

ALBERTA SECURITIES COMMISSION

VARIATION ORDER

Citation: Re 0187279 B.C. Ltd., 2022 ABASC 23

Date: 20220315

0187279 B.C. Ltd.

Background

1. 0187279 B.C. Ltd. (formerly, Linux Gold 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 varying a cease trade order dated 10 October 2014, Citation, *Re Linux Gold Corp.*, 2014 ABASC 397 (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 *Companies Act* (British Columbia) on February 27, 1979.
 - (b) The Filer's head office is located in Ontario.
 - (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 200,000,000 common shares, voting and participating without par value (the **Common Shares**). The Filer has 99,593,825 Common Shares issued and outstanding.
 - (e) 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, except for the Common Shares, which are listed on the OTC Grey Market under the symbol "LNXGF". An application has been submitted to FINRA for the deletion of the symbol for its Common Shares.
 - (f) The Filer will cease to be an "OTC reporting issuer" pursuant to Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-The-Counter Markets* upon filing a Form 51-105F1 *Notice – OTC Issuer Ceases* to be an OTC Reporting Issuer.

- (g) On 10 October 2014, the ASC issued the Alberta CTO in response to the Filer's failure to file its (i) annual audited financial statements, annual management's discussion and analysis (**MD&A**), and certification of annual filings for the year ended 28 February 2014; and (ii) interim unaudited financial statements, interim MD&A, and certification of interim filings for the period ended 31 May 2014.
- (h) The Filer is also subject to a cease trade order of the British Columbia Securities Commission dated 5 June 2009 (the **BC CTO**, and together with the Alberta CTO, the **CTOs**).
- (i) Other than the CTOs, the Filer is not subject to any other cease trade orders.
- (j) The Filer seeks to vary the CTOs to permit the Filer to conduct (i) private placements of an amount up to \$11,045 by way of the issuance of 100,406,175 Common Shares at a price of \$0.00011 per Common Share (the **Issue Price**) and (ii) an offering of unsecured convertible debentures (the **Unsecured Debentures**) of an amount up to \$188,000, for aggregate proceeds of up to \$199,045 (the **Offerings**). Each Unsecured Debenture will be issued in principal amount of \$1,000, bearing the interest at an annual rate of 5% payable in arrears in equal installments semi-annually, and maturing on the date that is 24 months from the date of issuance (the **Maturity Date**). The principal sum of the Unsecured Debentures, or any portion thereof, will be convertible at the holder's option into Common Shares at the Issue Price at any time prior to the Maturity Date.
- (k) For each distribution made in respect of the Offerings, the Filer will comply with the accredited investor exemption in section 2.3 of National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**).
- (l) The Offerings are intended to take place in Ontario, British Columbia, and possibly other jurisdictions in Canada.
- (m) The Filer reasonably expects the proceeds from the Offerings will be used in a manner consistent with the below table:

Accounting, audit and legal fees	\$50,000
Regulatory and late filing fees	\$33,333
Legacy accounts payable, including accounting and legal fees, consulting fees and outstanding transfer agent fees	\$33,333
Working capital and general and administrative expenses	\$82,379
Total (approximately)	\$199,045

- (n) The Filer has concurrently applied for a partial revocation of the BC CTO to permit the Offerings to be completed in British Columbia.

- (o) The Filer reasonably expects that the proceeds raised from the Offerings will be sufficient to bring its continuous disclosure up to date, apply for a full revocation of the CTOs and pay all related outstanding related fees.
- (p) Within a reasonable time following the completion of the Offerings, the Filer intends to apply for a full revocation of the CTOs.
- (q) The Filer hereby undertakes to provide the signed and dated written acknowledgements 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 Offerings, provided that prior to completion of the Offerings, each investor 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 Offerings, will remain subject to the CTOs until such orders are revoked and that the issuance of this partial revocation order does not guarantee the issuance of a full revocation order in the future.

15 March 2022

"original signed by"

Denise Weeres

Director, Corporate Finance

Alberta Securities Commission