



Citation: 2021 BCSECCOM 126

Partial Revocation Order

New Klondike Exploration Ltd.

Section 171 of the *Securities Act*, R.S.B.C. 1996, c. 418

- ¶ 1 On April 7, 2016, the Executive Director issued an order (the BC Cease Trade Order) under section 164 of the *Securities Act*, R.S.B.C. 1996, c. 418 (the Act) that all trading in the securities of New Klondike Exploration Ltd. (the Issuer) cease until it files the required records referred to in the BC Cease Trade Order and the Executive Director revokes the BC Cease Trade Order.
- ¶ 2 The Issuer has applied to the Executive Director under section 171 of the Act for a partial revocation of the BC Cease Trade Order to permit certain trades in connection with the issuance of securities as described below.
- ¶ 3 The Issuer represented to the Executive Director that:
1. The Issuer was incorporated under the laws of Ontario on February 9, 1948.
 2. The head office of the Issuer is located in Ontario.
 3. The Issuer is a reporting issuer under the securities legislation of the provinces of Ontario, British Columbia, Quebec and Alberta. The Issuer is not a reporting issuer in any other jurisdiction in Canada.
 4. The Issuer's authorized share capital consists of an unlimited number of common shares without par or nominal value, of which 20,415,545 common shares are currently issued and outstanding.
 5. The Issuer's securities are not listed on any stock exchange or quotation system.
 6. The Executive Director issued the BC Cease Trade Order because the Issuer failed to file:
 - (a) a comparative financial statements for its financial year ended November 30, 2015,
 - (b) a Form 51-102F1 *Management's Discussion and Analysis* for its financial year ended November 30, 2015, and
 - (c) the certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*.



7. The Issuer is also subject to a cease trade order issued by the Ontario Securities Commission dated April 4, 2016 (the ON Cease Trade Order). In addition, the Issuer is also subject to a cease trade order dated April 5, 2016 and April 20, 2016 issued by the Autorité des marchés financiers (the QC Cease Trade Order, together with the ON Cease Trade Order and the BC Cease Trade Order, collectively the Cease Trade Orders).
8. The Issuer concurrently applied for partial revocation of the ON Cease Trade Order and the QC Cease Trade Order in each of the provinces of Ontario and Quebec.
9. The Issuer is seeking a partial revocation of the Cease Trade Orders to be able to complete a proposed issuance of up to 340,000,000 Common Shares in the province of British Columbia and other provinces (the Transaction). Pursuant to the Transaction (i) up to 184,610,560 Common Shares will be issued at a price of C\$0.001 per Common Share pursuant to private placements of issuances of Common Shares from treasury in exchange for cash, and (ii) up to 155,389,440 Common Shares will be issued at a price of C\$0.001 pursuant to shares-for-debt transactions related to settlement of trade payable advances and unsecured notes.
10. The Transaction trades are expected to take place in British Columbia and other provinces.
11. The Issuer will rely on the exemptions under sections 2.3, 2.5 and 2.14 of National Instrument 45-106 *Prospectus Exemptions* to complete the Transaction.
12. The Issuer intends to allocate the proceeds from the Transaction as follows:

Description	Costs
Filing, late filing and participation fees	\$93,700
May 2020 Special Meeting costs	\$23,000
2020 Annual General Meeting costs	\$18,000
Audit fees (2015 through 2019)	\$17,000
Trade payables and unsecured loans	\$98,000
Working capital	\$90,300
Total	\$340,000

13. The Issuer reasonably believes that the proceeds of the Transaction will be sufficient to pay all outstanding fees and any costs associated with bringing all continuous disclosure filings current and provide it with sufficient working capital to continue its business.



14. As the Transaction would involve a trade of securities and acts in furtherance of a trade of securities, the Transaction could not be completed without a partial revocation of the Cease Trade Orders.
 15. The Issuer intends to apply to the applicable securities regulators for a full revocation of the Cease Trade Orders.
 16. The Transaction will be completed in accordance with all applicable laws.
 17. Before completing the Transaction, the Issuer will:
 - (a) provide each participant in the Transaction with a copy of the BC Cease Trade Order,
 - (b) provide each participant in the Transaction with a copy of this Partial Revocation Order, and
 - (c) obtain a signed and dated acknowledgements from each participant in the Transaction, which clearly state that all of the Issuer's securities, including the securities issued in connection with the Transaction, will remain subject to the Cease Trade Orders until a full revocation order is granted, and that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future.
 18. Upon issuance of this order, the Issuer will issue a press release announcing the order and the intention to complete the Transaction. Upon completion of the Transaction, the Issuer will issue a press release and file a material change report. As other material events transpire, the Issuer will issue appropriate press releases and file material change reports as applicable.
- ¶ 4 The Executive Director is satisfied that it is not prejudicial to the public interest.
- ¶ 5 The Executive Director orders under section 171 of the Act that the BC Cease Trade Order be partially revoked solely to permit the completion of the Transaction.
- ¶ 6 March 31, 2021

Allan Lim, CPA, CA
Manager
Corporate Finance