

**IN THE MATTER OF THE SECURITIES ACT
R.S.N.W.T. 1988, c.S-5**

AND

**IN THE MATTER OF THE YELLOWKNIFE DIRECT CHARGE
CO-OPERATIVE LIMITED**

EXEMPTION ORDER UNDER SECTION 43.1

WHEREAS the Yellowknife Direct Charge Co-operative Limited (the "Co-operative") has applied to the Registrar of Securities for an order under section 43.1 of the *Securities Act* (the "*Securities Act*") that the proposed offering by the Co-operative of preferred shares and unsecured debentures (the "Securities") in the Co-operative are exempt from the requirements of section 4 of the *Securities Act*;

AND WHEREAS the Registrar of Securities has issued Blanket Order No. 1 ("BOR#1"), pursuant to the *Securities Act*, on May 16, 1997, which provides exemptions from the prospectus and statement of material facts filing requirements under section 27(2)(b) of the *Securities Act*;

AND WHEREAS the Registrar of Securities has issued Blanket Order No. 2 ("BOR#2"), pursuant to the *Securities Act*, on March 28, 2000, which provides exemptions from the requirement to hold a certificate of registration to act as a security-issuer under section 4 of the *Securities Act*;

AND WHEREAS the Co-operative has represented to the Registrar of Securities that:

1. the Co-operative is a co-operative association duly incorporated under the *Co-operative Associations Act*, R.S.N.W.T. 1988, c.C-19;
2. the Co-operative is exempted from the reporting requirements of the *Securities Act* by section 3(hh) of BOR #1" and is not a reporting issuer under the *Securities Act*;
3. the Securities of the Co-operative are not, and will not be, listed for trading on any Canadian stock exchange and no published market for the Securities exists in Canada;
4. the net proceeds of the Securities will be used to expand and enhance the retail facilities of the Co-operative in accordance with the Capital Plan prepared by the Co-operative under the *Risk Capital Investment Tax Credits Act*, S.N.W.T. 1998, C22;
5. the Securities will only be traded in the Northwest Territories in compliance with the *Securities Act*;

6. the Offering Memorandum contains disclosure consistent with Multilateral Instrument 45-103 F1 and will be provided to all purchasers of the Securities; and
7. there is currently no market in Canada for the Co-operative's Securities and none is expected to develop;

AND WHEREAS the Securities would be exempt from the requirements of Section 4 of the *Securities Act* under section 3(hh) of BOR#2, but for the fact that the Securities are non-voting securities rather than voting securities under the *Securities Act*;

AND WHEREAS the Registrar of Securities considers that it would not be prejudicial to the public interest to do so;

IT IS ORDERED under section 43.1 of the Securities Act that the intended sale of Securities by the Co-operative is exempt from the requirements of section 4 of the Securities Act provided that:

- (a) the Offering Memorandum is provided by or on behalf of the Co-operative to each person who acquires the Securities; and
- (b) the Co-operative provides each person who acquires the Securities with a copy of this Order; and
- (c) the Co-operative solicits to purchase the Securities, no more than 50 prospective purchasers who are not members of the Co-operative, or who have not been members of the Co-operative for at least 12 months from the date of this Order; and
- (d)
 - (i) the Securities are distributed to current members of the Co-operative, who have been members for at least 12 months from the date of this Order; and
 - (ii) the Securities are distributed to no more than 25 purchasers who are not members of the Co-operative, or who have not been members of the Co-operative for at least 12 months from the date of this Order; and
- (e) the Co-operative will not accompany the offer for sale of the Securities with any form of advertisement to the public.

DATED at Yellowknife, Northwest Territories, on February 12th, 2003.

“Tony Wong”

Tony Wong
Registrar, Securities & Corporate Registries
Northwest Territories