

ALBERTA SECURITIES COMMISSION

IN THE MATTER OF The Securities Act  
(SA 1981, c. S-6.1, as amended) (the "Act")

- and -

IN THE MATTER OF Issuers that become Reporting Issuers  
by virtue of the creation of The Canadian Venture Exchange

ORDER

(Subsections 123(c), 144(2)(c) and 184(2))

1. WHEREAS for the purposes of this order

“**ASE**” means The Alberta Stock Exchange;

“**BCSC**” means the British Columbia Securities Commission;

“**BC Securities Laws**” means the Securities Act (British Columbia), the British Columbia Securities Regulations and the British Columbia Securities Rules;

“**CDNX**” means the Canadian Venture Exchange Inc.;

“**CDNX-ASE Issuer**” means an issuer whose securities are listed on CDNX and were listed on the ASE on November 26, 1999;

“**CDNX-VSE Issuer**” means an issuer whose securities are listed on CDNX and were listed on the VSE on November 26, 1999;

“**Commission**” means the Alberta Securities Commission;

“**Equivalent BC Requirements**” means the requirements under British Columbia Securities Laws that are equivalent to the requirements from which a person is exempted under this order;

“**Equivalent BC Document**” means the document required to be filed under the Equivalent BC Requirements;

“**Merger**” means the merger of the ASE and VSE;

**“New Reporting Issuer”** means a CDNX-VSE Issuer that was not a reporting issuer under the Act prior to the Merger and became a reporting issuer under clause (iii) of the definition of reporting issuer in section 1(t.1) of the Act as a result of having securities listed on CDNX;

**“New Reporting Issuer Notice”** means a letter from a New Reporting Issuer that is addressed to the Compliance Analyst in the Edmonton office of the Alberta Securities Commission that states that the issuer

- (a) irrevocably elects not to be subject to this order; and
- (b) has notified the Persons Affected by concurrently sending a copy of the letter to the Persons Affected;

**“Participating Issuer”** means a New Reporting Issuer that

- (a) does not qualify as a reporting issuer under any of clauses (i), (ii), (iv) or (v) of the definition of reporting issuer in section 1(t.1) of the Act; and
- (b) has not filed a New Reporting Issuer Notice;

**“Persons Affected”** means persons known to a New Reporting Issuer at the time the issuer sends a New Reporting Issuer Notice that are insiders or security holders of the New Reporting Issuer that are entitled to rely on at least one of the exemptions set out in sections 12 and 13 of this blanket order;

**“Transition Period”** means the period starting effective at 11:59 pm (Mountain Standard Time) on November 26, 1999 and ending on the later of June 30, 2001 and the date specified in a notice that the Executive Director may issue before June 30, 2001;

**“VSE”** means the Vancouver Stock Exchange;

2. AND WHEREAS on November 26, 1999 the Merger was completed and CDNX was recognized as an exchange by the Commission and the BCSC;
3. AND WHEREAS for transitional purposes, it is expedient to provide relief from certain aspects of the regulatory scheme applicable to New Reporting Issuers that are Participating Issuers during the Transitional Period;
4. AND WHEREAS the Commission is satisfied that to do so would not be prejudicial to the public interest;

5. IT IS HEREBY ORDERED pursuant to subsection 116(1.1) of the Act that:
  - 5.1 notwithstanding sections 109 to 111 of the Act, section 2.1 of ASC Rule 45-501 and sections 2.2 and 3.2 of ASC Rule 72-501, the first trade in a security of a Participating Issuer previously acquired under an exemption contained in section 107(1) of the Act is deemed to be a distribution during the Transition Period;
  - 5.2 notwithstanding section 112 of the Act, a trade in a security of a Participating Issuer during the Transition Period is deemed to be a distribution;
  
6. AND IT IS FURTHER ORDERED pursuant to subsection 184(2) of the Act that a Participating Issuer is exempt from the requirements of section 118 of the Act during the Transition Period, provided that
  - 6.1 issuer is a reporting issuer under BC Securities Laws; and
  - 6.2 the issuer files the Equivalent BC Document with the Commission at the same time it files with the BCSC under the Equivalent BC Requirements;
  
7. AND IT IS FURTHER ORDERED pursuant to subsection 123(c) of the Act that a Participating Issuer is exempt from the requirements of subsection 121(1) of the Act during the Transition Period, provided that:
  - 7.1 the issuer is a reporting issuer under BC Securities Laws and files the Equivalent BC Document with the Commission at the same time it files with the BCSC under the Equivalent BC Requirements; and
  - 7.2 the issuer sends the Equivalent BC Document to each holder in Alberta of its securities, other than holders of debt instruments, at the same time it sends to holders of its securities in British Columbia, other than holders of debt securities;
  
8. AND IT IS FURTHER ORDERED pursuant to subsection 123(c) of the Act that a Participating Issuer is exempt from the requirements of subsection 120(1) of the Act during the Transition Period, provided that:
  - 8.1 the issuer is a reporting issuer under BC Securities Laws and files the Equivalent BC Document with the Commission at the same time it files with the BCSC under the Equivalent BC Requirements; and
  - 8.2 the issuer either:
    - 8.3.1 sends at the same time it files with the Commission the Equivalent BC

Document to each holder of its securities in Alberta, other than holders of debt instruments; or

8.3.2 complies with all of the requirements, respecting interim financial statements of National Policy Statement No. 41 or any successor instrument;

9. AND IT IS FURTHER ORDERED pursuant to subsection 184(2) of the Act that a person or company soliciting proxies from security holders of a Participating Issuer is exempt from the requirements of sections 127 and 128 of the Act during the Transition Period, provided that
  - 9.1 the issuer is a reporting issuer under BC Securities Laws; and
  - 9.2 the person or company files the Equivalent BC Document with the Commission at the same time that it files with the BCSC under the Equivalent BC Requirements;
10. AND IT IS FURTHER ORDERED pursuant to subsection 184(2) of the Act that an insider of a Participating Issuer is exempt from the requirements of section 147 of the Act during the Transition Period, provided that
  - 10.1 the issuer is a reporting issuer under BC Securities Laws; and
  - 10.2 the insider files the Equivalent BC Document with the BCSC under the Equivalent BC Requirements;
12. IT IS FURTHER ORDERED pursuant to subsection 144(2)(c) of the Act that an offeror that acquires securities of a New Reporting Issuer is exempt from the requirements of sections 141 and 142 of the Act during the Transition Period, provided that
  - 12.1. the issuer is a reporting issuer under BC Securities Laws; and
  - 12.2 the offeror files the Equivalent BC Document with the BCSC under the Equivalent BC Requirements;
13. AND IT IS FURTHER ORDERED that this order shall cease to apply to a Participating Issuer that files a New Reporting Issuer Notice with the Commission;

14. LASTLY IT IS ORDERED that this order is effective at 11:59 pm (Mountain Standard Time) on November 26, 1999 and shall cease to have effect on the later of June 30, 2001 or the date specified in a notice issued by the Executive Director.

Dated at the City of CALGARY )  
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in the Province of ALBERTA )  
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this 26th day of November, 1999 ) \_\_\_\_\_  
 ) Glenda A. Campbell, Vice-Chair  
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 ) Eric T. Spink, Vice-Chair