

2009 BCSECCOM 413

Temporary Order and Notice of Hearing

Sungro Minerals Inc.

Section 161 of the *Securities Act*, RSBC 1996, c. 418

- ¶ 1 The Commission will hold a hearing at which the Executive Director will tender evidence, make submissions and apply for an order that all persons cease trading in the securities of Sungro Minerals Inc. (Sungro) under sections 161(1)(b) of the Securities Act, RSBC 1996, c. 418 (the Act), based on the following facts:

Background

1. Sungro was incorporated in the State of Nevada on August 10, 2007. Its head office is in Surrey, British Columbia.
2. Sungro has 9,750,000 issued and outstanding shares.
3. On August 15, 2007, Sungro issued 5 million shares to its sole director and officer at US \$.001 per share for proceeds of US \$5,000.
4. On September 18, 2007, Sungro issued 4,750,000 shares to 40 individuals (Seed Shareholders) at US \$.02 per share for proceeds of US \$95,000.
5. Sungro's sole director and officer and the Seed Shareholders all reside in British Columbia.
6. Sungro's shares have been quoted on the OTC Bulletin Board since September 10, 2008. Sungro is an OTC reporting issuer under BC Instrument 51-509 *Issuers Quoted on the U.S. Over the Counter Markets*.

Suspicious Trading in Sungro Shares

7. The first public trade in Sungro shares was on February 19, 2009. On that date, one of the Seed Shareholders sold from his brokerage account in British Columbia 30,000 Sungro shares at US \$0.35 per share. There were no further public trades in Sungro shares until June 15, 2009.
8. Between June 15, 2009 and June 22, 2009, the same Seed Shareholder sold from his brokerage account in British Columbia his remaining 88,750 Sungro shares at prices ranging from US \$0.45 to US \$2.50.
9. Between June 24, 2009 and July 6, 2009, a second Seed Shareholder sold from his brokerage account in British Columbia 6,800 Sungro shares at prices ranging from US \$3.75 to a high of US \$4.95, with his last sale at US \$4.75.

2009 BCSECCOM 413

10. The sales by the two Seed Shareholders between June 15 and July 6, 2009 represented approximately 45% of the trading volume in Sungro shares. The trading price change from US \$0.35 to US \$4.75 represented an increase of 1,357%.
11. Sungro has not issued any news releases or other disclosure that would account for the increase in its share price. Sungro has advised Commission Staff that it has no explanation for the share price increase. At a share price of US \$4.75 on July 6, 2009, Sungro's market capitalization was \$46,312,500.
12. At May 31, 2009, Sungro had current assets of US \$299 and current liabilities of US\$18,864 for a working capital deficiency of US\$18,565. Sungro had no other assets and no revenues.
13. Sungro purports to be engaged in mineral exploration. However, Sungro has no interest in any mineral property, and its sole director and officer has no training or experience in mineral exploration.
14. On July 7, 2009, Commission Staff issued a Halt Trade Order under section 89 of the Act, which halted trading in Sungro shares until July 10, 2009. Commission Staff issued a second Halt Trade Order on July 10, 2009, which halted trading in Sungro shares until July 15, 2009.
15. Since the expiry of the second Halt Trade Order on July 15, 2009, there have been five public trades of Sungro shares. The most recent trade occurred on July 29, 2009 at US \$4.00 per share.

Public Interest

16. Commission Staff is concerned that persons may have engaged in conduct that resulted in or contributed to an artificial price for Sungro shares, contrary to section 57 of the Act.
17. It would be prejudicial to the public interest to permit trading in Sungro shares in British Columbia until Commission Staff makes further inquiries relating to the dramatic increase in the share price.

2009 BCSECCOM 413

Temporary Order

- ¶ 2 The Executive Director considers the length of time to hold a hearing under section 161(1) of the Act could be prejudicial to the public interest and, considering that it would be in the public interest to do so, orders under sections 161(1)(b) and 161(2) of the Act (the Temporary Order) that all persons cease trading in the securities of Sungro until August 12, 2009.
- ¶ 3 A hearing (the Hearing) will be held at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on August 12, 2009 at 10:00 am.
- ¶ 4 At the Hearing, the Executive Director will ask the Commission to adjourn the matter and extend the Temporary Order.
- ¶ 5 Sungro may be represented by counsel at the Hearing and may make representations and lead evidence. Sungro is requested to advise the Commission of its intention to attend by contacting the Secretary to the Commission at PO Box 10142, Pacific Centre, 5th Floor, 701 West Georgia Street, Vancouver, BC, V7Y 1L2, phone: (604) 899-6500; email: commsec@bcsc.bc.ca.
- ¶ 6 Determinations may be made in this matter if Sungro or its counsel does not appear at the Hearing.
- ¶ 7 July 29, 2009

Langley E. Evans

- ¶ 8 Langley E. Evans
Acting Executive Director