

**ALBERTA SECURITIES COMMISSION**  
**MANAGEMENT CEASE TRADE ORDER**

**Montello Resources Ltd.**

**Background**

Montello Resources Ltd. (the **Filer**) failed to file the following periodic disclosure pursuant to section 146 of the *Securities Act* (Alberta) (the **Act**):

Annual audited financial statements, annual management discussion and analysis, and certification of annual filings for the year ended 31 July 2009 (collectively, the **Unfiled Documents**)

The Filer understands that its default in not filing the Unfiled Documents (the **Default**) may cause the Executive Director of the Alberta Securities Commission (the **Executive Director**) to order that all trading in or purchasing cease in respect of the securities of the Issuer, but requests instead that the Executive Director order the cessation of trading in or purchasing of its securities by Peter C. Brown and Dennis Petke (each referred to separately as the **Respondent**).

Pursuant to subsection 17(2) of the Act, the Executive Director has made an Authorization Order dated 23 November 2009 (the **Authorization**) authorizing the undersigned to issue orders under section 33.1 of the Act.

**Representations**

The Filer has represented to the undersigned that:

1. The Filer is a reporting issuer under the Act.
2. The Filer anticipates and expects to file the Unfiled Documents and any other periodic disclosure required to be filed pursuant to section 146 of the Act while this order is in effect (the **Other Disclosure**) on or before 29 January 2010.
3. The Filer has the necessary financial and human resources, including a reasonable number of directors and officers in place, to address the Default in a timely and effective manner and comply with all other continuous disclosure requirements (other than requirements reasonably linked to the Default) for the duration of the Default.
4. The Filer is generating revenue from its principle business or, if it is in the development stage, the Filer is actively pursuing the development of its products or properties.
5. The Filer's securities are listed on a Canadian exchange and there is an active, liquid market for those securities.

6. The Filer is not appearing in default on the reporting issuer list or on the defaulting reporting issuer list of any securities regulatory authority for any reason other than the failure to file the Unfiled Documents.
7. The Filer has filed on SEDAR and disseminated in the same manner as a news release a notice of default containing the information described in Part 4.3 of National Policy 12-203 *Cease Trade Orders for Continuous Disclosure Defaults (NP 12-203)* and thereafter will file on SEDAR every two weeks a default status report containing the information described in Part 4.4 of NP 12-203 for the duration of the default.

Each Respondent has represented to the undersigned that:

1. He or she is aware that an order will be issued against him or her prohibiting trading in or purchasing securities of the Filer and consents to the issuance of that order.

### **Decision**

The undersigned, being of the opinion that it would not be prejudicial to the public interest to do so, orders under the Authorization that each Respondent cease trading in or purchasing, directly or indirectly, securities of the Filer until this order is revoked or varied, or until the later of:

- i) two full business days following the date the Filer files the Unfiled Documents; and
- ii) two full business days following the date the Filer files the Other Disclosure.

1 December 2009

*“original signed by”*

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Jonathan Taylor  
Manager, CD Compliance & Market Analysis