liszisasz because he does not hold any of the Fee Shares, the Debt Shares, the Units, the Flow-Through Shares, or the Compensation Warrants.

4.15 The Filer undertakes to use its reasonable best efforts to become a reporting issuer in a jurisdiction of Canada.

Decision

5. 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.

6. The decision of the Decision Makers under the Legislation is that the Prospectus Relief and the Registration Relief are granted provided that the First Trade of the Issued Shares is made

6.1 through an exchange, or a market, outside of Canada, or

6.2 to a person or company outside of Canada.

Glenda A. Campbell, Q.C., Vice-Chair
Alberta Securities Commission

Stephen R. Murison, Vice-Chair
Alberta Securities Commission