

THE SECURITIES ACT ) ORDER NO. 4457  
 )  
SECTION 20 ) **DATE: May 18, 2004**

PARADYM VENTURES INC.  
AMENDED AND RESTATED ORDER

WHEREAS:

(A) Application has been made on behalf of Paradym Ventures Inc. ("Paradym" or the "issuer") 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 (as amended) that certain trades made in connection with an issuance of common shares and warrants to purchase common shares in the capital of Paradym to residents of Manitoba shall be exempt from the prospectus requirements of section 37 of the Act.

(B) In this Order:

"Act" means *The Securities Act* (Manitoba) R.S.M. 1988, c.S50 (as amended).

"AIF" means the "AIF", as defined in NI 51-102 or any predecessor rules and regulations, filed by Paradym dated December 16, 2003.

"Commission" means The Manitoba Securities Commission.

"Designated Hold Purchaser" means a purchaser that is an insider or promoter of the issuer, the issuer's agent or underwriter, or a member of the agent's or underwriter's "professional group", as defined in National Instrument 33-105 *Underwriting Conflicts*.

"Flow-Through" means the minimum of 2.5 million and up to a maximum of 5.0 million flow-through units offered to the public resident principally in British Columbia, Alberta, and Saskatchewan by Paradym, as described in the Short Form Offering Document.

"Gross Proceeds" means the gross proceeds that are required to be paid to the issuer for Listed Securities distributed under a Short Form Offering Document.

"Listed Security" means a security of a class listed on the TSXV.

"MD&A" means Paradym's Management Discussion and Analysis filed under NI 51-102 or any predecessor rules and regulations;

"MI 45-102"	means Multilateral Instrument 45-102 <i>Resale of Securities</i> .
"NI 43-101"	means National Instrument 43-101 <i>Standards of Disclosure for Mineral Projects</i> .
"NI 51-101"	means National Instrument 51-101 <i>Standards of Disclosure for Oil and Gas Activities</i> .
"NI 51-102"	means National Instrument 51-102 <i>Continuous Disclosure Obligations</i> .
"Prior Short Form Offering"	means any distribution of securities by Paradym under a Short Form Offering Document that was completed during the 12 month period immediately preceding the date of the Short Form Offering Document.
"Short Form Offering Document"	means the short form offering document for the distribution of the Flow-Through Units of Paradym that complies with the TSXV Policy, subject to any waiver or variation the TSXV permits.
"Subsequently Triggered Report"	means a statement of material change required to be filed by Paradym as a result of a material change that occurs after the date of the Short Form Offering Document, but before a purchaser enters into an agreement of purchase and sale in respect of the offering provided in the Short Form Offering Document.
"TSXV"	means the TSX Venture Exchange.
"TSXV Policy"	means TSXV Policy 4.6, <i>Public Offering by Short Form Offering Document</i> and TSXV Form 4H, <i>Short Form Offering Document</i> subject to any material amendment filed with the Commission and not objected to by the Commission within 30 days of filing.
"Warrant"	means a warrant of an issuer distributed under the Short Form Offering Document that entitles the holder to acquire a Listed Security or a portion of a Listed Security of Paradym.

And unless otherwise defined in this Order, terms used in this Order that are defined or interpreted in the Act should be read in accordance with the Act.

(C) Paradym has represented to the Commission that:

1. Paradym is incorporated in British Columbia and is in good standing with the Registrar of Companies for British Columbia;
2. Paradym is in the business of oil and gas exploration;
3. Paradym is a reporting issuer in British Columbia, Alberta, and Saskatchewan;
4. The authorized capital of Paradym consists of 100,000,000 common shares without par value, of which 20,220,857 shares are issued and outstanding;

5. The common shares of Paradym are listed and posted for trading through the facilities of the TSXV;
6. The TSXV Policy sets out a program for distributions by Short Form Offering Document;
7. Paradym is presently undertaking a distribution to the public in British Columbia, Alberta and Saskatchewan pursuant to the TSXV Policy of a minimum of 2,500,000 Flow-Through Units and a maximum of 5,000,000 Flow-Through Units at a price of \$0.40 Unit;
8. Each Flow-Through Unit will consist of one (1) flow-through common share in the capital of Paradym and one-half (1/2) of a Warrant; each one (1) whole Warrant will entitle the holder thereof to purchase one additional flow-through common share of the Issuer at an exercise price of \$0.75 per share on or before October 15, 2005;
9. Paradym also wishes to offer the Flow-Through Units to residents of Manitoba under the TSXV Policy;
10. An exemption from the prospectus requirements is required to allow distributions by Paradym to the public in Manitoba under the TSXV Policy;
11. Paradym has filed:
  - (a) its AIF,
  - (b) all documents that it is required to file by the applicable securities acts, regulations and rules of British Columbia, Alberta, and Saskatchewan, including annual and interim financial statements, MD&A's, news releases disclosing material changes, and statements of material changes, and
  - (c) all technical reports and consents required under NI 43-101 and NI 51-101;
12. The proposed distribution is of Listed Securities or units consisting of Listed Securities and Warrants;
13. The sale of the Flow-Through Units in Manitoba will be made through a registrant registered to trade in securities under the Act;
14. Paradym has not completed any Prior Short Form Offering;
15. Paradym is in good standing with respect to its filings with the TSXV under the policies of the TSXV, as well as the British Columbia Securities Commission, Alberta Securities Commission, Saskatchewan Financial Services Commission, and the Registrar of Companies for British Columbia under all applicable securities and corporate legislation, and Paradym is not aware of any pending or threatened hearings or investigations; and

16. Paradym has filed on the System for Electronic Data Analysis and Retrieval (SEDAR), all required reports under applicable securities laws.

**(D)** 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 subsection 20(1) of the Act, that the distribution by Paradym of Flow-Through Units to residents in Manitoba under the TSXV Policy is not subject to the prospectus requirements under section 37 of the Act, provided that:

(a) Paradym has filed:

(i) the AIF;

(ii) all documents that it is required to file by the applicable securities acts, regulations and rules of British Columbia, Alberta and Saskatchewan, including annual and interim financial statements, MD&A's, news releases disclosing material changes and statements of material changes,

(iii) all technical reports and consents required under NI 43-101 and NI 51-101, and

(iv) all Subsequently Triggered Reports;

(b) the distribution is of Listed Securities or units consisting of Listed Securities and Warrants;

(c) Paradym has filed with TSXV, and TSXV has accepted, the Short Form Offering Document in respect of the distribution;

(d) the Short Form Offering Document incorporates by reference the following documents of Paradym filed with the TSXV:

(i) the AIF,

(ii) the issuer's most recent audited annual financial statements,

(iii) all quarterly interim financial statements, MD&A's, and statements of material changes filed by the issuer after the date of the AIF, but on or before the date of the Short Form Offering Document, and

(iv) all technical reports and consents required under NI 43-101 and NI 51-101 filed on or after the date of the AIF, but on or before the date of the Short Form Offering Document;

(e) the Short Form Offering Document:

(i) deems any Subsequently Triggered Report required to be delivered to a purchaser under this Order to be incorporated by reference,

(ii) grants to purchasers resident in Manitoba contractual rights of action in the event of a misrepresentation (and for the purposes of this Order the term "misrepresentation", when used in relation to the Short Form Offering Document, means an untrue statement of a material fact, or an omission to state a material fact, necessary in order to make any statement contained therein not misleading in the light of the circumstances in which it was made), which will be stated in the Short Form Offering Document as follows:

"If this Short Form Offering Document, together with any Subsequently Triggered Report contains a "misrepresentation" as that term is defined under applicable securities legislation and it was a misrepresentation on the date of investment, the purchaser will be deemed to have relied on the misrepresentation and will have a right of action, either for damages against the Issuer and its directors, and every person, except the Agent, who signed the Offering Document, (the "Issuer Representatives") or alternatively for rescission of the agreement of purchase and sale for the securities. In any such action, parties against whom remedies are sought shall have the same defenses as are available under applicable securities legislation, as if the Short Form Offering Document were a prospectus.

A purchaser is not entitled to commence an action to enforce this right after:

(i) in the case of an action for rescission, 180 days after the date of purchase; or

(ii) in the case of an action for damages, the earlier of 180 days following the date the investor first had knowledge of the misrepresentation and three years following the date of purchase.

The contractual rights provided herein are in addition to and without derogation from any other right the purchaser may have at law.";

(iii) grants to purchasers resident in Manitoba contractual rights of withdrawal, as required by the TSXV Policy, and

(iv) contains all certificates required by the TSXV Policy;

(f) the distribution is conducted in accordance with the TSXV Policy, subject to any waiver or variation the TSXV permits;

(g) Paradym or its agent delivers the Short Form Offering Document and any Subsequently Triggered Report to each purchaser either:

(i) before Paradym or its agent enters into a written confirmation of purchase and sale for an order or subscription for the securities being distributed under the Short Form Offering Document; or

(ii) not later than midnight on the second business day after the agreement of purchase and sale is entered into;

(h) the sum of the Listed Securities issued under the Short Form Offering Document and the Listed Securities of the same class issued under Prior Short Form Offerings exceeds neither:

(i) the number of securities of the same class outstanding immediately before the issuer distributes securities of the same class under the Short Form Offering Document, nor

(ii) the number of securities of the same class outstanding immediately before a Prior Short Form Offering;

(i) the Gross Proceeds under the Short Form Offering Document, when added to the Gross Proceeds from Prior Short Form Offerings do not exceed \$2 million;

(j) no purchaser acquires more than 20% of the securities distributed under the Short Form Offering Document;

(k) no more than 50% of the securities distributed under the Short Form Offering Document are subject to section 2.5 of MI 45-102;

(l) Paradym or its agent delivers a copy of this Order to all purchasers who are residents of Manitoba at the same time as the delivery of the Short Form Offering Document; and

(m) Paradym reports all trades in Form 45-103F4 under the Short Form Offering Document within 10 days of completion of the distribution, except that Paradym may, for all purchasers not resident in Manitoba, indicate the total number of

purchasers by jurisdiction instead of providing the names and residential addresses of each purchaser under Item 5 of Form 45-103F4.

**2. THAT** the first trade in a security acquired under this Order by a seller that, at the time the security was acquired, was a Designated Hold Purchaser, or that was acquired by any other purchaser in excess of \$40,000, is subject to section 2.5 of MI 45-102.

**3. THAT** the fee for this order shall be \$1,000.00.

**4. THAT** this Order replaces and repeals Order No. 4456.

BY ORDER OF THE COMMISSION

Director