

THE SECURITIES ACT

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Order No. 3006

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Section 95(2)(c)

)

July 26, 2000

TAPPIT RESOURCES LTD.

WHEREAS:

(A) Application has been made on behalf of Tappit Resources Ltd. (the "Corporation") to The Manitoba Securities Commission (the "Commission") for an order pursuant to section 95(2)(c) of the *Securities Act*, R.S.M. 1988, c. S50 (the "Act") exempting the Corporation from the requirements in section 94(2) of the Securities Regulations (Manitoba) (the "Regulations") in connection with the valuation that is required by the Regulations in respect of an issuer bid (the "Bid");

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

1. The Corporation was incorporated under the CBCA as 98941 Canada Ltd. by Certificate of Incorporation dated June 5, 1980. By Certificate of Amendment dated July 31, 1980, the Corporation changed its name to Tappit Resources Ltd. and by Certificate of Amalgamation dated December 31, 1998, the Corporation was amalgamated with its wholly-owned subsidiary Goal Energy Inc.
2. The Corporation is authorized to issue an unlimited number of common shares. There are currently 45,119,032 Shares issued and outstanding.
3. The Corporation is a reporting issuer or the equivalent thereof in all of the provinces of Canada and is not in default of any requirement of the applicable securities legislation in Manitoba.
4. The Shares are listed on the Canadian Venture Exchange (the "CDNX") under the symbol "TPT". On June 22, 2000 the day immediately preceding the date of the announcement of the Corporation's intention to initiate the Issuer Bid, the closing price of the Shares was \$0.37.
5. The Corporation proposes to make an issuer bid (the "Issuer Bid") for the Shares by way of an issuer bid circular (the "Circular"), at a specified price of \$0.40 per Share. The Issuer Bid will be made for 9,000,000 Shares subject to the Corporation's right to purchase more than 9,000,000 Shares if more than 9,000,000 Shares are tendered to the Issuer Bid.
6. Under the Issuer Bid, each tendering Shareholder will have the right to tender any number of Shares currently held by such Shareholder. However, if the number of Shares tendered to the Issuer Bid exceeds the maximum number of

Shares being sought by the Corporation under the Issuer Bid (an "Over-Subscription"), then the tendered Shares will be purchased on a pro rata basis according to the number of Shares tendered by the tendering Shareholders.

7. The Circular will disclose the mechanics for take-up and payment for the Shares and the potential prorationing in the case of an Over-Subscription.

8. Part XII of the Regulations requires that an issuer bid circular include a formal valuation.

9. The Corporation is exempt from the requirement in Ontario and Quebec to provide a formal valuation in connection with the Issuer Bid, provided that the exemptions from the valuation requirements in Section 3.3 of Ontario Securities Commission Rule 61-501 ("Rule 61-501") "Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions" and Section 183 of the Regulations under the *Securities Act* (Quebec) provided for in Section 3.4(3) of Rule 61-501 and Section 23(2) of Quebec Local Policy Statement Q-27 ("Q-27") therein are applicable to the Issuer Bid.

10. The Corporation has obtained an opinion from an independent qualified person that there is a liquid market for the Shares and that following the completion of the bid, there will be a market for beneficial owners of the securities who do not tender to the bid that is not materially less liquid than the market that existed at the time of the making of the bid.

(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 clause 95(2)(c) of the Act, the Applicant be exempt from the requirements relating to the valuation in section 94(2) of the Regulations provided that the Bid by the Corporation is otherwise made in compliance with the Act, the Regulations and Ontario Securities Commission Rule 61-501.

2. **THAT** the fee for this Order shall be \$550.00.

BY ORDER OF THE COMMISSION

Director