

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

AND

**IN THE MATTER OF
A FIRST TRADE IN A SECURITY ACQUIRED UNDER
SUBPARAGRAPH 73(1)(f)(iii)
WHERE THE RIGHT WAS DISTRIBUTED UNDER A PROSPECTUS**

**BLANKET RULING AND ORDER
(Section 75)**

UPON application to the Director pursuant to the powers conferred on the Director by section 146 of the Act;

AND UPON it appearing to the Director that:

1. Subsection 73(5) of the Act restricts the first trade in securities previously acquired under, *inter alia*, an exemption contained in paragraph 73(1)(f);
2. This restriction applies to security holders in Newfoundland to their detriment and does not apply to security holders in other Provinces of Canada;
3. The ability to offer securities to Newfoundland residents is restricted by virtue thereof; and

AND UPON the Director 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 section 73 of the Act, the first trade in the securities acquired by the Vendor pursuant to a distribution exempted from sections 26 and 54 of the Act by 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 2(1)(l)(iii) 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.
3. At the time of the trade, the Issuer is a Reporting Issuer.

AND IT IS ORDERED that this Ruling shall have and take effect as of and from April 1, 1991.

DATED at St. John's, Newfoundland this 21st day of July 1993.

GEORGE F. KENNEDY
Director of Securities