

*Blanket Order No. 34*  
*Revoked and Replaced July 14, 1995 by Blanket No. 35*

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

**AND**

**IN THE MATTER OF CERTAIN TRADES RELATING TO THE ISSUE OF  
SECURITIES IN EXCHANGE FOR MINING CLAIMS**

**AND**

**IN THE MATTER OF THE FIRST TRADE IN SECURITIES  
ACQUIRED IN EXCHANGE FOR MINING CLAIMS**

**ORDER AND BLANKET RULING  
(Paragraphs 36(2)(n) and 73(1)(m) and Subsection 75(1))**

**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) an Order pursuant to paragraphs 36(2)(n) and 73(1)(m) of the Act outlining the escrow agreement requirements which the Director deems necessary and (b) a Ruling pursuant to subsection 75(1) of the Act in respect of certain trades in the securities of Eligible Issuers (as defined below) for mining claims;

**WHEREAS** in this Order and Ruling;

**“Eligible Issuer”** means an issuer (a) the securities of which are listed on a Recognized Exchange, and (b) which has reporting issuer or similar status in one or more jurisdictions in Canada;

**“Escrow Agreement”** means an escrow agreement in the form appended to this Order and Ruling as Schedule “A”;

**“Recognized Exchange”** means any of the Montreal Exchange, The Toronto Stock Exchange, the Alberta Stock Exchange, the Vancouver Stock Exchange, and the NASDAQ Stock Market and any other exchange designated from time to time by the Director in writing;

**“Subject Securities”** means securities of an Eligible Issuer issued (a) in reliance upon the exemption provisions of paragraph 73(1)(m) of the Act, and (b) pursuant to this Order and Ruling;

**“Trustee”** means a person or class of persons designated by this Order or by separate order of the Director in writing.

**“Vendor”** means a person selling mining claim(s) to an Eligible Issuer in consideration for Subject Securities in whole or in part.

**AND UPON** it appearing to the Director that:

1. The distribution of Subject Securities by an Eligible Issuer to a Vendor may be effected by reliance on the exemptions from the registration and prospectus requirements of the Act contained in paragraphs 36(2)(n) and 73(1)(m), respectively, of the Act, subject to the conditions contained therein;
2. Paragraphs 36(2)(n) and 73(1)(m) of the Act require that an escrow agreement be filed that is satisfactory to the Director, the specifics of the contents and format which the Director has determined to be in the public interest;

**AND UPON** being satisfied that the making of this Order and Ruling would not be prejudicial to the public interest;

**IT IS ORDERED** pursuant to paragraphs 36(2)(n) and 73(1)(m) of the Act, that the following will apply to trades in Subject Securities by an Eligible Issuer:

1. Where an Eligible Issuer issues Subject Securities, an Escrow Agreement in the form appended as Schedule “A” to this Order and Ruling shall be executed by the Eligible Issuer, Vendor and a Trustee;
2. Any of the following may be a Trustee for the purposes of this Order and Ruling:
  - (a) a person registered as a trust company under the *Trust and Loan Companies Licensing Act*; or
  - (b) a member of the Law Society of Newfoundland authorized to practice in the Province of Newfoundland who is independent of all parties to the Escrow Agreement and represents and warrants to such effect as a term of the Escrow Agreement;
3. An Eligible Issuer shall, within five business days of the issue of Subject Securities, file with the Director (a) a report substantially in the form prescribed by Form 19 to The Securities Regulations, 1991 made under the Act (the “Regulation”), and (b) a copy of the Escrow Agreement executed in respect of such trade;
4. A Trustee may release for a trade, Subject Shares from the escrow established by an Escrow Agreement upon receiving satisfactory evidence that:

- (a) such trade is or will be made in accordance with the Act or the Regulation; or
  - (b) such trade is or will be made through the facilities of a Recognized Exchange and
    - (i) such trade is or will be made in accordance with the rules of the Recognized Exchange upon which the trade is made in accordance with all laws applicable to such Recognized Exchange, and
    - (ii) such trade is or will be made in accordance with all laws applicable in the jurisdiction in which such trade is made.
5. For the purposes of paragraph 4 of this Order and Ruling, “satisfactory evidence” may be an opinion addressed to the Trustee by a member of the Law Society of Newfoundland authorized to practice in the Province of Newfoundland, who may be counsel for the vendor in such trade.

**AND IT IS RULED** pursuant to subsection 75(1) of the Act, that the first trade by the Vendor of Subject Securities shall not be subject to subsection 73(4) of the Act provided that:

- (a) such trade is made in accordance with the Act or the Regulation; or
- (b) such trade is made through the facilities of a Recognized Exchange and (i) such trade is made in accordance with the rules of the Recognized Exchange upon which the trade is made in accordance with all laws applicable to such Recognized Exchange, and (ii) such trade is made in accordance with all laws applicable in the jurisdiction in which such trade is made.

This Order and Ruling may be withdrawn in whole at any time or in respect of any Issuer from time to time by further Order or Ruling of the Director.

**DATED** at St. John’s, Newfoundland this 16th day of June, 1995.

GEORGE F. KENNEDY  
Director of Securities