

1. under Section 20(1) of the Act, the trades in connection with the 1997 Offering are exempt from sections 6 and 37 of the Act, provided that:

(i) the Applicant shall provide the Shareholders with a copy of the Initial Order; and

(ii) the Shareholders shall have 30 days from the date that a copy of the Initial Order is mailed or delivered to them by personal delivery as the case may be (or in such other manner of communication as the Commission may accept) to confirm or rescind the purchases of their shares under the 1997 Offering;

using for such purposes the form of Acknowledgement and Election (referred to in the Applicant's Application for the Initial Order and forwarding letter attached hereto);

2. the Applicant be permitted to refer to the Mineral Prospect in the form of Acknowledgement and Election and forwarding letter attached thereto to Shareholders referred to in subparagraph (i) above and in any other correspondence with or documents to be forwarded to them concerning the purchase of their Shares under the 1997 Offering, including, without limitation, in any Notice of Annual and Special General

Meeting of Shareholders, the Management Proxy Circular and the Plan of Arrangement to be forwarded to Shareholders in connection with such meeting, without any such references being deemed to be furtherance of a trade, within the meaning of the Act, in securities of the Applicant.

4. Pursuant to the Initial Order, the Applicant caused a letter (the "Letter") to be sent on October 29, 2007 by prepaid mail to each of 319 Shareholders at their last known addresses, together with a copy of the Initial Order and a Form of Acknowledgement (the "Acknowledgment Form"). The Letter advised Shareholders that the Applicant was seeking indications from them of their intentions by November 30, 2007, either to confirm their purchases of Shares or to express their intentions to rescind such purchases.

5. As of the date of this Application:

(a) the Applicant has received executed Acknowledgment Forms from 253 (approximately 79.6%) of Shareholders holding 4,059,105 of the Applicant's 4,279,630 issued and outstanding Shares, of which 5 Shareholders holding 38,500

Shares have expressed their intentions to rescind (the "Rescinding Shareholders");

(b) the Applicant has received no response from 53 Shareholders (representing 46,061 Shares) and in respect of whom (the "Non-Responding Shareholders"), the Applicant has no reason to believe that they did not receive their Letters; and

(c) the Applicant has reason to believe that 13 Shareholders representing 174,484 Shares may not have received their Letters (the "Not-Contacted Shareholders"), as the Applicant has received no responses to its Letters from them .

6. It is essential to the future operations of any corporation, including the Applicant, that there be certainty as to the nature and extent of its obligations to its shareholders, which if the Applicant is unable to do, with relation to its Shareholder's rights of rescission, it will be obliged to continue to carry a contingent liability in its financial records, to the detriment of its future operations.

7. If all securities law compliance matters arising out of the 1997 Offering are not resolved, the Applicant will be unable to conduct the Proposed Placement, or any other offering of securities that the Applicant may propose in addition to or in lieu of the Proposed Placement, and the Applicant will therefore be unable to finance any program for the assessment of the Mineral Prospect, failing either of which the Shareholders will be left without any potential prospect of recovering value for their Shares.

8. The same considerations which justified the granting of the Initial Order by the Commission justify the granting of the Order.

9. Since the date of the Initial Order, the Applicant has been contacted by a group of investors (the "New Investor Group") which has expressed interest in making an equity investment in the Applicant in the amount of up to \$1.5 million dollars. The Applicant has been advised that the New Investor Group may be prepared to make such an investment on a basis that would not require the holdings of existing Shareholders to be adjusted and would therefore not require a special meeting of Shareholders to be held to authorize such an adjustment. No meetings of Shareholders of the Applicant have therefore been called or held, pending the resolution with the Commission of matters concerning the status of all the Shareholders as a result of the 1997 Offering.

10. The Applicant has applied to the Commission for an Order:

(a) approving the further solicitation by the Applicant of the Non-Responding Shareholders by mail to relinquish any rights of rescission that any of them might have as a result of any failure on the part of the Applicant to comply with the applicable exemption requirements of Clause 91(b) of the Regulations under the Act in connection with the 1997 Offering, and in the course of such solicitation, permitting reference, for purposes of information only, to the Proposed Placement or any additional or other offering of shares of the Applicant that might be proposed by the Applicant in addition to or in lieu of the Proposed Placement, without such reference being interpreted as constituting conduct in furtherance of a trade within the meaning of the Act, and using the form of the Acknowledgement and Waiver previously approved by the

Commission by the Initial Order; and providing that if the Non-Responding Shareholders do not respond within a stipulated time period, they will be deemed to have confirmed the purchase of their Shares under the 1997 Offering and to have forever relinquished their rights to rescind such purchases; and

(b) approving the further solicitation by the Applicant of the Not-Contacted Shareholders (and the Non-Responding Shareholders) by the publication of a Notice in two (2) consecutive Saturday editions of the Winnipeg Free Press, advising any Not-Contacted and Non-Responding Shareholders to contact a member of the present board of directors of the Applicant to obtain an information package, whereupon any of the Not-Contacted or Non-Responding Shareholders who so respond shall have 15 days from the second Saturday on which the Notice is published to elect either to rescind or to confirm their purchases of their Shares under the 1997 Offering, failing which such Not-Contacted Shareholders and Non-Responding Shareholders who do not respond shall be deemed to have confirmed the purchases of their Shares under the 1997 Offering and to have forever relinquished their rights to rescind such purchases.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant an Order on the following terms:

IT IS ORDERED:

THAT, under Section 20(1) of the Act, the trades to Non-Responding Shareholders and Non-Contacted Shareholders in connection with the 1997 offering are exempt from sections 6 and 37 of the Act, provided that:

(a) the Applicant shall make a further mailing to the Non-Responding Shareholders, (the "Second Mailing"), consisting of:

(i) a copy of this Order;

(ii) a letter requesting that the Non-Responding Shareholders confirm purchases of their Shares acquired under the 1997 Offering within fifteen (15) days of the Second Mailing (using for the purpose the form of Acknowledgement and Waiver previously approved by the Commission under the Initial Order) or exercise any rights of rescission that any of them might have with respect to such Shares prior to December 31, 2008, failing which such rights of rescission shall expire on said date; and

(iii) the said form of the Acknowledgement and Waiver ; and

(b) the Applicant shall make an additional solicitation of Non-Contacted Shareholders by:

(i) publishing a Notice in two consecutive Saturday editions of the Winnipeg Free Press, informing all Shareholders of the date of expiration of their rights of rescission of their purchases of Shares under the 1997 Offering, and advising them to contact a member of the board of directors of the Applicant in order to obtain an information package consisting of the contents of the Second Mailing;

(ii) taking further reasonable efforts to locate and contact Non-Contacted Shareholders, which efforts are to be

**reported to staff no later than April 30,
2008.**

2. THAT the rights of rescission presently possessed by the Non-Responding Shareholders and the Non-Contacted Shareholders in respect of Shares acquired by them pursuant to the 1997 Offering shall expire on December 31, 2008 if not exercised prior to that date. ;

**3. THAT the fee for this Order shall be
\$350.00.**

BY ORDER OF THE COMMISSION

Deputy Director - Legal