

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

AND

IN THE MATTER OF
PIPESTONE FEEDERS LTD.

RULING
(Section 83)

WHEREAS an application has been received by the Saskatchewan Securities Commission (the "Commission") from Pipestone Feeders Ltd. (the "Issuer") for a ruling pursuant to clause 83(1)(a) of *The Securities Act 1988, S. S., c. S-42.2* (the "Act") that the provisions of sections 27 and 58 of the Act shall not apply to the proposed trade by the Issuer of 5000 Class A Common shares (the "Shares") of the Issuer at a purchase price of \$1.00 per Share to each Grenfell Co-operative Association Ltd. ("Grenfell Co-op") and Peebles Co-operative Association Limited ("Peebles Co-op") (the "Proposed Trade");

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

AND WHEREAS it has been represented to the Director that:

1. The Issuer is a corporation incorporated pursuant to *The Business Corporations Act* (Saskatchewan) on July 21, 1998;
2. The Issuer is not a reporting issuer within the meaning of the Act;
3. The Issuer is authorized to issue an unlimited number of Class A Common shares, Class B Common shares, First Preferred shares and Second Preferred shares of which 310,000 Class A Common shares are issued and outstanding at present and held by 54 security holders who acquired the securities under the promoter and close friend and close business associate statutory registration and prospectus exemptions contained in the Act;
4. The securities of the Issuer are not currently listed or posted for trading on any stock exchange or over-the-counter market;

5. The Issuer was created to plan, construct and operate a 20,000 head cattle feedlot in the Grenfell, Saskatchewan area (the “Project”) and all funds raised by the Issuer will be used to finance the Project;
6. Concurrently with the Proposed Trade, the Issuer is carrying out an offering pursuant to the close friend and close business associate statutory registration and prospectus exemptions contained in the Act (the “Concurrent Offering”);
7. The Issuer was approached by the Grenfell Co-op and the Peebles Co-op, both interested in investing in the capital stock of the Issuer;
8. The community of Grenfell is approximately 12 miles north of the proposed site for the cattle feedlot and the community of Peebles is approximately 5 miles south of the proposed site for the cattle feedlot;
9. The town of Grenfell consists of approximately 1,061 residents and the hamlet of Peebles consists of approximately 21 residents;
10. The Grenfell Co-op has approximately 1400 active and inactive members and the Peebles Co-op consists has approximately 455 active and inactive members;
11. Both co-operative associations are localized in nature, mainly serving and made-up of local residents of the surrounding communities and both co-operatives are self-assessed community builders and have confidence that the Project will increase economic growth in the community; and
12. Both the Grenfell Co-op and the Peebles Co-op Board of Directors have received a copy of the offering memorandum prepared by the Issuer for use with the Concurrent Offering (the “Offering Memorandum”) and each following proper governance procedures has approved of a \$5,000 investment in the capital stock of the Issuer;

AND WHEREAS the Director is of the opinion that it would not be prejudicial to the public interest to make this Ruling;

IT IS HEREBY RULED pursuant to clause 83(1)(a) of the Act that the provisions of sections 27 and 58 of the Act shall not apply to the Proposed Trade provided that:

1. The Grenfell Co-op and Peebles Co-op each receive a copy of this Ruling and the Offering Memorandum prior to or contemporaneously with the trade;
2. No sales commissions are paid with respect to the trade;
3. The first trade of the Shares purchased pursuant to the Ruling shall be a distribution within the meaning of the Act unless the conditions in subsections 2.5 (2) or (3) of Multi-lateral Instrument 45-102 *Resale of Securities* are satisfied; and

4. Trades pursuant to this Ruling are completed on or before June 18, 2002 or such other date as may be allowed by the Director.

DATED May 30, 2002.

“Barbara Shourounis”

Barbara Shourounis
Director