

IN THE MATTER OF THE SECURITIES ACT
R.S.B.C. 1996, c. 418

AND

IN THE MATTER OF KAP RESOURCES LTD.

Cease Trade Order Under Section 164

WHEREAS Kap Resources Ltd. (the "Issuer") is a reporting issuer other than a mutual fund;

AND WHEREAS the Issuer has failed to file

- a) a comparative financial statement for its financial year ended December 31, 1998, as required under section 145 of the *Securities Rules*, B.C. Reg. 194/97 (the "Rules"),
- b) an interim financial statement for the three month period ended March 31, 1999, as required under section 144(1) of the Rules,

(the "Required Records");

NOW THEREFORE it is ordered under section 164(1) of the Securities Act, R.S.B.C. 1996, c. 418, that all trading in the securities of the Issuer cease until the Issuer files the Required Records.

DATED at Vancouver, British Columbia, on August 4 1999.

Andrew S. Richardson, C.A.
Manager, Statutory Filings

File #X021109-4
Scan ID #80162

NOTE: If a Cease Trade Order remains in effect for more than 90 days, the issuer will be required to meet the additional filing requirements under Section 186 of the Rules. Details on these additional filing requirements are provided in Local Policy 3-35.

TO:

Kap Resources Ltd.
#407 – 325 Howe Street
Vancouver, BC V6C 1Z7
Facsimile: 684-3499

Kap Resources Ltd.
#1600 – 925 West Georgia Street
Vancouver, BC 6C 3L2
Facsimile: 669-1620

Montreal Trust Company
510 Burrard Street
Vancouver, BC V6C 3B9
Facsimile: 683-3694

Attention: John Smith
Lawson, Lundell, Lawson & McIntosh
Barristers & Solicitors
1600 Cathedral Place
925 West Georgia Street
Vancouver, BC V6C 3L2
Facsimile: 669-1620

British Columbia Securities Commission
Attention: Elizabeth O’Hea