

**IN THE MATTER OF THE SECURITIES ACT,
R.S.N. 1990, CHAPTER S-13 (the "Act")**

AND

**IN THE MATTER OF SUBPARAGRAPH (iii)
OF PARAGRAPH 73(1)(f) OF THE ACT**

**BLANKET RULING
(Section 75)**

UPON the application of certain interested parties to the Director of Securities (the "Director") pursuant to the powers conferred on the Director by section 146 of the Act, for a ruling pursuant to section 75 of the Act, in respect of the first trade in securities previously acquired by the Vendor pursuant to a distribution exempted from sections 54 and 63 of the Act by subparagraph (iii) of paragraph 73(1)(f) of the Act where, in respect to the right to purchase, convert or exchange, a prospectus was filed by the issuer and a receipt issued therefor;

AND UPON being satisfied that to make this ruling would not be prejudicial to the public interest;

IT IS RULED pursuant to section 75 of the Act that notwithstanding subsection 5 of section 73 of the Act, the first trade in a security acquired by the vendor pursuant to a distribution exempted from sections 54 and 63 of the Act by subparagraph (iii) of paragraph 73(1)(f) of the Act where, in respect of the right to purchase, convert or exchange, a prospectus was filed by the issuer with the Director and a receipt obtained therefor, shall not be subject to section 54 of the Act, subject to the following terms and conditions:

1. The first trade is not a distribution as defined in subparagraph (iii) of paragraph (m) of subsection 2(1) of the Act;
2. No unusual effort is made to prepare the market or create a demand for such security and no extraordinary commission or consideration is paid in respect of the trade; and
3. At the time of the trade, the issuer is a reporting issuer.

DATED at St. John's, Newfoundland, this 15th day of October, 1992.

GEORGE F. KENNEDY
Director of Securities