

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

- and -

IN THE MATTER OF ARTA ENTERPRISES INC.

**EXEMPTION ORDER**

**UPON** the application of Arta Enterprises Inc. (the “Applicant”) to the Registrar of Securities (the “Registrar”) for an order pursuant to subsections 4(b) and 27(2)(b) of the *Securities Act*, R.S.N.W.T. 1988, c. S-5, as amended (the “Act”), exempting the Applicant from the provisions of the Act requiring the Applicant to file a prospectus or statement of material facts in connection with the issuance of shares of the Applicant to two residents of the Northwest Territories (“NWT”) in exchange for shares owned by them of 895924 Alberta Ltd. and from the requirement that such trades be effected by a registrant;

**AND UPON** the Applicant representing to the Registrar that:

1. The Applicant is a corporation, incorporated pursuant to the *Business Corporations Act* (Alberta) (the “ABCA”) and has been a reporting issuer in the Provinces of Alberta and British Columbia since August 3, 2001;
2. The common shares of the Applicant (“Common Shares”) are listed and posted for trading on the TSX Venture Exchange;
3. The Applicant is a “capital pool company” pursuant to Policy 2.4 of the TSX Venture Exchange and intends to complete a “Qualifying Transaction in accordance with such policy which involves in part, the acquisition of all of the issued and outstanding shares of 895924 Alberta Ltd. (“Holdco”);
4. Holdco is a corporation incorporated pursuant to the ABCA and is a “private issuer” as defined in subsection 1(pp) of the *Securities Act* (Alberta) (the “Alberta Act”);
5. Holdco has fourteen shareholders, all of whom are residents of Alberta with the exception of two, who are residents of the NWT (the “NWT Shareholders”);
6. The NWT shareholders hold an aggregate of 2,583,333 Holdco Shares, representing 48.1% of the issued and outstanding Holdco Shares and upon completion of the Qualifying Transaction, will receive an aggregate of 1,110,695 Arta Shares or 14.6% of the Arta Shares on a non-diluted basis;

7. The trade by the NWT Shareholders of their Holdco Shares for Arta Shares is exempt from the prospectus requirements pursuant to subsection 3(i) of Blanket Order No. 1 and from the registration requirements pursuant to subsection 3(i) of Blanket Order No. 2;
8. There is no exemption from the registration and prospectus requirements for the issuance of the Arta Shares to the NWT Shareholders. Arta will rely upon the registration and prospectus exemption contained in clauses 86(1)(q) and 131(1)(j) of the Alberta Act to issue Arta Shares to Holdco shareholders resident in Alberta;

**AND UPON** the Registrar being of the opinion that it would not be prejudicial to the public interest to do so;

**IT IS HEREBY ORDERED** that the issuance of Arta Shares by Arta to shareholders of Holdco resident in the NWT in exchange for Holdco Shares in connection with Arta's Qualifying Transaction shall not be subject to section 4 of the Act and the requirement that a prospectus or statement of material facts be filed with the Registrar.

**DATED** at the City of Yellowknife, in the Northwest Territories, this 24<sup>th</sup> day of June, 2002.

*“Tony Wong”*

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Registrar of Securities