

THE SECURITIES ACT

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Order No. 3571

)

Section 20

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May 16, 2002

I-NETLINK INCORPORATED

WHEREAS:

(A) I-Netlink Incorporated (the "Issuer") has applied to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of *The Securities Act*, R.S.M. 1988, c. S50 (the "Act") that, subject to certain conditions, the Issuer be exempted from the requirements of clause 91(a)(ii) of the *Securities Regulation* to the Act (the "Regulation") to permit the Issuer to make sales of its securities under the provisions of subsection 91(a) of the Regulation until July 6, 2002;

(B) It has been represented to the Commission by the Issuer that:

1. The issuer is a Manitoba corporation formed for the purposes of providing competitive delivery of high-speed wireless internet solutions to rural communities and municipalities in Western Manitoba (the "Project").
2. The Issuer filed a Form 23 with the Commission on November 8, 2001 to give notice that it was relying on s. 91 of the *Securities Regulation* to offer 250,000 Class B Common Shares to the public at a price of \$1.00 per share with maximum proceeds of \$250,000.00 (the "Offering"). Funds raised were intended for use in connection with the Project.
3. At the time the Form 23 was filed, the authorized capital of the Issuer consisted of an unlimited number of Class A Common Shares, unlimited number of Class B Common Shares, unlimited number of Class C Common Shares, unlimited number of Class A Preference Shares, unlimited number of Class B Preference Shares, unlimited number of Class C Preference Shares, unlimited number of Class D Preference Shares, unlimited number of Class E Preference Shares, and an unlimited number of Class F Preference Shares. At the time the Offering commenced there were 1,000,000 Class A Common Shares outstanding: 500,100 held by Infometrics Incorporated and 499,900 by Don Collyer.
4. The projected cost of the Project is \$650,000. The balance of the funding for the project was intended to come from debt financing.
5. On April 25, 2002, the Issuer filed Articles of Amendment to change the capital structure so as to delete the current share classes and have a single class of common voting shares issuable in series. All outstanding Class A Common Shares were exchanged for an equal number of common voting shares – series 1.

6. There will also be, as part of the offering, the conversion of existing shareholder debt into common voting shares – series 2. After the conversion, Infometrics will have 2,000,100 Common Voting Shares (Series 1 and 2) or 80% and Don Collyer will have 499,900 Common Voting Shares - Series 1 or 20%.

7. The Offering was amended such that the securities being offered are common voting shares – series 3 instead of Class B Common Shares.

8. On May 1, 2002 the Issuer signed a letter of intent a quasi-governmental organization. The quasi-governmental organization will provide debt financing to the Issuer to defray start up costs of the Project.

9. The Issuer has been actively seeking debt financing but was unable to obtain commitments from the lending institutions prior to May 7, 2002, being the last day that securities could be sold under the Offering.

10. The Issuer during the Offering period had identified 6 informed purchasers ("Potential Purchasers") who were prepared to subscribe for securities provided the debt financing had been finalized.

11. None of the Potential Purchasers have subscribed for shares as yet, nor have any funds been received from the Potential Purchasers.

12. The Issuer believes it can finalize the further debt financing shortly which would allow them to finalize the Offering to the Potential Purchasers before July 6, 2002.

13. The Issuer wishes to continue the Offering under the provisions of subsection 91(a) of the Regulation to the Act.

14. If the Offering is not extended, the Project cannot be completed.

(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 subsection 20(1) of the Act, trades made to the Potential Purchasers pursuant to the Offering will be exempt from the requirements contained in clause 91(a)(ii) subject to the following conditions:

(i) all trades pursuant to the Offering are completed on or before July 6, 2002;

(ii) the Issuer files a report in Form 27 together with all the necessary attachments thereto by July 21, 2002; and

(iii) a copy of this order is provided to any purchaser prior to their subscribing for Shares under the Offering.

2. THAT the fee for this order shall be \$1,000.00.

BY ORDER OF THE COMMISSION

Deputy Director - Legal