

THE SECURITIES ACT) Order No. 2889
)
Section 20(1)) April 27, 2000

LionOre Mining International Ltd.

WHEREAS:

(A) Application (the "Application") has been made on behalf of LionOre Mining International Ltd. (the "Company") to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of the *Securities Act*, R.S.M. 1988, c. S50 (the "Act") exempting from Sections 6 and 37 of the Act the issuance and distribution by the Company of common shares ("Common Shares") in its capital stock to holders of unsecured convertible debentures ("Debentures") pursuant to the exercise by the Company of (i) the right to require, in certain circumstances, holders of the Debentures to convert all or a pro rata portion of their Debentures into Common Shares; and (ii) the right to issue Common Shares to holders of Debentures in satisfaction of payment of all or part of the principal and accrued interest due on the Debentures on the maturity date as well as the trades by the Company in Debentures arising as a result of the exercise of such rights;

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

1. The Company is an international mining company headquartered in Toronto, Ontario, and is subject to the continuous disclosure requirements of the Act and is a reporting issuer in British Columbia and Ontario. The Company is not, to its knowledge, in default of any applicable requirements of the Act or the regulations made thereunder.
2. The Company is a POP-eligible issuer whose Common Shares trade on The Toronto Stock Exchange (the "TSE") under the symbol "LIM";
3. The Company will offer up to \$19,000,000 Debentures to purchasers resident in Manitoba and other jurisdictions on a private placement basis. The Debentures will be issued pursuant to a Trust Indenture between the Company and CIBC Mellon Trust Company.
4. Each purchaser will be required to execute and deliver to the Company a form of subscription agreement which will provide full disclosure concerning the rights attaching to the Debentures, including the following conversion/repayment features:
 - (i) the feature (the "Conversion Right") which provides that the Debentures are convertible at the option of the holder into Common Shares at a conversion price of \$2.40 (the "Strike Price")

at any time after the closing date, including in the event of a default by the Company of its obligations under the Indenture;

(b) the feature (the "Mandatory Conversion Option") which provides that if at any time following the second anniversary of the closing date, the weighted average trading price for the Common Shares on the TSE (or the Company's then principal trading market) exceeds \$3.00 for 20 consecutive days, the Company may, on at least 20 days written notice, require holders of Debentures to convert all or a pro rata portion of the Debentures at the Strike Price;

(c) a few days after the fifth anniversary of the closing date (the "Maturity Date"), the Company will become obligated to repay the Debentures in full together with accrued and unpaid interest (the "Maturity Value") and the Company may, by notice at least 60 days before the Maturity Date, elect to satisfy all or part of the Maturity Value by delivering to holders of Debentures that number of freely trading Common Shares which is obtained by dividing the Maturity Value (or part thereof) by the lesser of the Strike Price and 95% of the weighted average trading price of the Common Shares on the TSE (or the Company's then principal trading market) for the 20 consecutive trading days ending on the fifth trading day preceding the Maturity Date (such repayment option is referred to herein as the "Company's Repayment Option")

5. The registration and prospectus exemptions contained in subparagraph 19(1)(h)(iii) and paragraph 58(1)(b) of the Act are not available in respect of the issuance by the Company of Common Shares pursuant to the Mandatory Conversion Option or pursuant to the Company's Repayment Option;

6. The registration and prospectus exemptions contained in subparagraph 19(1)(h)(iii) and paragraph 58(1)(b) of the Act are similarly not available in respect of the trades by the Company in the Debentures arising upon the exercise by the Company of the Mandatory Conversion Option or the Company's Repayment Option.

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

IT IS ORDERED:

1. THAT, pursuant to subsection 20(1) of the Act trades by the Company of Common Shares to holders of Debentures pursuant to the exercise by the Company of the Mandatory Conversion Option and the Company's Repayment Option as well as all trades in Debentures resulting therefrom shall be exempt from Sections 6 and 37 of the Act, provided that no commission or

other remuneration is paid or given to others in respect of such trades except for ministerial or professional services or for services performed by a person or company registered for trading in securities under the Act.

2. THAT the fee for this Order is \$1,000.00.

BY ORDER OF THE COMMISSION

Director