

ALBERTA SECURITIES COMMISSION
REVOCAION OF CEASE TRADE ORDER

Valterra Resource Corporation
(formerly Valterra Wines Ltd.)

Background

1. Valterra Resource Corporation (**Valterra**) has made an application to the Alberta Securities Commission (the **Commission**) for an order under subsection 214(1) of the *Securities Act* (Alberta) (the **Act**) for a full revocation of the cease trade order of the Commission dated July 18, 2003 (the **Cease Trader Order**).
2. By Variation of Cease Trade Order dated December 14, 2006 (the **Variation Order**) the Commission varied the Cease Trade Order to permit certain trades of Valterra's securities in connection with shares for debt settlement, bonus for loan guarantee, mineral resource property transaction and private placement financing for its reactivation.

Representations

3. Valterra has represented to the Commission that:
 - (a) Valterra was incorporated on September 26, 1996 as Boltions Capital Corp. under the Business Corporations Act (Alberta). Boltions Capital Corp. was continued under the Business Corporations Act (Yukon) on May 8, 1997 and, on February 5, 2002, effected a one new for ten old share consolidation and was renamed Valterra Wines Ltd. On April 20, 2005, Valterra Wines Ltd. was renamed Valterra Resource Corporation.
 - (b) Valterra is a reporting issuer in Alberta and British Columbia.
 - (c) Valterra is authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares, issuable in a series, of which 11,115,439 common shares are issued and outstanding.
 - (d) The Cease Trade Order was issued as a result of Valterra's failure to file audited annual financial statements for the year ended December 31, 2002 and unaudited interim financial statements for the period ended March 31, 2003.
 - (e) The financial statements were not filed due to a lack of funds to pay for the preparation and audit of such statements.

- (f) Valterra is also subject to a similar order issued by the British Columbia Securities Commission (the **BCSC**) for failure to file financial statements (the **BCSC Cease Trade Order**). The BCSC granted a partial revocation of the BCSC Cease Trade Order on November 7, 2006 and Valterra has concurrently applied for a full revocation of the BCSC Cease Trade Order.
- (g) In accordance with the Variation Order, Valterra issued on December 21, 2006:
 - (i) 6,094,780 common shares at a deemed price per share of \$0.25 in settlement of indebtedness in the amount of \$1,523,695;
 - (ii) 200,000 common shares as a bonus for a loan guarantee;
 - (iii) 55,000 common shares at a deemed price of \$0.10 per share to acquire an interest in the Swift Katie Claims; and
 - (iv) 3,000,000 common shares at a price of \$0.10 per share by way of private placement.
- (h) The audited financial statements for the years ended December 31, 2002, December 31, 2003, December 31, 2004, December 31, 2005 and December 31, 2006 have now been filed with the Commission, via SEDAR.
- (i) Valterra is up to date in its continuous disclosure obligations, has paid all outstanding fees associated therewith, and is no longer in default of the requirements of the Act or any of the regulations made thereunder.
- (j) Valterra's common shares were listed and posted for trading on the TSX Venture Exchange; however, on June 20, 2005, the common shares were delisted.
- (k) Valterra is concurrently applying for listing on the Canadian Trading and Quotation System Inc. (the **CNQ**). On May 10, 2007 the CNQ granted conditional approval for the listing of the common shares of Valterra, subject to the revocation of the cease trade orders, and the customary conditions imposed by the CNQ for a new listing.
- (l) Valterra is not in compliance with the requirement under section 134 of the Business Corporations Act (Yukon) to hold an annual meeting of shareholders. The Filer has undertaken to hold an annual meeting of shareholders within three months of the date of the revocation order.

Decision

4. It would not be prejudicial to the public interest to revoke the Cease Trade Order.
5. Pursuant to the authorization contained in the Cease Trade Order it is hereby ordered under subsection 214(1) of the Act that the Cease Trade Order is revoked.

“original signed by”

Blaine Young

Associate Director, Corporate Finance

Alberta Securities Commission