

ALBERTA SECURITIES COMMISSION

CEASE TRADE ORDER: VARIATION

Citation: Agau Resources, Inc., Re, 2013 ABASC 130

Date: 20130405

AGAU RESOURCES, INC.

Background

1. Agau Resources, Inc. (the **Filer**) has made an application under section 214 of the *Securities Act*, R.S.A. 2000, c. S-4 (the **Act**) to the Executive Director of the Alberta Securities Commission for an order to vary a cease trade order dated 3 February 2011 (the **Cease Trade Order**).
2. Pursuant to an Authorization Order dated 31 October 2012, the undersigned is authorized to make certain orders under subsection 214 (1.1) of the Act.

Representations

3. The Filer has represented to the undersigned that:
 - (a) The Filer is a corporation established and existing under the laws of Alberta with its head office in Calgary, Alberta.
 - (b) The Filer is a reporting issuer in Alberta and British Columbia.
 - (c) The Filer was formerly listed on the TSX Venture Exchange until 29 November 2010, at which time the Filer's trading was suspended and the listing was transferred to the NEX, where it is currently suspended from trading.
 - (d) The Filer is currently in default of the continuous disclosure obligations under securities legislation in Alberta and British Columbia.
 - (e) The Cease Trade Order was issued as a result of the Filer's failure to file its interim financial statements for the period ended 30 November 2010 and management discussion and analysis for the same period.
 - (f) On 10 February 2011, the British Columbia Securities Commission issued a cease trade order against the Filer for failure to file financial statements for the period ended 30 November 2010.
 - (g) The Filer has an authorized share capital of an unlimited number of common shares (the **Filer's Common Shares**) and an unlimited number of preferred shares of which 14,711,551 of the Filer's Common Shares are currently issued and outstanding and no preferred shares are outstanding. In addition, there are 700,000 stock options outstanding.

- (h) The Filer seeks a partial revocation order to allow it to complete a private placement of up to 4,000,000 units (**Units**) at \$0.05 per Unit for aggregate gross proceeds of up to \$200,000 (the **Private Placement**). Each Unit shall consist of one common share and one common share purchase warrant. Each warrant will entitle the holder to acquire one common share at \$0.10 within 24 months of the date of issue.
- (i) The Private Placement will take place pursuant to the exemption in section 2.3 of National Instrument 45-106 *Prospectus and Registration Exemptions*.
- (j) The Filer wishes to settle debts and pay costs expected to be incurred during its reorganization, which are expected to total approximately \$100,000. The remaining proceeds from the Private Placement will be used to pay the expected NEX fees, legal fees, accounting fees, audit fees and general and administrative expenses to be incurred in order to bring the Filer's continuous disclosure current.
- (k) Prior to the completion of the Private Placement each proposed recipient of securities will receive:
 - (i) a copy of the Cease Trade Order;
 - (ii) a copy of this order; and
 - (iii) written notice that the Filer's securities, including any and all securities issued pursuant to the Private Placement, will remain subject to the Cease Trade Order following the completion of the Private Placement and the securities may remain indefinitely subject to the Cease Trade Order.

The proposed recipients of securities of the Filer will be required to acknowledge in writing the receipt of these three documents from the Filer.

- (l) The Filer intends to apply to the Alberta Securities Commission and British Columbia Securities Commission for a full revocation order once all of its continuous disclosure obligations are filed with the Alberta Securities Commission and British Columbia Securities Commission. The Filer reasonably believes that it will have sufficient resources upon completion of the Private Placement to complete its required continuous disclosure documents.
- (m) The Filer's SEDAR and SEDI profiles are up to date.

Decision

4. The undersigned, being of the opinion that it would not be prejudicial to the public interest to do so, orders under subsection 214(1.1) of the Act that the Cease Trade Order is varied to permit the Private Placement.

5 April 2013

“original signed by”

Blaine Young
Associate Director, Corporate Finance