



British Columbia Securities Commission

## 2006 BCSECCOM 634

### Partial Revocation Order

#### Valterra Resource Corporation (formerly Valterra Wines Ltd.)

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

- ¶ 1 On June 3, 2003, the Executive Director made an order (the Order) under section 164 of the *Securities Act*, R.S.B.C. 1996, c. 418 (the Act), that all trading in the securities of Valterra Wines Ltd. (now known as Valterra Resource Corporation) (Valterra) cease until it files the required records referred to in the Order.
- ¶ 2 Valterra applied to the Executive Director for an order under section 171 of the Act to partially revoke the Order to permit certain trades of Valterra's securities in connection with a proposed shares for debt settlement, bonus for loan guarantee, mineral resource property transaction and private placement financing for its reactivation under BC Policy 12-603 – *Reactivation of Dormant Issuers*.
- ¶ 3 Valterra represented to the Executive Director that:
1. Valterra was incorporated on September 26, 1996 as Boltons Capital Corp. under the *Business Corporations Act* (Alberta). Boltons 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 was renamed Valterra Resource Corporation.
  2. Valterra is a reporting issuer in Alberta and British Columbia and is also subject to a cease trade order issued on July 18, 2003 by the Alberta Securities Commission (ASC). Valterra concurrently applied to the ASC for partial revocation of its cease trade order.
  3. Valterra's common shares were listed and posted for trading on the TSX Venture Exchange (the Exchange); however, on June 20, 2005, the common shares were delisted from the Exchange.



4. The Executive Director issued the Order against Valterra for failure to file the annual financial statements for year ended December 31, 2002 and interim financial statements for first quarter ended March 31, 2003.
5. 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 1,765,659 common shares are issued and outstanding.
6. Valterra has a total of approximately \$1,723,695 in liabilities as at December 31, 2005.
7. Valterra acquired by assignment an option to acquire up to a 100% interest, subject to royalties, in the Swift-Katie mineral claims located in the Nelson Mining Division, British Columbia (the Swift-Katie Claims) which it wishes to exploit as part of its reactivation, and has commissioned and received a National Instrument 43-101 compliant report thereon describing the Swift-Katie claims as a property of merit.
8. To prepare for its reactivation, Valterra wishes to:
  - (a) issue, in settlement of indebtedness in the amount of \$1,523,695, 6,094,780 common shares at a deemed price of \$0.25 per share (the Debt Settlement) as set out in Schedule "A";
  - (b) issue, as a bonus for a loan guarantee, 200,000 common shares at a deemed price of \$0.20 per share (the Bonus) as set out in Schedule "B";
  - (c) issue, to acquire an interest in the Swift-Katie Claims, 55,000 common shares at a deemed price of \$0.10 per share (the Property Transaction) as set out in Schedule "C"; and
  - (d) issue, by way of private placement, 3,000,000 common shares to the persons named in Schedule "D" at a price of \$0.10 per share (the Private Placement) to raise proceeds of \$300,000 to fund part of its reactivation, to permit it to make cash payments and carry out exploration work (\$50,000) pursuant to the terms of the Property Transaction, and to provide funds for working capital.
9. Prior to completion of the above noted transactions, the proposed recipients of securities of Valterra will receive:
  - (a) copy of the Cease Trade Order;
  - (b) a copy of this order; and



- (c) written notice from Valterra that all securities of Valterra, including any and all securities issued pursuant to the Debt Settlement, the Bonus, the Property Transaction and the Private Placement will remain subject to the Order following the completion of the transactions until fully revoked by the Commission.
  - 10. Valterra cannot complete the Debt Settlement, the Bonus, the Property Transaction and the Private Placement without a variation of the Order.
  - 11. On completion of the Debt Settlement and Private Placement, Valterra will apply to the British Columbia Securities Commission and the ASC for a full revocation order, while concurrently applying to the Exchange or the Canadian Trading and Quotation System Inc. (CNQ) for listing and posting of its common shares for trading.
- ¶ 4 The Executive Director is satisfied that the following order is not prejudicial to the public interest.
- ¶ 5 The Executive Director orders under section 171 of the Act that the Order is partially revoked to permit the Debt Settlement, the Bonus, the Property Transaction, and the Private Placement.
- ¶ 6 November 7, 2006

Allan Lim, CA  
Manager  
Corporate Finance



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Schedule "A"

<b>Name of Creditor</b>	<b>Amount Owing</b>	<b>No. of Shares</b>
European and Allied Commerce Limited	\$978,000	3,912,000
Head Management Investments LLC	\$382,000	1,528,000
Manex Resource Group Inc.	\$152,000	608,000
Jeffrey T.K. Fraser Law Corporation	\$11,695	46,780
Total	\$1,523,695	6,094,780

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Schedule "B"

<b>Name of Guarantor</b>	<b>Amount Guaranteed</b>	<b>No. of Shares</b>
Semper Investments Limited (Guarantor of Valterra's debt to HSBC)	\$200,000	200,000



To earn 60% interest in the Swift-Katie Claims, Valterra must make the following cash payments and share issuances, and incur the following exploration work expenditures:

<b>Date</b>	<b>Cash</b>	<b>Work</b>	<b>Shares</b>	<b>Vesting</b>
Signing	\$ 12,500	-	-	0%
Upon approval of agreement by a recognized Stock Exchange	-	-	55,000	0%
Dec. 31, 2006	\$ 12,500	\$ 50,000	55,000	0%
Dec. 31, 2007	\$ 25,000	\$100,000	110,000	0%
Dec. 31, 2008	\$ 35,000	\$200,000	110,000	0%
Dec. 31, 2009	\$ 35,000	\$250,000	110,000	60%
<b>Total</b>	<b>\$120,000</b>	<b>\$600,000</b>	<b>440,000</b>	<b>60%</b>

And to earn the remaining 40% interest in the Swift-Katie Claims, Valterra must make the following cash payments and share issuance, and incur the following exploration work expenditures:

<b>Date</b>	<b>Cash</b>	<b>Work</b>	<b>Shares</b>	<b>Vesting</b>
Dec. 31, 2010	\$ 60,000	\$350,000	225,000	0%
Dec. 31, 2011	\$ 60,000	\$350,000	225,000	40%
<b>Total</b>	<b>\$120,000</b>	<b>\$700,000</b>	<b>450,000</b>	<b>40%</b>



Schedule “D”

Valterra Resource Corp.  
3,000,000 Shares @ \$0.10

<b>Placee</b>	<b>No. of Shares</b>	<b>Subscription Amount</b>
ROBERT BISHOP	75,000	\$7,500
ROBERT GAYTON	75,000	\$7,500
EVERGREEN INVESTMENTS CORPORATION	75,000	\$7,500
CHAN BUCKLAND	75,000	\$7,500
R.E. MESSENGER NO. 4 TRUST	75,000	\$7,500
ROBERT LIVERANT	75,000	\$7,500
THERESA ODISHAW	150,000	\$15,000
DAVID COFFIN	37,500	\$3,750
ERIC COFFIN	37,500	\$3,750
DEREK PAGE	100,000	\$10,000
HEAD MANAGEMENT INVESTMENTS LLC	100,000	\$10,000
EDITH L. GOULA	50,000	\$5,000
FRED HOFMAN	75,000	\$7,500
JOHN ONESS	75,000	\$7,500
JOSEPH ANTONY KIZIS JR.	100,000	\$10,000
KEITH F. ANDERSON	100,000	\$10,000
MANEX RESOURCE GROUP INC	100,000	\$10,000
LAWRENCE ROULSTON	75,000	\$7,500
JANE BRISEBOIS	75,000	\$7,500
YORDANKA DINEVA	25,000	\$2,500
MUNDAY – MAXWELL & GAYLENE – ASSOCIATION	75,000	\$7,500
MELINDA HSU	65,000	\$6,500
MICHAEL BAYBAK	75,000	\$7,500
PAULO AFFIF	75,000	\$7,500
RACHEL MICHAELS	10,000	\$1,000
RALF SOMMER	100,000	\$10,000
NANCY MACDONALD	75,000	\$7,500
VAN SANTEN FAMILY TRUST	75,000	\$7,500
ROBERT SWENARCHUK	100,000	\$10,000
RONALD MITCHEL	75,000	\$7,500
SASCHA OPEL	100,000	\$10,000
ATHERTON ENTERPRISES LTD.	100,000	\$10,000
STACEY BLIGH	50,000	\$5,000



<b>Placee</b>	<b>No. of Shares</b>	<b>Subscription Amount</b>
T.A.B. MILLS	100,000	\$10,000
CANADIAN MR.SWEEPER INC.	75,000	\$7,500
THOMAS PATTON	75,000	\$7,500
TRACEY ANDERSON	50,000	\$5,000
HENLEY LIMITED	150,000	\$15,000
TERRY SKLAVENITIS	25,000	\$2,500
Total	3,000,000	\$300,000