

THE SECURITIES ACT

)

Order No. 4204

)

SECTION 20(1)

)

July 8, 2003

REDSTAR GOLD CORP.

WHEREAS:

(A) Redstar Gold Corp. (the "Issuer"), applies to The Manitoba Securities Commission (the "Commission") under subsection 20(1) of *The Securities Act*, R.S.M. 1988, c. S50 (the "Act"), for an order that certain trades in the shares of the Issuer be exempt from Sections 6 and 37 of the Act;

(B) The Issuer represented to the Commission that:

1. The Issuer was incorporated on April 29, 1983 by Memorandum and Articles of Incorporation under the provisions of the British Columbia *Company Act* under the name "Celtic Resources Ltd.". On February 11, 1992, the Issuer changed its name to "U.R. Flowers Corporation". On February 8, 1996, the Issuer changed its name to "Redstar Resources Ltd." and on April 26, 2002, the Issuer changed its name to "Redstar Gold Corp."
2. The authorized and issued capital of the Issuer consists of 99,953,125 common shares without par value of which 12,661,754 common shares are issued and outstanding.
3. The shares of the Issuer are posted for trading on the TSX Venture Exchange.
4. The Issuer is a reporting issuer in British Columbia and Alberta.
5. The Issuer's principal business is the acquisition and exploration of mineral properties and it holds interests in a number of such properties in Ontario and British Columbia.
6. In May 2002, the Issuer conducted an offering of its securities by way of private placement (the "Private Placement").
7. A total of 80 placees subscribed to the Private Placement of which two placees were resident in Manitoba (the "Manitoba Subscribers").
8. The Manitoba Subscribers signed their subscription documentation on or about May 29, 2002.

9. On or about May 30, 2002, the Issuer received copies of the documentation executed by the Manitoba Subscribers. On May 30, 2002, the Issuer filed a Notice of Intention to Trade with the Commission under section 91 of the Regulations (Form 23).

10. The Form 23 was received by the Commission on May 31, 2002.

11. Due to a failure of communication, the Issuer was not aware that the Manitoba Subscribers had executed subscription documentation prior to the Issuer filing the Form 23. The subscription documentation was executed on or about May 29, 2002 and the Form 23 was not received by the Commission until May 31, 2002.

12. The Issuer accepted the subscriptions of the Manitoba Subscribers on June 5, 2002 and the final closing of the Private Placement took place on June 6, 2002.

13. Each of the Manitoba Subscribers completed and signed a Form 24 and these were then filed with the Commission on June 26, 2002.

14. The Form 27 report was filed with the Commission on June 20, 2002.

15. The Issuer will disclose to each of the Manitoba Subscribers that the Issuer was not in compliance with section 91(a) of the Regulations and that, as a result, each Manitoba Subscriber will be entitled to rescind their subscription and have their proceeds refunded.

16. The Issuer is prepared to rescind the subscription and refund the investment of any Manitoba Subscriber who will not sign a waiver of such right (the "Waiver").

(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 THAT:

1. Pursuant to Section 20(1) of the Act, the trades by the Issuer to the Manitoba Subscribers in connection with the Private Placement are exempt from Sections 6 and 37 of the Act, provided that:

(a) The Issuer provides to each of the Manitoba Subscribers a copy of this Order within 7 days of the date of this Order; and,

(b) The Manitoba Subscribers will be given 21 days from receipt of this Order to confirm or rescind their purchase.

2. THAT the fee for this order is \$1,000.

BY ORDER OF THE COMMISSION

Deputy Director - Legal