



British Columbia Securities Commission

Appendix 2

Agreed Statement of Facts

John Klippenstein

*Securities Act, RSBC 1996, c. 418*

¶ 1 John Klippenstein (Klippenstein) acknowledges the following facts as correct:

1. L.O.M. Medical International, Inc. (L.O.M.) was incorporated in the State of Delaware on March 17, 1997 and has its head office in Kelowna, British Columbia. L.O.M. is not a reporting issuer under the *Securities Act, RSBC 1996, c. 418*.
2. Since its incorporation, L.O.M. has financed its activities by raising equity in the amount of almost US\$4 million from approximately 750 shareholders.
3. During the period from October 31, 1996 through to March 3, 2003 (the Relevant Period), L.O.M. distributed to 352 British Columbia residents (the Investors) approximately 1,171,784 of its common shares (the L.O.M. Securities) with prices ranging from approximately US\$1.00 to US\$3.25.
4. The amount that L.O.M. raised from the Investors through the distribution of the L.O.M. Securities was approximately US\$1,396,612 plus CDN\$279,245.
5. During the Relevant Period, Klippenstein was the president, controlling shareholder, director and controlling mind of L.O.M.
6. Klippenstein, together with his family, owns 3,509,779 shares of L.O.M. or approximately 59% of the total shares of L.O.M.
7. L.O.M. did not file a prospectus under the Act nor was L.O.M. able to rely upon the statutory exemptions from the registration and prospectus requirements of the Act to distribute the L.O.M. Securities in British Columbia.
8. Klippenstein has never been registered in any capacity under the Act.
9. During the Relevant Period, Klippenstein misrepresented to the Investors, both orally and in written newsletters, that:
  - (a) the L.O.M. Securities would be shortly listed and posted for trading on a stock exchange;
  - (b) upon listing on an exchange, the L.O.M. Securities would trade at prices higher than those at which they could be purchased; and



(c) a product would be shortly manufactured by L.O.M. and ready for distribution.

**Breaches of the Act**

10. During the Relevant Period, Klippenstein participated in or directed the distributions of the L.O.M. Securities, contrary to sections 34(1) and 61(1) of the Act.


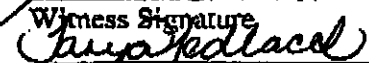
11. During the Relevant Period, Klippenstein made misrepresentations with the intention of effecting trades in the L.O.M. Securities, contrary to section 50(1)(d) the Act.

**Waiver**

¶ 2 Klippenstein waives any right he may have, under the Act or otherwise, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this Agreed Statement of Facts.

¶ 3 March 12, 2004

¶ 4 John Klippenstein

  
\_\_\_\_\_)  
Witness Signature \_\_\_\_\_)  
  
\_\_\_\_\_)  
Witness Name (please print) \_\_\_\_\_)  
Tanya Sedlacek \_\_\_\_\_)  
4321 Hazell Rd. Kelowna BC \_\_\_\_\_)  
\_\_\_\_\_)  
Address \_\_\_\_\_)  
Chief Financial Officer \_\_\_\_\_)  
\_\_\_\_\_)  
Occupation \_\_\_\_\_)

¶ 5 March 12, 2004

  
\_\_\_\_\_)  
¶ 6 Stephen J. Wilson  
\_\_\_\_\_)  
¶ 7 Executive Director