

ALBERTA SECURITIES COMMISSION

VARIATION ORDER

Citation: Re Rio Verde Industries Inc., 2021 ABASC 16

Date: 20210211

Rio Verde Industries Inc.

Background

1. On October 25, 2002, the Alberta Securities Commission (**ASC**) issued a cease trade order (the **Alberta CTO**, cited as *Re Rio Verde Industries Inc.*, (2002) ABSECCOM CTO 1079124) against Rio Verde Industries Inc. (the **Issuer**).
2. The Alberta CTO was issued as a result of the Issuer's failure to file its annual audited financial statements for the year ended April 30, 2002 and interim unaudited financial statements for the interim period ended on July 2002.
3. The Issuer is also subject to a cease trade order of the British Columbia Securities Commission dated September 25, 2002 (the **BC CTO**, and together with the Alberta CTO, the **CTOs**).
4. The Issuer seeks an order varying the Alberta CTO (**Variation Order**) to permit the Issuer to conduct a private placement of up to \$100,028 by issuing up to 29,420,000 common shares (**Common Shares**) at a price of \$0.0034 per Common Share (the **Offering**).
5. Staff of the ASC do not oppose the Variation Order.

Interpretation

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

Representations

7. This Variation Order is based on the following facts represented by the Issuer:
 - (a) The Issuer is incorporated under the laws of British Columbia.
 - (b) The Issuer's head office is located in British Columbia.
 - (c) The Issuer is a reporting issuer in Alberta and British Columbia. The Issuer is not a reporting issuer in any other jurisdiction.
 - (d) The Issuer has an authorized share capital of 50,000,000 Common Shares without par value, of which 3,293,286 are issued and outstanding.

- (e) The Issuer's Common Shares are not listed on any stock exchange or quotation system.
- (f) Other than the CTOs, the Issuer is not subject to any other cease trade orders.
- (g) The Issuer has concurrently applied for a partial revocation of the BC CTO.
- (h) The Offering is intended to take place in British Columbia, Alberta and possibly other jurisdictions in Canada.
- (i) The Issuer will conduct each distribution under the Offering in compliance with section 2.3 (the accredited investor exemption) or section 2.5 (the family, friends and business associates exemption) of National Instrument 45-106 *Prospectus Exemptions*.
- (j) The Issuer reasonably expects to use the proceeds from the Offering as follows:

Accounting, audit and legal fees	\$25,000
Regulatory and late filing fees	\$25,000
Legacy accounts payable, including accounting and legal fees, consulting fees and outstanding transfer agent fees	\$20,000
Working capital and general and administrative expenses	\$30,000
Total	\$100,000

- (k) The Issuer reasonably expects that the proceeds raised from the Offering will be sufficient to bring its continuous disclosure up to date, apply for a full revocation of the CTOs and pay all related fees.
- (l) Within a reasonable time following the completion of the Offering, the Issuer intends to apply for a full revocation of the CTOs.
- (m) The Issuer will provide the signed acknowledgements referred to in paragraph 8(a)(ii) to the Executive Director as soon as practicable on request.

Decision

- 8. The ASC, considering that it would not be prejudicial to the public interest to do so, orders under section 214(1) of the Act that the Alberta CTO is varied
 - (a) in paragraph 6 to permit the Offering, provided that prior to completion of the Offering the Issuer will
 - (i) provide to each investor a copy of the Alberta CTO and a copy of this Variation Order; and

- (ii) obtain from each investor a signed acknowledgement indicating that the investor understands that all of the Issuer's Common Shares, including the Common Shares issued in connection with the Offering, will remain subject to the CTOs until such orders are revoked and that the issuance of this Variation Order does not guarantee the future issuance of a full revocation order; and

- (b) in paragraph 7 to authorize the Director, Corporate Finance; the Manager, Legal, Corporate Finance; or the Manager, Corporate Disclosure & Financial Analysis to revoke or vary the Alberta CTO.

February 11, 2021

For the Commission:

“original signed by”

Tom Cotter
Vice-Chair

“original signed by”

Kari Horn
Vice-Chair