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Headnote

Relief from the prospectus requirement for resales of securities acquired under an exempt take over bid in accordance with Multilateral Instrument 45-102

Exemption Order

621905 British Columbia Ltd.

Section 76 of the *Securities Act*, R.S.B.C. 1996, c. 418

Background

- ¶ 1 621905 British Columbia Ltd. applied for an exemption from the requirement to file and obtain receipts for a preliminary prospectus and prospectus in section 61 of the Act (the prospectus requirement) for certain intended trades.

Representations

- ¶ 2 621905 represents that:
1. it is a privately owned holding company, incorporated under the laws of British Columbia;
 2. Chowade Energy Inc. is a corporation incorporated under the *Business Corporations Act* (Alberta);
 3. on October 24, 2003, 621905 subscribed for 200,000 common shares of Chowade;
 4. the shares were issued by Chowade to 621905 under registration and prospectus exemptions in sections 2.1(1) and (2) respectively of Multilateral Instrument 45-103 *Capital Raising Exemptions*;
 5. Innova Exploration Ltd. has made an exempt take-over bid to all Chowade shareholders to acquire all the outstanding Chowade shares on the basis of 0.26901 common shares of Innova for each share of Chowade (the offer);
 6. 621905 has accepted the offer;
 7. under the offer, 621905 will exchange its 200,000 shares for 53,802 common shares of Innova;

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8. Innova is a reporting issuer in British Columbia, Alberta, Manitoba, Ontario and Québec and its common shares trade on the Toronto Stock Exchange;
9. of Chowade's 24 shareholders of record, only 621905 is resident in British Columbia, the rest are resident in Alberta;
10. the first trade in Innova's common shares issued to all other Chowade shareholders under the offer will be subject to section 2.6 of Multilateral Instrument 45-102 *Resale of Securities*, which imposes only a seasoning period; and
11. the first trade in Innova's common shares issued to 621905 under the offer will be subject to section 2.5 of MI 45-102, which imposes a four-month hold period.

Order

¶ 3 Because it is not prejudicial to the public interest, the Executive Director orders, under section 76 of the Act, that any trade by 621905 in Innova's common shares acquired under the offer is exempt from the prospectus requirement provided that the conditions in section 2.6 of MI 45-102 are satisfied.

¶ 4 June 7, 2004

Brenda Leong
Director