THE SECURITIES ACT)	Order No. 2755
)	
Section 20)	December 29th, 1999

PRAIRIE FLAX PRODUCTS INC.

WHEREAS:

- (A) Prairie Flax Products Inc. (the "Corporation") makes application to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of The Securities Act (Manitoba) (the "Act") exempting the Corporation from sections 6 and 37 of the Act with respect to a trade of securities to Ensis Growth Fund Inc. ("Ensis").
- **(B)** The Corporation has represented to the Commission that:
 - 1. The Corporation was incorporated as 3833225 Manitoba Ltd. under the laws of the Province of Manitoba on May 4, 1998. The name of the Corporation was changed to Prairie Flax Products Inc. on January 22, 1999. The principal business of the Corporation is the cleaning and crushing of flax seed for consumption;
 - 2. The authorized capital of the Corporation consists of an unlimited number of Common Shares without par value (the "Common Shares") and an unlimited number of Preference Shares (the "Preference Shares") without par value;
 - 3. The Corporation commenced an offering of the Common and Preferred Shares under Section 91(a) of the Act (the "Offering") on January 25, 1999 and terminated the Offering on January 28, 1999 in accordance with the Notice in Form 23 which was filed with the Commission by the Corporation on January 22, 1999;
 - 4. ENSIS Growth Fund Inc. ("Ensis") subscribed for Three Thousand Eight Hundred Forty (3,840) Common Shares and Forty-Five Thousand (45,000) Preference Shares pursuant to the Offering as a "related purchaser";
 - 5. Ensis wishes to avoid the expense of obtaining a certificate indicating that it had independent advice, thus making Ensis an "informed investor";
 - 6. Ensis is a sophisticated investor, and has received professional advice, but was unable to obtain a certificate from its professional advisors indicating it was an "informed investor"; and
 - 7. In the absence of the requested order, the registration and prospectus requirements of the Act would apply to the trade of common shares and preferred shares to Ensis.

(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, the Corporation shall be exempted from sections 6 and 37 of the Act with respect to the trade of Three Thousand Eight Hundred Forty (3,840) Common Shares and Forty-Five Thousand (45,000) Preference Shares of the Corporation to Ensis.
- **2. THAT** the fee for this Order is \$650.00.

BY ORDER OF THE COMMISSION

Director - Legal