



Citation: 2020 BCSECCOM 386

## Partial Revocation Order

### Canada Iron Inc.

#### Section 171 of the *Securities Act*, R.S.B.C. 1996, c. 418

- ¶ 1 On December 7, 2012, the Executive Director issued an order (the BC Cease Trade Order) under section 164(1) of the *Securities Act*, R.S.B.C. 1996, c. 418 (the Act) that all trading in the securities of Canada Iron Inc. (the Issuer) cease until it files the required records referred to in the BC Cease Trade Order.
- ¶ 2 The Issuer has applied to the Executive Director under section 171 of the Act for a partial revocation of the BC Cease Trade Order to permit certain trades in connection with the issuance of securities as described below.
- ¶ 3 The Issuer represented to the Commission that:
1. The Issuer was formed pursuant to an amalgamation under the *Business Corporations Act* (Ontario) on March 7, 2012.
  2. The head office of the Issuer is located in Ontario.
  3. The Issuer is a reporting issuer under the securities legislation of the provinces of British Columbia and Alberta. The Issuer is not a reporting issuer in any other jurisdiction in Canada.
  4. The issuer's authorized share capital consists of an unlimited number of common shares (Common Shares) with no par value. The Issuer currently has 52,000,000 Common Shares issued and outstanding.
  5. Issuer's securities are not listed on any stock exchange or quotation system.
  6. The BC Cease Trade Order was issued as a result of the Issuer's failure to file its financial statement, management's discussion and analysis and certification of annual filings for the year ended July 31, 2012 (the Unfiled Documents).
  7. The Unfiled Documents were not filed in a timely manner as a result of financial difficulties.
  8. In addition to the BC Cease Trade Order, the Issuer's securities are also subject to a cease trade order dated April 18, 2013 issued by Alberta Securities



Commission (the ASC), pursuant to subsection 33.1 of the *Securities Act* (Alberta), directing that all trading in the securities of the Issuer cease until the order is revoked or varied (the AB Cease Trade Order, together with the BC Cease Trade Order, the Cease Trade Orders).

9. The Issuer is seeking a partial revocation of the BC Cease Trade Order to be able to complete a private placement in the province of British Columbia and other provinces (the Private Placement) of up to 200,000,000 Common Shares, at a price of \$0.0005 per Common Share, to raise aggregate gross proceeds of up to \$100,000.
10. The Issuer has also filed an application with the ASC for a partial revocation of the AB Cease Trade Order.
11. The Private Placement will be conducted on a prospectus exempt basis with investors in British Columbia and other provinces who satisfy the requirements of sections 2.3 and 2.5 of National Instrument 45-106 *Prospectus Exemptions*.
12. The Issuer intends to prepare audited financial statements and pay all outstanding fees within a reasonable period of time following the completion of the Private Placement. The Issuer also intends to apply to the applicable securities regulators to have the Cease Trade Orders fully revoked.
13. The Issuer intends to allocate the proceeds from the Private Placement as follows:

<b>Description</b>	<b>Cost</b>
Accounting, audit and legal fees	\$30,000
Regulatory and late filing fees	\$50,000
Legacy accounts payable, including accounting and legal fees, consulting fees and outstanding transfer agent fees	\$10,000
Working capital and general and administrative expenses	\$10,000
<b>Total</b>	<b>\$100,000</b>

14. The Issuer reasonably believes that the Private Placement will be sufficient to bring its continuous disclosure obligations up to date and pay all related outstanding fees and provide it with sufficient working capital to continue its business.
15. As the Private Placement would involve a trade of securities and acts in furtherance of trades, the Private Placement cannot be completed without a partial revocation of the Cease Trade Orders.



16. The Private Placement will be completed in accordance with all applicable laws.
  17. Before completing the Private Placement, the Issuer will:
    - (a) provide each investor in the Private Placement with a copy of the BC Cease Trade Order;
    - (b) provide each investor in the Private Placement with a copy of this Partial Revocation Order; and
    - (c) obtain a signed and dated acknowledgement from each investor in the Private Placement, which clearly states that all of the Issuer's securities, including the securities issued in connection with the Private Placement, will remain subject to the Cease Trade Orders, and that the issuance of partial revocation orders does not guarantee the issuance of full revocation orders in the future.
  18. Upon issuance of this order, the Issuer will issue a press release announcing the order and the intention to complete the Private Placement. Upon completion of the Private Placement, the Issuer will issue a press release and file a material change report. As other material events transpire, the Issuer will issue appropriate press releases and file material change reports as applicable.
- ¶ 4 The Executive Director is satisfied that this order is not prejudicial to the public interest.
- ¶ 5 The Executive Director orders under section 171 of the Act that the BC Cease Trade Order be partially revoked solely to permit the completion of the Private Placement.
- ¶ 6 September 21, 2020

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