

THE SECURITIES ACT

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Order No. 3660

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Section 20

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February 18, 2002

FORT GARRY BREWING COMPANY LTD.

WHEREAS:

(A) Fort Garry Brewing Company Ltd. ("FGB") applied to The Manitoba Securities Commission ("Commission") for an order pursuant to s. 20(1) of *The Securities Act*, R.S.M. 1988, c. S50 ("Act") exempting from the registration and prospectus requirements of sections 6 and 37 of the Act trades made to ENSIS Limited Partnership ("ENSIS LP"), for obtaining a credit facility from ENSIS Growth Fund Inc. ("ENSIS Inc.") and ENSIS LP.

(B) It has been represented to the Commission that:

1. FGB operates a brewery business in Manitoba. FGB is a corporation authorized to issue an unlimited number of common shares and preference shares. There are outstanding 5,900,686 common shares, options to issue 802,500 common shares and warrants to issue 300,000 common shares. The common shares are listed on CDNX.
2. FGB has found it necessary to obtain further credit facilities for working capital.
3. ENSIS Inc. and ENSIS LP previously extended credit facilities to FGB. As part of the consideration for the credit facilities ENSIS Inc. received 225,000 warrants and ENSIS LP received 75,000 warrants ("Old Warrants"). The Old Warrants have an exercise price of \$0.50 per share and expire December 31, 2002.
4. FGB has obtained a commitment letter from ENSIS Inc. and ENSIS LP to extend further credit facilities of up to \$300,000.00 ("New Facility"). In exchange for the credit facilities, FGB will issue to ENSIS Inc. and ENSIS LP promissory notes and 1,000,000 warrants to acquire common shares ("New Warrants"). The New Warrants will have an exercise price of \$0.20 per share and expire December 31, 2003.
5. The exercise price of New Warrants is consistent with the current trading price of the common shares on CDNX.
6. ENSIS LP is receiving Promissory Note(s) and New Warrants ("New Securities") from FGB on account of the extension of credit facilities, however the aggregate acquisition cost for the securities to ENSIS LP is less than \$97,000.

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

IT IS ORDERED:

1. **THAT**, pursuant to subsection 20(1) of the Act, trades in New Securities to ENSIS LP in connection with extending the New Facility to FGB is exempt from sections 6 and 37 of the Act.
2. **THAT** the fee for this order is \$1,000.00.

BY ORDER OF THE COMMISSION

Deputy Director - Legal