

ALBERTA SECURITIES COMMISSION

REVOCATION ORDER
Under the *Securities Act* (Alberta) (the Act)

Citation: Re Perpetual Industries Inc., 2020 ABASC 112

Date: 20200706

Perpetual Industries Inc.

Background

1. Perpetual Industries Inc. (the **Issuer**) is subject to a cease trade order (the **CTO**) issued by the Executive Director of the Alberta Securities Commission on 4 December 2015 *Re Perpetual Industries Inc.*, 2015 ABASC 971.
2. The Issuer has applied for an order under section 214 of the Act revoking the CTO.

Interpretation

3. Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this order, unless otherwise defined.

Representations

4. This order is based on the following facts represented by the Issuer:
 - (a) It is a reporting issuer under the Act.
 - (b) It has filed with the Executive Director all continuous disclosure that it is required to file under the Alberta securities laws, except any continuous disclosure that the Executive Director elected not to require as contemplated in sections 6 and 7 of National Policy 12-202 *Revocation of Certain Cease Trade Orders*, and has paid all activity, participation and late filing fees that it is required to pay to the Alberta Securities Commission.
 - (c) It has an up-to-date SEDAR profile and SEDI issuer profile supplement.

Decision

5. The undersigned, considering that it would not be prejudicial to the public interest to do so, orders under subsection 214(1) of the Act that the CTO is revoked.

The decision is based on the fact that the following breaches of section 93.1 of the Act by the Issuer did not result in any known investor losses:

- (a) The issuance of a total of US\$30,000 of convertible notes (the **Convertible Debentures**) which entitled the holder to convert convertible notes into Common Shares at a price of US\$0.05. A total of US\$20,000 of convertible notes were forgiven/cancelled. As of March 31, 2020, no conversions were made on the remaining US\$10,000 of convertible notes and the holders of the Convertible

Debentures agreed not to cause any conversions until the CTOs have been fully revoked.

- (b) The issuance of 21,000,000 warrants (the **Warrants**), of which 16,000,000 were issued to entities resident outside of Canada, in relation to the forgiveness of \$2,040,000 in debt. The Warrants entitled the holders to convert the Warrants into Common Shares at a price of \$0.01 per Warrant.
- (c) The issuance of 4,900,000 stock options (the **Options**) to management of the Issuer at an exercise price of \$0.10 per Option, of which 1,800,000 Options were issued to management outside of Canada; and
- (d) The issuance of 450,000 Options to non-Alberta residents in 2019.

6 July 2020

“original signed by”

Tom Graham, CPA, CA
Director, Corporate Finance
Alberta Securities Commission