

IN THE MATTER OF
THE *SECURITIES ACT* S.N.B. c.S-5.5
(the "*Act*")

AND

IN THE MATTER OF
CAPITAL POOL COMPANIES
("CPC" or "CPCs")

BLANKET ORDER 41-502

Subsection 79(2) and Section 208 of the *Act*

WHEREAS:

1. On 19 September 2005, the New Brunswick Securities Commission (the "Commission"), pursuant to subsection 79(2) of the *Act* recognized the TSX Venture Exchange (the "TSX Venture") for the purposes of that subsection.
2. Defined terms contained in the following documents have the same meanings in this order unless otherwise defined in this order:
 - a) TSX Venture Policy 2.4 Capital Pool Companies (the "CPC Policy"); and
 - b) the Amended and Restated CPC Operating Agreement among TSX Venture and the British Columbia Securities Commission, Alberta Securities Commission, Saskatchewan Financial Services Commission, Manitoba Securities Commission, Ontario Securities Commission, Nova Scotia Securities Commission and the Commission (the "Operating Agreement").
3. The CPC Policy describes the form of prospectus and information circular that must be used in connection with an offering of securities under the Capital Pool Companies Program (the "CPC Program").
4. Subsection 71(1) of the *Act* states that no person shall trade in a security on the person's own account or on behalf of any other person where the trade would be a distribution of the security unless
 - a) a preliminary prospectus and a prospectus that are in the form prescribed by regulation have been filed with the Executive Director in relation to the security, and

- b) the Executive Director has issued receipts for the preliminary prospectus and prospectus.
5. Subsection 72(1) of the *Act* states that a preliminary prospectus shall substantially comply with the requirements of New Brunswick securities law respecting the form and content of a prospectus.
 6. New Brunswick Emergency Rule 41-802, which adopts Ontario Securities Commission Rule 41-501 *General Prospectus Requirements*, Forms 41-501F1, 41-501F2, 41-501F3, 41-501F4 and Companion Policy 41-501CP as a rule of the Commission, sets out the disclosure required for long form prospectuses (the "Prospectus Form").
 7. In the Operating Agreement, a CPC Prospectus is defined to mean a prospectus prepared in accordance with the CPC Policy, the CPC Prospectus Form, OSC Rule 45-501 *General Prospectus Requirements* and other applicable securities legislation. In adopting the CPC Program, the Commission has determined that it is suitable in the circumstances to vary the Prospectus Form for an issuer that proposes to participate in the CPC Program and has prepared and proposes to file a CPC Prospectus.
 8. In the CPC Policy, a CPC Information Circular, which is required to be filed for the Qualifying Transaction, is defined to mean the Information Circular of the CPC prepared in accordance with applicable Securities Laws and the Exchange Form of Information Circular (Form 3B), which provides full, true and plain disclosure of all material facts relating to the CPC and the Target Company.
 9. In adopting the CPC Program in New Brunswick, the Commission has determined that it is not prejudicial to the public interest to prescribe the CPC Information Circular as a new Form.

IT IS ORDERED pursuant to Subsection 79(2) and Section 208 of the *Act* that, the requirements of the Prospectus Form for a CPC participating in the CPC Program are varied by substituting the CPC Prospectus; and

IT IS FURTHER ORDERED pursuant to section 208 of the *Act* that the CPC Information Circular is the Form to be used by a CPC in connection with its Qualifying Transaction under the CPC Program.

DATED at Saint John, New Brunswick, this 19th day of September, 2005.

Donne W. Smith

Chair