

# ALBERTA SECURITIES COMMISSION

## VARIATION ORDER

**Citation: Re Nextraction Energy Corp., 2019 ABASC 12**

**Date: 20190117**

### **Nextraction Energy Corp.**

#### **Background**

1. Nextraction Energy Corp. (the **Filer**) has made an application under section 214 of the *Securities Act* (Alberta) (the **Act**) to the Executive Director of the Alberta Securities Commission (**ASC**) for an order to vary a cease trade order dated 6 May 2015 *Re Nextraction Energy Corp., 2015 ABASC 687* (the **CTO**).

#### **Representations**

2. This order is based on the following facts represented by the Filer.
  - (a) The Filer was incorporated under the laws of Alberta on April 9, 1996.
  - (b) The Filer's head office is located in Calgary, Alberta.
  - (c) The Filer is a reporting issuer in Alberta and British Columbia. The Filer is not a reporting issuer in any other jurisdiction.
  - (d) The Filer has an authorized share capital of an unlimited number of common shares and an unlimited number of preference shares, of which 42,462,408 common shares and no preference shares are issued and outstanding.
  - (e) On May 6, 2015 the ASC issued the CTO in response to the Filer's failure to file its annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the year ended December 31, 2014.
  - (f) The Filer is subject to a cease trade order of the British Columbia Securities Commission (**BCSC**) dated May 8, 2015 (the **BC CTO**, and together with the CTO, the **CTOs**).
  - (g) Other than what is described in this order, the Filer is not subject to any other cease trade orders.
  - (h) The Filer seeks to vary the CTOs to permit the Filer to distribute, pursuant to certain exemptions from the prospectus requirement, promissory notes for aggregate maximum proceeds of \$195,000 (the **Offering**).
  - (i) For each distribution made in respect of the Offering, the Filer will comply with the employee, executive officer, director and consultant exemption in section 2.24 of National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**). The Filer will only use the exemption in section 2.24 of NI 45-106 to raise funds from executive

officers and directors and will not use this exemption to raise funds from employees or consultants.

- (j) The Offering is intended to take place in British Columbia, Alberta and possibly other jurisdictions in Canada.
- (k) The Filer reasonably expects the proceeds from the Offering will be used in a manner consistent with the below table:

Auditing Fees	\$ 40,000
Accounting Fees	\$ 35,000
Legal and Exchange Related Fees	\$ 30,000
Filing Fees and Disclosure Costs	\$ 55,000
Registrar and Transfer Agent	\$ 5,000
Working Capital	<u>\$ 30,000</u>
<b>Total</b>	<b>\$195,000</b>

- (l) The Filer has concurrently applied for a partial revocation of the BC CTO to permit the Offering in British Columbia.
- (m) The Filer reasonably expects that the proceeds from the Offering will be sufficient to bring its continuous disclosure up to date and to apply for a full revocation of the CTO and pay all related outstanding fees.
- (n) Within a reasonable time following the completion of the Offering, the Filer intends to apply to the ASC for a full revocation of the CTO.
- (o) The Filer hereby undertakes to provide the signed and dated written acknowledgements referred to in paragraph 3(c) below to the Executive Director on request.

#### **Decision**

4. The undersigned, considering that it would not be prejudicial to the public interest to do so, orders under subsection 214(1.1) of the Act that the CTO is varied to permit the Offering provided that prior to completion of the Offering, each investor will receive:
  - (a) a copy of the CTO;
  - (b) a copy of this partial revocation order; and
  - (c) written notice from the Filer, to be acknowledged by each investor in writing, that all of the Filer's securities, including the securities issued in connection with the Offering, will remain subject to the CTOs until such orders are revoked and that

the issuance of the partial revocation order does not guarantee the issuance of a full revocation in the future.

17 January 2019

*“original signed by”*

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Timothy Robson  
Manager, Legal  
Corporate Finance  
Alberta Securities Commission