

ALBERTA SECURITIES COMMISSION

CEASE TRADE ORDER

Citation: Re EnerMerge Inc., 2022 ABASC 133

Date: 20221013

EnerMerge Inc.

Background

1. EnerMerge Inc. (the **Issuer**) is a corporation incorporated in Alberta with its head office in Lacombe, Alberta.
2. The Issuer is not a reporting issuer in Alberta.
3. Under section 2.9 *Offering Memorandum* of National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) the prospectus requirement does not apply to a distribution by an issuer of a security of its own issue if, among other things, the issuer files with the Executive Director of the Alberta Securities Commission (the **Commission**) a copy of an offering memorandum in the required form.
4. According to the report of exempt distribution recently filed by the Issuer in Form 45-106F1 *Report of Exempt Distribution* on June 9, 2022, the Issuer relied on section 2.9 of NI 45-106 for the purposes of this distribution of securities in Alberta, which distribution may be continuing.
5. The Issuer filed with the Commission an offering memorandum (the **OM**) dated January 1, 2022 for distribution of units.
6. The OM was not completed in accordance with Alberta securities laws. Specifically:
 - (a) the OM did not provide sufficient information about the Issuer's business to enable a prospective purchaser to make an informed investment decision;
 - (b) the OM failed to disclose that available funds would be paid to a related party;
 - (c) the OM failed to disclose the key terms of material agreements;
 - (d) the OM was not updated to include the Issuer's annual audited financial statements for the financial year ended December 31, 2021 and accompanying auditor's report as is required to be done within 120 days of the Issuer's financial year end;
 - (e) the financial statements included in the OM were not prepared in accordance with Canadian Generally Acceptable Accounting Standards applicable to publicly accountable enterprises; and

- (f) the interim financial statements for the period ended September 30, 2021 included in the OM did not include a statement of changes in equity, statement of cash flows, and notes to the financial statements.

7. The Issuer failed to file its OM marketing materials.

Decision

8. Under section 33.1 of the Act, it is ordered that trading or purchasing cease in respect of any security of the Issuer until this order has been revoked or varied.

13 October 2022

“original signed by” _____

David Linder

Executive Director