

THE SECURITIES ACT	)	Order No. 3160
	)	
Clause 9.1	)	December 7, 2000
MSC Rule 44-501	)	

AMENDED AND RESTATED

CANADIAN VENTURE EXCHANGE INC. –  
CAPITAL POOL COMPANY OFFERINGS

WHEREAS:

(A) The Canadian Venture Exchange Inc. ("CDNX") has applied to the Manitoba Securities Commission (the "Commission") for an order pursuant to Clause 9.1 of Commission Rule 44-501 (the "Keystone Rule") to exempt certain Keystone Companies and companies conducting Capital Pool Offerings pursuant to CDNX Policy 2.4 ("CPC Policy") from the requirements of the Keystone Rule, subject to certain conditions.

(B) CDNX has represented to the Commission that:

1. The Keystone Rule permits offerings of securities to the public in Manitoba by a Keystone company (as defined in the rule);
2. CDNX intends to carry on business as a stock exchange from an office in Winnipeg, Manitoba immediately following the closing of the Winnipeg Stock Exchange at 4:30 p.m. CST on Friday November 24, 2000;
3. CDNX has received an order from the Commission pursuant to section 139(1) *The Securities Act* exempting CDNX from the requirement to be recognized as a stock exchange carrying on business in Manitoba (the "exemption order");
4. The CPC Policy permits the offering of securities to the public by way of a prospectus in a manner similar to, but not identical to a prospectus offering pursuant to the Keystone Rule;
5. CDNX has advised the Commission of its intention to apply to have CPC Policy, as amended from time to time, approved by all or most Canadian Securities Regulatory Authorities;
6. The CPC Policy has been approved for use in both British Columbia and Alberta;
7. The exemption order requires CDNX to provide concurrently to the Commission copies of all by-laws, rules, policies, including the CPC Policy, and

other regulatory instruments that it files for review and approval with the Alberta Securities Commission and the British Columbia Securities Commission. CDNX also provides to the Commission copies of all final by-laws, rules, policies, including the CPC Policy, and other regulatory instruments;

8. Certain Keystone Companies that comply with criteria set by CDNX may choose to complete a qualifying transaction under the terms of the CPC Policy instead of the terms of the Keystone Rule.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

**1. THAT** pursuant to clause 9.1 of the Keystone Rule an issuer of securities is exempt from the requirements of the Keystone Rule, on condition that:

a) the issuer files and obtains a receipt from the Commission for a prospectus after November 24<sup>th</sup>, 2000; and

b) the issuer complies with the rules and procedures set out in the CPC Policy;

**2. THAT**, pursuant to clause 9.1 of the Keystone Rule, a Keystone that chooses to pursue a Qualifying Transaction under the CPC Policy is exempt from the requirements of sections 2.2,3.1,3.2 and Part 8 of the Keystone Rule, on condition that the Keystone:

a) has filed and obtained a receipt for a Keystone Prospectus from the Commission;

b) upon the material change to its business objectives, promptly issues a comprehensive press release regarding its intention to seek a potential qualifying transaction under the CPC Policy and the impact of the decision to extend the scope of its search for a significant asset or business to include foreign transactions and files a material change report with the Commission and CDNX within 10 days of the material change; and

c) the Qualifying Transaction is conducted in accordance with the rules and procedures set out in the CPC Policy;

**3. THAT** a Keystone is exempt from the requirements of sections 2.2,3.1,3.2 and Part 8 of the Keystone Rule on condition provided that the Keystone:

a) prior to the distribution of securities pursuant to the Keystone prospectus, has filed and obtained a receipt for an amendment to the Keystone prospectus disclosing its intention to conduct a potential Qualifying Transaction in accordance with the CPC Policy and the impact of the decision to extend the

scope of its search for a significant asset or business to include foreign transactions; and

b) the Qualifying Transaction is conducted in compliance with the rules and procedures set out in the CPC Policy.

**4. THAT** this order will expire immediately upon the enactment of an amendment to or the replacement of the Keystone Rule.

BY ORDER OF THE COMMISSION

Director – Legal