

ALBERTA SECURITIES COMMISSION

VARIATION ORDER

Citation: Re Brandenburg Energy Corp., 2020 ABASC 78

Date: 20200605

Brandenburg Energy Corp.

Background

1. Brandenburg 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 (the **ASC**) for an order to vary a cease trade order dated 7 April 2015 *Re Brandenburg Energy Corp.* 2015 ABASC 637 (the **Alberta CTO**).

Interpretation

2. Terms defined in National Instrument 14-101 *Definitions* 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 Filer.
 - (a) The Filer was incorporated under the *Business Corporations Act* (British Columbia) on November 1, 2007.
 - (b) The Filer's head office is located in British Columbia.
 - (c) The Filer is a reporting issuer in British Columbia, Alberta and Saskatchewan. The Filer is not a reporting issuer in any other jurisdiction in Canada.
 - (d) As at the date hereof, no securities of the Filer are traded in Canada or any other 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.
 - (e) The Filer's authorized share capital consists of an unlimited number of common shares (**Common Shares**) and an unlimited number of preferred shares (**Preferred Shares**) of which 17,474,273 Common Shares and no Preferred Shares are issued and outstanding. Other than the issued and outstanding Common Shares and Preferred Shares, the Filer has no securities outstanding.
 - (f) On April 7, 2015, the ASC issued the Alberta CTO in response to the Filer's failure to file (i) annual audited financial statements, annual management's discussion and analysis (**MD&A**) and certification of annual filings for the year ended 31 August 2014; and (ii) interim unaudited financial statements, interim MD&A and certification of interim filings for the interim period ended November 30, 2014 (collectively, the **Unfiled Documents**).

- (g) The Unfiled Documents were not filed in a timely manner as a result of financial difficulties.
- (h) The Filer is also subject to a cease trade order of the British Columbia Securities Commission dated 6 January 2015 (the **BC CTO**, and together with the Alberta CTO, the **CTOs**).
- (i) The Filer is not subject to any cease trade orders other than the CTOs.
- (j) The Filer seeks to vary the CTOs to permit the Filer to conduct a private placement of an amount of up to \$145,000 by way of the issuance of 145,000,000 Common Shares at a price of \$0.001 per Common Share (the **Private Placement**).
- (k) For each distribution made in respect of the Private Placement, the Filer will comply with either the accredited investor exemption in section 2.3 of National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) or the family, friends and business associates exemption in section 2.5 of NI 45-106.
- (l) As the Private Placement would involve trades of securities and acts in furtherance of trades, the Private Placement cannot be completed without a partial revocation of the Alberta CTO.
- (m) The Private Placement is intended to take place in British Columbia, Alberta and other jurisdictions in Canada.
- (n) The Filer has concurrently applied for a partial revocation of the BC CTO to permit the Private Placement to be completed in British Columbia.
- (o) The Filer intends to use the proceeds of the Private Placement to resolve outstanding fees, prepare audited financial statements and pay all other costs associated with applying for a full revocation of the CTOs.
- (p) The Filer reasonably expects the proceeds from the Private Placement will be used in a manner consistent with the below table:

Accounting, audit and legal fees	\$60,000
Regulatory and late filing fees	\$25,000
Legacy accounts payable, including accounting and legal fees, consulting fees and outstanding transfer agent fees	\$25,000
Working capital and general and administrative expenses	\$35,000
Total:	\$145,000

- (q) The Filer reasonably believes that the proceeds raised from the Private Placement will be sufficient to bring its continuous disclosure obligations up to date, pay all related outstanding fees, provide it with sufficient working capital to advance its business and apply for a full revocation of the CTOs.
- (r) Within a reasonable time following the completion of the Private Placement, the Filer intends to apply for a full revocation of the CTOs.
- (s) The Filer hereby undertakes to provide the signed and dated written acknowledgments referred to in paragraph 4(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 Alberta CTO is varied to permit the Private Placement, provided that prior to completion of the Private Placement, each subscriber will receive:
 - (a) a copy of the Alberta 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 Private Placement, will remain subject to the CTOs until such orders are revoked, and that the issuance of partial revocation orders does not guarantee the issuance of full revocation orders in the future.

5 June 2020

“original signed by”

Timothy Robson
Manager, Legal
Corporate Finance
Alberta Securities Commission