

Headnote

National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* - *Securities Act* s. 88 - Cease to be a reporting issuer in BC - The securities of the issuer are beneficially owned by more than 50 persons and are not traded through any exchange or market - Following an arrangement, all of the issuer's common shares were acquired by another company; all of the issuer's other outstanding securities are either exercisable for securities of the acquirer or redeemable based on the value of the shares of the acquirer; the acquirer is a reporting issuer and in compliance with its continuous disclosure obligations; the issuer filed notice of its application to cease to be a reporting issuer; securities of the issuer are not traded through any exchange or market

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c.418, s.88

April 15, 2019

In the Matter of
the Securities Legislation of
British Columbia and Ontario
(the Jurisdictions)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
ICC Labs Inc.
(the Filer)

Order

Background

- ¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, and
- (c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

- ¶ 3 This order is based on the following facts represented by the Filer:

1. the Filer was incorporated on October 19, 2010 as a capital pool company under the *Business Corporations Act* (British Columbia) (BCBCA);
2. prior to the Arrangement (as defined below), the Filer's head office was located at Suite 700 – 595 Burrard Street, P.O. Box 49290, Vancouver, British Columbia, V7Z 1S8;
3. the common shares in the capital of the Filer (the ICC Shares) traded on the TSX Venture Exchange (the TSX-V) under the symbol "ICC"; no other securities of the Filer were listed on any exchange;
4. Aurora Cannabis Inc. (Aurora) is a corporation existing under the BCBCA; the authorized share capital of Aurora consists of an unlimited number of common shares (the Aurora Shares); the Aurora Shares are listed on the Toronto Stock Exchange and the New York Stock Exchange under the symbol "ACB" and on the Frankfurt Stock Exchange under the trading symbol "21P";
5. immediately prior to the Effective Time (as defined below), the Filer had the following issued and outstanding securities: (i) 147,605,409 ICC Shares (inclusive of 6,528,686 ICC Shares converted from in-the-money options to purchase ICC Shares); (ii) 10,443,660 common share purchase warrants of ICC (the ICC Warrants); (iii) 16,698 compensation warrants of ICC (the ICC Compensation Options and, together with the ICC Shares and the ICC Warrants, the ICC Securities) convertible into 25,047 ICC Shares; the ICC Compensation Options are not transferable;
6. to the best of the Filer's knowledge and belief and based on a geographic distribution report obtained pursuant to subsection 2.5(2) of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, as of January 11, 2019, there was 1 holder of ICC Compensation Options who is resident in Ontario and there were 54 holders of ICC Warrants, 25 of which were in Ontario (holding 444,695 ICC Warrants representing

4.3% of the total aggregate ICC Warrants), 14 of which were in Alberta (holding 218,850 ICC Warrants representing 2.12% of the total aggregate ICC Warrants), 10 of which were in British Columbia (holding 68,745 ICC Warrants representing 0.66% of the total aggregate ICC Warrants), 0 of which was in the United States, and 5 of which were in other foreign jurisdictions (holding 9,606,250 ICC Warrants representing 92.92% of the total aggregate ICC Warrants);

7. effective at 12:01 a.m. (Eastern Standard Time) on November 22, 2018 (the Effective Time), Aurora acquired all of the issued and outstanding ICC Shares by way of a statutory plan of arrangement under the BCBCA (the Arrangement);
8. the notice of special meeting of holders of ICC Shares (the ICC Shareholders) and management information circular of the Filer was delivered to the ICC Shareholders entitled to vote at the special meeting of the ICC Shareholders that took place on November 6, 2018 to consider the Arrangement;
9. under the Arrangement, Aurora acquired all of the ICC Shares, for consideration consisting of approximately 0.2161 Aurora Shares for each outstanding ICC Share (the Share Consideration); additionally, Aurora assumed all of the ICC Warrants and all of the ICC Compensation Options as follows:
 - (a) pursuant to the terms of the Arrangement and supplemental common share purchase warrant indenture dated December 10, 2018 between the Filer, Aurora and TSX Trust Company (the Supplemental Debenture) which governs the ICC Warrants, the holders of ICC Warrants became entitled to receive, and Aurora became obligated to provide, upon exercise of the ICC Warrants, such number of Aurora Shares which the holder would have been entitled to receive if the holder exercised their ICC Warrants immediately prior to the Effective Time;
 - (b) pursuant to the terms of the Arrangement and certificates representing the ICC Compensation Options (the ICC Compensation Option Certificates), each holder of an ICC Compensation Option became entitled to receive, and Aurora became obligated to provide, upon the exercise of the ICC Compensation Options, i) such number of Aurora Shares which the holder would have been entitled to receive if the holder had exercised their ICC Compensation Options immediately prior to the Effective Time, and ii) one-half of one ICC Warrant for each ICC Compensation Option exercised by such holder;
10. the Filer is not required to remain a reporting issuer pursuant to the terms of the Supplemental Indenture and the ICC Compensation Option Certificates; the treatment of the ICC Warrants and ICC Compensation Options in the Arrangement is consistent with the terms of the Supplemental Indenture and the ICC Compensation Option Certificates, as applicable; as a result of such treatment, the ICC Warrants and ICC Compensation Options represent the right to receive Aurora Shares and not the ICC Shares; as a result, no consents or approvals were required from the holders of the ICC Warrants and the ICC Compensation Options;

11. in connection with the Arrangement, additional Aurora Shares were authorized for issuance upon exercise of the ICC Warrants and ICC Compensation Options;
12. the ICC Shares were delisted from the TSX-V effective at the close of business on November 27, 2018;
13. Aurora is a reporting issuer in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; as such, Aurora is subject to continuous disclosure requirements; Aurora's continuous disclosure is relevant to holders of ICC Warrants and ICC Compensation Options as such holders are entitled to receive Aurora Shares upon exercise of such securities;
14. Aurora is not in default of securities legislation in any jurisdiction;
15. the Filer is not an OTC issuer as that term is defined under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
16. the Filer has no intention to seek public financing by way of an offering of securities;
17. no securities of the Filer, including any debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
18. the Filer is not a reporting issuer in any jurisdiction of Canada other than the jurisdictions identified in this order; the Filer is applying for an order that it has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer;
19. the Filer is not in default of any securities legislation in any jurisdiction, other than an obligation (arising after the Arrangement) to file on or before November 29, 2018, its interim financial statements and its management discussion and analysis in respect of such statements for the period ended September 30, 2018, as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the Interim Filings);
20. the Filer is not eligible to use the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* as it is in default for failure to file the Interim Filings and because the ICC Securities are not beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide; and
21. upon the granting of the Order Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction in Canada.

Order

- ¶ 4 Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

John Hinze
Director, Corporate Finance
British Columbia Securities Commission