



Citation: 2020 BCSECCOM 513

Partial Revocation Order

First Potash Corp.

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

- ¶ 1 On July 17, 2013, the Executive Director issued an order (the BC Cease Trade Order) under section 164(1) of the *Securities Act*, R.S.B.C. 1996, c. 418 (the Act) that all trading in the securities of First Potash Corp. (the Issuer) cease until it files the required records referred to in 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 Commission that:
1. The Issuer was incorporated under the *Business Corporations Act* (British Columbia) on September 18, 2006.
 2. The Issuer's head office is in Placitas, New Mexico, USA.
 3. The Issuer is a reporting issuer in the provinces of British Columbia and Alberta.
 4. The authorized capital of the Issuer consists of an unlimited number of common shares without par value and an unlimited number of preferred shares issuable in series, of which 60,962,649 common shares are issued and outstanding.
 5. Issuer's securities are not listed on any stock exchange or quotation system.
 6. The BC Cease Trade Order was issued as a result of the Issuer's failure to file its annual financial statements, management's discussion and analysis and certification of annual filings for the year ended February 28, 2013.
 7. The Issuer is also subject to a cease trade order of the Alberta Securities Commission (the ASC) on October 16, 2013 (the AB Cease Trade Order, together with the BC Cease Trade Order, the Cease Trade Orders).
 8. The Issuer is seeking a partial revocation of the Cease Trade Orders to permit the entering into of the Loan Agreement (defined below), the completion of the Debt Settlement (defined below), and the completion of the Offering (defined below).



9. The Issuer proposes to enter into a loan agreement (the Loan Agreement) with an arm's length third party (the Lender) to borrow the amount of \$10,000 (the Loan) from the Lender, with the proceeds to be used for the purpose of paying expenses of the Issuer relating to the revival of the Issuer. The Loan will be payable on demand and will bear interest at the rate of 10% per annum only after default. The principal amount of the Loan will be convertible into 62,111,801 common shares at a price of \$0.000161 per common share and 62,111,801 share purchase warrants exercisable at a price of \$0.000645 per common share of the Issuer.
10. The Issuer seeks to partially revoke the Cease Trade Orders to permit the Issuer to enter into the Loan Agreement pursuant to section 2.30 of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) and to issue the common shares and share purchase warrants to the Lender in satisfaction of the Loan (the Debt Settlement) pursuant to section 2.14 of NI 45-106.
11. The Issuer seeks to partially revoke the Cease Trade Orders to permit the Issuer to distribute, pursuant to certain exemptions from the prospectus requirement up to 90,294,822 common shares at an issue price of \$0.000161 per share and up to 85,988,419 common shares at an issue price of \$0.000645 per share, for aggregate maximum proceeds of \$70,000 (the Offering).
12. The Issuer has concurrently filed an application with the ASC for a partial revocation of the AB Cease Trade Order.
13. For each distribution made in respect of the Offering, the Issuer will comply with one or more of the accredited investor exemptions in section 2.3 of NI 45-106 and the director, executive officer, control person, family, friends and business associates exemptions in section 2.5 of NI 45-106. The Offering is intended to take place in British Columbia, Alberta, Ontario, and possibly other jurisdictions in Canada and the United States.
14. The Issuer reasonably expects the proceeds from the Loan and the Offering will be used in a manner consistent with the below table:

Description	Costs
Auditing fees	\$12,500
Accounting fees	\$ 7,500
Legal fees	\$21,750
Revocation application fees	\$ 3,250
Regulatory filing fees and disclosure costs	\$14,000
Registrar and transfer agent fees	\$ 3,000
Working capital	\$18,000
Total	\$80,000



15. The Issuer reasonably expects that the proceeds raised will be sufficient to bring its continuous disclosure up to date and to apply for a full revocation and pay all outstanding related fees.
 16. The Issuer intends to apply for full revocation of the Cease Trade Orders.
 17. Before entering into the Loan Agreement and completing the Debt Settlement, and issuing the common shares pursuant to the Offering, the Issuer will:
 - (a) provide the Lender and each investor in the Offering a copy of the BC Cease Trade Order;
 - (b) provide the Lender and each investor in the Offering a copy of this Partial Revocation Order; and
 - (c) obtain a signed and dated acknowledgement from the Lender and each investor in the Offering, which clearly states that all of the Issuer's securities will remain subject to the Cease Trade Orders, and that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future.
- ¶ 4 The Executive Director is satisfied that this order 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 entering into of the Loan Agreement, the completion of the Debt Settlement and the completion of the Offering.
- ¶ 6 December 16, 2020

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