IN THE MATTER OF
THE SECURITIES ACT, 1988, S.S. 1988-89, c.S-42.2

AND

IN THE MATTER OF
GOLDEN OPPORTUNITIES FUND INC.

EXEMPTION
(National Instrument 81-105 – Mutual Fund Sales Practices)

WHEREAS an application has been received by the Saskatchewan Securities Commission (the "Commission") from Golden Opportunities Fund Inc. (the "Fund") for an exemption pursuant to section 9.1 of National Instrument 81-105 – *Mutual Fund Sales Practices* (the "National Instrument") that the provisions of section 2.1(1) of the National Instrument shall not apply to the Fund so as to permit certain payments and benefits to be made by the Fund to participating dealers in connection with the distribution of its securities;

AND WHEREAS the Commission has assigned to the Director the power to make exemption orders and rulings under the provision of the Act and the regulations thereto;

AND WHEREAS it has been represented to the Director that:

1. The Fund is a corporation incorporated pursuant to the laws of Saskatchewan on December 8, 1997 and is a reporting issuer in Saskatchewan but in no other jurisdiction of Canada;

2. The Fund is registered as a labour-sponsored venture capital corporation under *The Labour-sponsored Venture Capital Corporations Act* (Saskatchewan);

3. The Fund is a mutual fund as defined in *The Securities Act, 1988* (Saskatchewan). The Fund is currently offering Class A shares to investors in Saskatchewan on a continuous basis pursuant to a prospectus dated January 4, 2001 (the "Prospectus") and intends to file a (final) prospectus with the Commission on or before January 14, 2002 in order that it may continue offering Class A shares to investors (the "2002 Prospectus");

4. The authorized capital of the Fund consists of an unlimited number of Class A shares, 10 Class B shares and an unlimited number of Class C shares. As of December 10, 2001, there were 1,195,811.825 Class A shares and 10 Class B shares issued and outstanding;

5. Westcap Mgt. Ltd. (the "Manager") and the Construction and General Workers' Union Local 890 formed and organized the Fund;

6. The Fund:

   a. pays directly to Sanderson Securities Ltd., the principal distributor of the Fund (the "Agent"), and participating dealers a sales commission of 6% calculated on the gross proceeds raised in any fiscal year on the sale of Class A shares (the "6% Commission");

   b. pays directly to the Agent an additional commission of 0.75% of the gross proceeds raised in any fiscal year on the sale of Class A shares as remuneration for distribution services provided by the Agent (the "Additional Commission"); and

   c. proposes to pay directly to the Agent and participating dealers, commencing April 1, 2002, an annual service fee, paid quarterly in arrears, equal to 0.5% of the aggregate net asset value per Class A share of the Class A shares held by clients of the Agent and participating dealers (the "Service Fee");

7. The Fund may enter into co-operative advertising programs with the Agent or participating dealers providing for reimbursement by the Fund of expenses incurred in promoting Class A shares (the "Co-op Expenses");

8. All of the costs associated with the distribution of the Class A shares, including the 6% Commission and the Additional Commission (collectively, the "Sales Commissions") and the Co-op Expenses are fully disclosed in the Prospectus and the Sales Commissions, the Co-op Expenses and the Service Fees (all such costs collectively referred to as the "Distribution Costs") will be fully disclosed in the 2002 Prospectus, along with the fact that the Fund pays these costs out of the assets of the Fund;

9. For accounting purposes, the Fund:

   a. defers and amortizes the amount paid or payable in respect of the Sales Commissions to retained earnings on a straight line basis over eight years;

   b. defers and amortizes the amount paid or payable in respect of the Co-op Expenses to retained earnings on a straight line basis over eight years; and

   c. will expense the Service Fee in the fiscal period when incurred;

10. Gross investment amounts will be contributed to the Fund in respect of each subscription. This will result in the entire subscription amount contributed by an investor being counted for the purpose of the applicable federal and provincial tax credits in connection with the subscription for Class A shares;

11. Due to the structure of the Fund, the most tax efficient way for the Distribution Costs to be financed is for the Fund to pay them directly;

12. The Manager is the only member of the organization of the Fund, other than the Fund, available to pay the Distribution Costs. The Manager does not have sufficient resources

to pay the Distribution Costs, and unless the requested discretionary relief is granted, would be obliged to finance these costs through borrowings;

13. Any loans obtained by the Manager to finance the Distribution Costs would result in the Manager increasing the management fee chargeable to the Fund, by an amount equal to the borrowing costs incurred by the Manager plus an amount required to compensate the Manager for any risks associated with fluctuations in the net asset value of the Fund and, therefore, fluctuations in the Manager's fee. Requiring compliance with section 2.1 of the National Instrument would cause the expenses of the Fund to increase above those contemplated in the 2002 Prospectus;

14. Requiring the Manager to pay the Distribution Costs while granting an exemption to other labour funds permitting such funds to pay Distribution Costs directly would put the Fund at a permanent and serious competitive disadvantage with its competitors;

15. The Fund undertakes to comply with all other provisions of the National Instrument. In particular, the Fund undertakes that all Distribution Costs paid by it will be compensation permitted to be paid under the National Instrument;

AND WHEREAS the Director is of the opinion that it would not be prejudicial to the public interest to provide the exemption;

IT IS HEREBY DECIDED pursuant to section 9.1 of the National Instrument that the provisions of section 2.1(1) of the National Instrument shall not apply to the Fund so as to permit the Fund to directly pay the Distribution Costs to participating dealers, provided that:

1. The Distribution Costs are otherwise permitted by, and paid in accordance with, the National Instrument;

2. The Distribution Costs are accounted for in the Fund's financial statements in the manner described in paragraph 9 above;

3. The summary section (the "Summary Section") of the 2002 Prospectus and any subsequent prospectus of the Fund has full, true and plain disclosure describing the commission structure of Class A shares as the 6% Commission, the Additional Commission plus a Service Fee. The Summary Section must be placed within the first 10 pages of any prospectus;

4. The 2002 Prospectus and any subsequent prospectus of the Fund includes full, true and plain disclosure explaining the services and value that the participating dealers would provide to investors in return for the Service Fee payable to them;

5. The Summary Section of the 2002 Prospectus and any subsequent prospectus of the Fund includes full, true and plain disclosure explaining to investors that:

    a. They pay the Sales Commissions indirectly, as the Fund pays these Sales Commissions using investor's subscription proceeds; and

b. A portion of the net asset value of the Fund is comprised of deferred commissions rather than an investment asset; and

6. This Decision shall cease to be operative on the date that a rule replacing or amending section 2.1 of the National Instrument comes into force.

DATED January 11, 2002.

"*Barbara Shourounis*"

Barbara Shourounis
Director