

Cease Trade Order

Krystal Bond Inc.

Section 164 of the *Securities Act*, R.S.B.C. 1996, c. 418

Krystal Bond Inc. is a reporting issuer and an exchange issuer, and has not filed:

1. a comparative financial statement for its financial year ended September 30, 2001, as required under section 145 of the *Securities Rules*, B.C. Reg. 194/97 (the Rules),
2. interim financial statements for the three month period ended December 31, 2001 and for the six month period ended March 31, 2002, as required under section 144(1) of the Rules,
3. quarterly reports for the periods ended September 30, 2001, December 31, 2001 and March 31, 2002, as required under section 152 of the Rules,

(the required record).

Under section 164(1) of the Act, the Executive Director orders that all trading in the securities of Krystal cease until they file the required record.

June 18, 2002

Andrew S. Richardson, C.A.
Manager, Finance and Corporate Analysis

File #X028620-4
Scan ID#116843-4

Note: If a Cease Trade Order remains in effect for more than ninety days, the issuer will be required to meet the additional filing requirements under Section 186 of the Rules. Details on these additional requirements are Provided in BC Policy 12-603.

TO:

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British Columbia Securities Commission
Attention: Elizabeth O'Hea