

# ALBERTA SECURITIES COMMISSION

## VARIATION ORDER

Citation: Re PsiNaptic Inc., 2021 ABASC 91

Date: 20210614

### PsiNaptic Inc.

#### Background

1. PsiNaptic Inc. (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 3 February 2010, *Re PsiNaptic Inc.*, 2010 ABASC 38 (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 order is based on the following facts represented by the Filer:
  - (a) The Filer is incorporated under the *Business Corporations Act* (Alberta).
  - (b) The Filer's head office is located in Alberta.
  - (c) The Filer is a reporting issuer in Alberta and British Columbia.
  - (d) The authorized capital of the Filer consists of an unlimited number of Class "A" Common Shares (**Common Shares**) of which 42,624,812 Common Shares are issued and outstanding and an unlimited number of Class "B" Common Shares of which none are issued and outstanding.
  - (e) On 3 February 2010, the ASC issued the Alberta CTO in response to the Filer's failure to file annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended 30 September 2008.
  - (f) The Filer is also subject to a cease trade order of the British Columbia Securities Commission dated 7 March 2010 (the **BC CTO**, and together with the Alberta CTO, the **CTOs**).
  - (g) The Filer seeks to vary the Alberta CTO to permit the Filer to conduct a private placement of an amount up to \$50,000 by way of issuance of up to 10,000,000 Common Shares at a price of \$0.005 per Common Share (the **Offering**).
  - (h) For each distribution made in respect of the Offering, the Filer will comply with the accredited investor exemption in section 2.3 of National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) and the family, friends and business associates exemption in section 2.5 of NI 45-106.

- (i) The Offering is intended to take place only in Alberta and Ontario.
- (j) As the Offering would involve trades of securities and acts in furtherance of trades, the Offering cannot be completed without a partial revocation of the Alberta CTO.
- (k) The Filer reasonably expects the proceeds from the Offering will be used in a manner consistent with the below table:

Accounting, audit and legal fees	\$20,000
Regulatory and late filing fees	\$9,000
Legacy accounts payable, including accounting and legal fees, consulting fees and outstanding transfer agent fees	\$760
Working capital and general and administrative expenses	\$20,240
<b>Total</b>	<b>\$50,000</b>

- (l) The Filer 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 outstanding fees.
- (m) Within a reasonable time following the completion of the Offering, the Filer intends to apply for a full revocation of the CTOs.
- (n) The Filer will make available a copy of the 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 Offering, provided that prior to completion of the Offering, each investor will receive
- (a) a copy of the CTOs,
  - (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 Offering, 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.

14 June 2021

"original signed by"

Timothy Robson  
Manager, Legal  
Corporate Finance  
Alberta Securities Commission