



6. On November 14, 2005, Modatech provided notice to the holders of Class A Preferred Shares of its intention to redeem all of the issued and outstanding 12,093,522 Class A Preferred Shares pursuant to section 77 of the *Business Corporations Act* (British Columbia) and clause 27.2(n) of the Articles of the Company effective November 30, 2005, or as soon as practicable thereafter, (the Share Redemption) by payment of the sum of \$0.025 per Class A Preferred Share plus all declared and unpaid dividends thereon owing in the amount of \$0.0078945 per share.

7. The total amount to be paid for the redemption of the 12,093,522 Class A Preferred Shares will be \$397,810.36, which is the maximum amount that would have to be paid by Modatech if each individual shareholder were to exercise its redemption rights after December 31, 2005.

8. The Share Redemption was approved by special resolutions of the holders at the annual and special general meeting held on November 7, 2005.

9. To permit the Share Redemption, Modatech is currently seeking a partial revocation order under section 171 of the Act from the Executive Director. Modatech will be concurrently seeking a partial revocation order from each of the other Jurisdictions.

10. Upon the completion of the Share Redemption, the Class A Preferred Shares will be cancelled and restored to the status of authorized but unissued shares in the capital of Modatech. The effect of the Share Redemption will be that the issued and outstanding capital of Modatech will consist of 6,772,001 Common Shares and 2,000,000 Class B Preferred Shares. All of the Common Shares are held by a single shareholder and all of the Class B Common Shares are held by a single shareholder.

11. Prior to completion of the above noted transactions, Modatech will provide to all the holders of Class A preferred shares, Class B Preferred Shares and Common Shares:

- (a) a copy of the Order; and
- (b) a copy of this partial revocation order.

12. Following the completion of the Share Redemption, the securities of Modatech will remain subject to the Cease Trade Order, unless revoked by a further order or revocation.

**(E) AND WHEREAS** The Manitoba Securities Commission is satisfied that to do so would not be prejudicial to the public interest.

**(F) IT IS ORDERED THAT** pursuant to section 148 of the Act the Cease Trade Order is partially revoked to permit the Share Redemption.

Deputy Director – Legal and Enforcement