

THE SECURITIES ACT) Order No. 2823
)
Section 20) March 3rd, 2000

GOLDEN POCKET RESOURCES LTD.

WHEREAS:

(A) Golden Pocket Resources Ltd. (the "Corporation") has made application to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of *The Securities Act* (Manitoba) (the "Act") exempting trades of certain Class A common shares of the Corporation from certain requirements of a pooling agreement dated February 28, 1997 (the "Pooling Agreement") and the offering memorandum of the Corporation dated February 25, 1997 (the "Offering Memorandum");

(B) The Corporation has represented to the Commission that:

1. The Corporation was incorporated as 3238793 Manitoba Ltd. under the laws of the Province of Manitoba on October 19, 1994. The name of the Corporation was changed to Golden Pocket Resources Ltd. on January 31, 1996. The principal business of the Corporation is the mining of natural resources;
2. The authorized capital of the Corporation consists of an unlimited number of Class A Common Shares without par value;
3. Pursuant to the Pooling Agreement, the "Founders" of the Corporation, as defined therein, deposited an aggregate of 40,000,000 Class A Common shares of the Corporation (the "Founding Shares") with the RM Trust Company (now CIBC Mellon Trust Company);
4. The Founding Shares (subject to two subsequent share recontributions which reduced the number of Founding Shares to 10,900,000) are being held in escrow and are not to be released except in accordance with the terms and conditions set forth at page 29 and 30 of the Offering Memorandum;
5. The Offering Memorandum was drafted based on the expressed intention of the Corporation at the time to pursue a listing of the Class A Common shares of the Corporation on the WSE. Accordingly, this expressed intention was disclosed in the Offering Memorandum and, as part of the Commission's requirements for the offering, the Founding Shares were required to be deposited and held in escrow pursuant to the Pooling Agreement;

6. The Pooling Agreement references the Offering Memorandum which limits the transfer of the Founding Shares to pre-determined dates or such other dates as may be required by the Commission or the WSE;

7. Pursuant to the offering memorandum, until the Corporation has issued a final receipt by the MSC for an "exchange offering prospectus", the escrow time periods as set forth in the Pooling Agreement and in the Offering Memorandum do not begin to run;

8. As the Corporation has not filed a prospectus and has not listed its shares on The WSE (and is accordingly not subject to the regulation of the WSE) the only way in which the escrow time period and provisions as set forth in the Pooling Agreement can be varied are with the consent of the Commission.

9. Based on the fact that the original offering closed in March, 1997, it is the Corporation's position that it would not be unreasonable, nor would it be prejudicial to the public interest that 75% of the Founding Shares be released from escrow under the Pooling Agreement;

10. The following three transfers of Founding Shares within escrow did not occur in accordance with the Pooling Agreement:

(a) On May 1, 1998, Robert Syme ("Syme") transferred 1,000,000 of his Founding Shares to Frank DeFehr Holdings Ltd. for an aggregate purchase price of \$250,000 pursuant to the terms of a Share Purchase Agreement, dated May 1, 1998 between Frank DeFehr Holdings Ltd. and Syme;

(b) On March 13, 1999, Dave Bennell ("Bennell") transferred 375,000 of his Founding Shares to Syme, pursuant to a Loan Agreement, dated March 21, 1997 between Syme and Bennell and a Promissory Note from Bennell to Syme, whereby Syme agreed to loan to Bennell, and Bennell agreed to pay back to Syme by September 30, 1997, \$40,000 and whereby Bennell pledged 1,500,000 Founding Shares as security for the loan, which upon default in payment of the amounts due pursuant to the loan agreement and promissory note by Bennell and demand by Syme at any time following default in payment, would be transferred to Syme. Bennell defaulted on this loan, and Syme exercised his right to demand the pledged Founding Shares on March 13, 1999. The original amount of Founding Shares pledged by Bennell to Syme, being 1,500,000 Founding Shares, has been reduced to 375,000 Founding Shares as the result of two Founding Share recontributions;

(c) On March 13, 1999, Syme transferred 800,000 Founding Shares to 3264794 Manitoba Ltd. ("3264794"), pursuant to an Assignment Agreement, dated March 13, 1998, whereby the Corporation assigned a loan receivable of \$200,495 from Gold Shear Ltd., a company controlled by Syme, to 3264794 Demand Promissory Note, dated March 8, 1998 from Gold Shear Ltd. to 3264794, whereby Gold Shear Ltd. agreed to pay to 3264794, on demand, the amount of the loan receivable, being \$200,495, and a Stock Pledge Agreement, dated March 6, 1998 between Syme and 3264794, whereby Syme agreed to pledge to 3264794, 800,000 of his Founding Shares as security for the payment by Gold Shear Ltd. of the aforementioned loan receivable. Gold Shear Ltd. defaulted in payment of the loan receivable, and 3264794 Manitoba Ltd. exercised its right to realize on the security on March 13, 1999

11. All of the transferred Founding Shares described in (a) through (c) of paragraph 10 above remain in escrow pursuant to the terms of the Pooling Agreement;

12. CIBC Mellon Trust Company has not entered the transfers of Founding Shares described in (a) through (c) of paragraph 10 above on the shareholders ledger of the Corporation;

13. It is the position of the Corporation that each of the transfers of Founding Shares described in (a) through (c) of paragraph 10 above were done for practical commercial purposes;

(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 the terms of the Pooling Agreement and the Offering Memorandum the Commission hereby consents to the immediate release of 75% of the Founding Shares from escrow.

2. THAT, pursuant to subsection 20(1) of the Act, the trades of the Founding Shares described in paragraphs (a) through (c) of paragraph (B) 10 above are exempt from sections 6 and 37 of the Act on condition that CIBC Mellon Trust Company updates the shareholder register of the Corporation to include the trades of Founding Shares referred to in paragraph (B) 19 above.

3. THAT the fee for this order shall be \$650.00.

BY ORDER OF THE COMMISSION

Director - Legal and Enforcement