



**Table II - Derivative Securities Beneficially Owned ( e.g. , puts, calls, warrants, options, convertible securities)**

1. Title of Derivate Security (Instr. 4)	2. Date Exercisable and Expiration Date (MM/DD/YYYY)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
<b>Contractual Right</b>	(8)	(8)	<b>Common stock, par value \$0.01 per share</b>	<b>500000</b>	(8)	<b>I</b>	<b>By MFC Merchant Bank SA</b>

**Explanation of Responses:**

- (1) MFC Merchant Bank S.A., a bank organized under the laws of Switzerland, is wholly-owned by the Reporting Person.
- (2) Sutton Park International Limited, a corporation organized under the laws of Barbados, is wholly-owned by the Reporting Person.
- (3) Med Net International Ltd., a corporation organized under the laws of Bermuda, is majority owned (as to approximately 62%) by the Reporting Person.
- (4) MFC Merchant Bank S.A., MFC Bancorp Ltd. and the Issuer are parties to an Amended and Restated Credit Facility Agreement dated for reference February 28, 2003, pursuant to which MFC Merchant Bank S.A. has agreed to make available to the Issuer a non-revolving term facility, with MFC Bancorp Ltd. acting as guarantor of the Issuer's obligation with respect to repayment of that portion of the principal amount of in excess of Euro 2,000,000 and all interest thereon. The parties have entered into amendment agreements providing for, among other things, an increase in the maximum aggregate principal amount of all advances under the Restated Credit Facility Agreement from Euro 2,800,00 to Euro 3,700,000. On February 16, 2005, the parties entered into a further amendment agreement pursuant to which: (a) the Issuer agreed to repay Euro 200,000 on June 30, 2005, Euro 300,000 on December 31, 2005, Euro 400,000 on June 30, 2006,
- (5) Footnote (4) continued...and (b) MFC Merchant Bank S.A. was granted the right to convert all or part of the outstanding amounts under the credit facility into common shares of the Issuer at a conversion price of US\$0.30 per share. MFC Merchant Bank S.A. may exercise its conversion right at any time until three banking days before any repayment date.
- (6) Footnote (4) continued... The applicable Euro to US dollar exchange rate shall be the Forex Interbank exchange rate, fixed at 9:00 a.m. Greenwich Mean Time on the day of Merchant Bank's conversion notice. As at January 31, 2005, Euro 3,529,394.62 in principal and interest was outstanding under the credit facility. On February 15, 2005, the Forex Interbank exchange rate was US\$1.2986 to Euro 1.00. Assuming for illustrative purposes that MFC Merchant Bank S.A. elects to convert all of the Euro 3,529,394.62 in principal and interest outstanding under the credit facility as at January 31, 2005,
- (7) Footnote (4) continued... and that the applicable Forex Interbank exchange rate on the date of MFC Merchant Bank S.A.'s conversion notice remains unchanged, Merchant Bank may acquire up to an additional 15,277,573 shares of common stock in the capital of the Issuer (Euro 3,529,394.62 x 1.2986 = US\$4,583,271.85 divided by US\$0.30 per share = 15,277,573 shares).
- (8) MFC Merchant Bank S.A. is entitled to receive 500,000 fully-paid and non-assessable shares of common stock in consideration of its agreement to extend the maturity date under the Amended and Restated Credit Facility Agreement. It is anticipated that these shares will be issued by the Issuer within seven business days after the date hereof. There is no expiration date to the contractual right.

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
<b>MFC BANCORP LTD FLOOR 21, MILLENIUM TOWER HANDELSKAI 94-96 A-1200 VIENNA, C4</b>		<b>X</b>		

**Signatures**

/s/ Michael J. Smith

2/17/2005

Date

\*\* Signature of Reporting Person

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 5(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.