THE SECURITIES ACT)	Order No. 3449
)	
Section 20)	August 3, 2001

PHOTONAMI INC.

WHEREAS:

(A) Application has been made by PhotoNami Inc. (the "Applicant") 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 certain trades in securities of the Applicant shall be exempt from sections 6 and 37 of the Act.

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

1. The Applicant was incorporated by Articles of Incorporation on April 14, 2000 under the *Business Corporations Act* (Ontario). The Applicant's registered office is located at 20 Holly Street, Suite 401, Toronto, Ontario.

2. The authorized share capital of the Applicant consists of an unlimited number of each of Class A Common Shares, Class B Common Shares and Preferred Shares. There is issued and outstanding 98,861,000 Class A Common Shares, no Class B Common Shares, 14,629,000 Series A Preferred Shares and 24,235,018 Series B Preferred Shares.

3. The Applicant is a "private company" as defined in the Act.

4. The Articles of the Applicant provide that all Class B Common Shares and all Series A Preferred Shares outstanding immediately prior to a Public Offering (as defined in the Articles of the Applicant) are deemed by the Articles of the Applicant to be converted into Class A Common Shares immediately prior to the closing of the Public Offering without any action on behalf of the holders of such shares (the "Automatic Conversion").

5. The Articles of the Applicant define Public Offering to mean:

a) a transaction whereby the Class A Common Shares of the Applicant become freely tradeable (subject to applicable hold periods) in accordance with applicable securities laws and listed and posted for trading or quoted on any of the Toronto Stock Exchange, the New York Stock Exchange or the Nasdaq National Market (a "Recognized Exchange") or any combination thereof, including without limitation an initial Public Offering or the qualification for trading of the Class A Common Shares of the Applicant by way of a prospectus or registration statement of the Applicant filed with the Securities Regulatories in Canada or the United States or both; or

b) the completion of a reverse takeover or similar transaction which results in the Class A Common Shares of the Applicant being listed and post trading or quoted on a Recognized Exchange.

(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, all trades in connection with the Automatic Conversion shall be exempt from sections 6 and 37 of the Act provided that no commission or other remuneration is paid or given to any person in respect of such trades except for ministerial or professional services or for services performed by a person or company registered for trading in securities under the Act.

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

BY ORDER OF THE COMMISSION

Deputy Director – Legal