

**Fortem Resources Inc.**

**PARTIAL REVOCATION ORDER**  
**Under the securities legislation of Alberta (the Legislation)**

**Background**

1. Fortem Resources Inc. (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the Alberta Securities Commission (the **Principal Regulator**) on July 16, 2019.
2. The Issuer has applied to the Principal Regulator for a partial revocation of the FFCTO.

**Interpretation**

Terms defined in National Instrument 14-101 *Definitions* or in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

**Representations**

3. This decision is based on the following facts represented by the Issuer:
  - (a) The Issuer is incorporated pursuant to the laws of the State of Nevada.
  - (b) The Issuer's head office is located at Suite 1020 – 909 11<sup>th</sup> Avenue S.W., Calgary, Alberta T2R 0E7.
  - (c) The Issuer is a reporting issuer in the provinces of Alberta and British Columbia. The Issuer is not a reporting issuer in any other Canadian jurisdiction.
  - (d) The Issuer's securities are listed on the TSX Venture Exchange under the symbol "FTM".
  - (e) The Issuer is an "SEC foreign issuer" as defined in National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* and an "SEC issuer" as defined by National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.
  - (f) In accordance with National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*, the Principal Regulator is the Issuer's principal regulator.
  - (g) Under Section 146 of the *Securities Act* (Alberta) (the **Act**), the Issuer was required to file its annual financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended February 28, 2019 (collectively, the **Required Records**).

- (h) By July 4, 2019, the Issuer had failed to file the Required Records and, as a result, the Executive Director of the Principal Regulator (the **Executive Director**) ordered pursuant to Section 146 of the Act that Marc Bruner and Robert DaCunha, the Issuer's Chief Executive Officer and Chief Financial Officer, respectively, cease trading in or purchasing securities of the Issuer (the **MCTO**).
- (i) In issuing the MCTO, the Executive Director relied in part upon a representation of the Issuer that it expected to file the Required Records and any other periodic disclosure required to be filed pursuant to Section 146 of the Act while the MCTO is in effect (the **Other Disclosure**) on or before July 14, 2019.
- (j) On July 12, 2019, the Issuer issued a press release stating that it had determined that all of the financial statements filed by the Issuer in respect of the periods after the year ended February 28, 2017 (the **Past Financial Statements**) should not be relied upon. The Issuer also announced that it did not expect to file the Required Records or amended versions of the Past Financial Statements until August 9, 2019.
- (k) By July 16, 2019, the Issuer had failed to file the Required Records and, as a result, the Executive Director ordered that the MCTO be revoked and issued the FFCTO ordering that all trading and purchasing of the Issuer's securities cease, excluding any beneficial securityholder of the Issuer who was not, at the date of the FFCTO, an insider or control person of the Issuer, provided:
  - (i) the sale is made through a "foreign organized regulated market", as defined in Section 1.1 of the *Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada*; and
  - (ii) the sale is made through an investment dealer registered in a jurisdiction of Canada in accordance with applicable securities legislation.
- (l) Other than the FFCTO, the Issuer is not subject to any other cease trade orders.
- (m) The Issuer is seeking a partial revocation of the FFCTO in order to raise funds to allow the Issuer to prepare and file the Required Records, Other Disclosure and Past Financial Statements (collectively, the **Outstanding Disclosure Documents**) with a view to obtaining a full revocation of the FFCTO following their respective filing.
- (n) The Issuer proposes to borrow up to US\$285,566 from between four and 10 arm's length lenders residing in the provinces of British Columbia and Ontario, which funds are to be advanced pursuant to loan agreements that bear interest at a rate of 10% per annum (collectively, the **Financing**).
- (o) For each distribution made in connection with the Financing, the Issuer will comply with the exemptions contained in Sections 2.3 (Accredited investor), 2.5 (Family,

friends and business associates) and 2.10 (Minimum amount investment) of National Instrument 45-106 *Prospectus Exemptions*.

- (p) The Issuer intends to use the proceeds of the Financing to:
- (i) prepare and file the Outstanding Disclosure Documents with a view to obtaining a full revocation of the FFCTO following their filing;
  - (ii) pay filing fees to the Principal Regulator (including any penalties for the late filings of materials) (collectively, the **Filing Fees**); and
  - (iii) fund the preparation of the application for the revocation of the FFCTO.
- (q) Specifically, the proceeds of the Financing will be used as follows:
- |       |                            |                        |
|-------|----------------------------|------------------------|
| (i)   | Legal fees:                | US\$30,000             |
| (ii)  | Accounting and audit fees: | US\$220,000            |
| (iii) | Transfer agent fees:       | US\$10,000             |
| (iv)  | Annual filing fees:        | US\$25,000             |
| (v)   | Filing Fees:               | US\$566 <sup>(1)</sup> |
|       | Total:                     | US\$285,566            |
- <sup>(1)</sup> Based on the Bank of Canada exchange rate of CAD\$0.7543 on September 13, 2019.
- (r) The Issuer believes that the proceeds from the Financing will be sufficient to file all Outstanding Disclosure Documents and pay all related legal, accounting and Filing Fees.
- (s) Before completing the Financing, the Issuer will:
- (i) obtain, and provide upon request to the Executive Director, the signed and dated written acknowledgements referred to in paragraph 5(c) below; and
  - (ii) provide each individual a copy of the FFCTO and a copy of this partial revocation order.
- (t) The Issuer intends to apply for a full revocation of the FFCTO within a reasonable time following the completion of the Financing.

**Order**

4. The Principal Regulator is satisfied that a partial revocation order of the FFCTO meets the test set out in the Legislation for the Principal Regulator to make the decision.
5. The decision of the Principal Regulator under the Legislation is that the FFCTO is partially revoked solely to permit the Financing, provided that prior to completion of the Financing, each investor will receive:
  - (a) a copy of the FFCTO;
  - (b) a copy of this partial revocation order; and
  - (c) written notice from the Issuer, to be acknowledged by each investor in writing, that all of the Issuer's securities, including the securities issued in connection with the Financing, will remain subject to the FFCTO until such order is revoked and that the issuance of the partial revocation order does not guarantee the issuance of a full revocation in the future.

*“original signed by”* \_\_\_\_\_  
Timothy Robson  
Manager, Legal  
Corporate Finance  
Alberta Securities Commission