



British Columbia Securities Commission

## **Partial Revocation Order**

### **Agro Pacific Industries Ltd.**

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

- ¶ 1 On November 6, 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 Agro Pacific Industries Ltd. (Agro) cease until it files the required records referred to in the Order.
- ¶ 2 Agro has applied to the Executive Director for an order under section 171 of the Act to partially revoke the Order to permit certain trades and acts in furtherance of trades of Agro's securities in connection with a proposed financing to fund its reactivation under BC Policy 12-603.
- ¶ 3 Agro has represented to the Executive Director that:
1. Agro was formed on November 1, 1997 by amalgamation under the *Companies Act* (British Columbia). On May 21, 2002, Agro was continued as a federal company under the Canada Business Corporations Act.
  2. Agro is a reporting issuer in British Columbia and Ontario.
  3. The authorized share capital of Agro consists of an unlimited number of common shares with no par value, of which 7,687,138 common shares were issued and outstanding as of June 17, 2004. Other than its common shares, Agro has no securities, including debt securities, outstanding.
  4. The Order was issued as a result of Agro's failure to file its interim financial statements for the nine-month period ended July 31, 2003. Subsequently, Agro failed to file its audited financial statements for the year ended October 31, 2003 and the interim financial statements for the three-month period ended January 31, 2004.
  5. Agro is also subject to a cease trade order issued by the Ontario Securities Commission (the OSC) dated November 11, 2003 for failure to file its interim financial statements for the nine months ended July 31, 2003. Agro has concurrently applied for a partial revocation of that cease trade order.



6. Agro sought the protection of the Supreme Court of British Columbia pursuant to the *Companies' Creditors Arrangement Act* (CCAA) on March 27, 2000. Agro made a Plan of Arrangement and Compromise (the Plan) dated for reference March 22, 2001. The Plan was approved by the creditors of Agro on April 18, 2001 and approved by the courts on April 26, 2001.
7. The Plan, among other items, provided that the unsecured creditors would receive common shares of Agro as settlement of the remaining debt owed to unsecured creditors. It was contemplated that common shares in Agro equal to 2.75 times the number of shares held by existing shareholders of Agro, would be issued to the unsecured creditors. Given that there are 7,687,138 common shares issued and outstanding, Agro is required to issue 21,139,630 of its common shares to unsecured creditors as settlement for approximately \$12 million of debt (the CCAA Shares). Upon issuing the CCAA Shares, Agro will have 28,826,768 common shares issued and outstanding.
8. An extraordinary general meeting of the shareholders of Agro was held on February 12, 2003. Agro shareholders were asked to approve, among other items, the issuance of the CCAA Shares, a stock consolidation on a basis of one new share for every ten old shares (the Stock Consolidation) and a change of name from Agro Pacific Industries Ltd. to Agstar Power Incorporated or such other name as recommended by management. These resolutions were passed by the shareholders of Agro.
9. On January 17, 2003, the Toronto Stock Exchange suspended trading of the shares of Agro for failure to meet certain continuous listing requirements of the Toronto Stock Exchange. On January 16, 2004, Agro's shares were delisted from the Toronto Stock Exchange. Agro's common shares are not listed or quoted on any other exchange or market in Canada or elsewhere.
10. To bring its continuous disclosure records up to date, Agro proposes to file on SEDAR its audited financial statements for the fiscal year ended October 31, 2003, and its interim financial statements for the three month period ended January 31, 2004. Agro is awaiting the completion of the audited financial statements and they will be filed on SEDAR when completed.
11. Agro is currently inactive and has no business operations. Agro has a working capital deficit of approximately \$100,000 as at June 17, 2004, not including the \$12 million in debt to be settled under the Plan.



12. Agro has been in discussions with the TSX Venture Exchange (the TSXV) regarding the listing of its shares on the NEX board.
  13. In conjunction with the forgoing, Agro wishes to proceed with the proposed CCAA Share issuance, the Stock Consolidation and to change the name of the company to Adriana Ventures Inc., subject to regulatory approval. Following the CCAA Share issuance and the Stock Consolidation, Agro will have approximately 2,882,677 common shares issued and outstanding.
  14. To fund the cost of the issuance of CCAA Shares, the Stock Consolidation, the name change, cost of legal and accounting professionals, and for general working capital, Agro is proposing to complete a private placement of equity securities to raise gross proceeds of \$142,500 (the Private Placement) by issuing 2,850,000 post-consolidated common shares at a price per share of \$0.05.
  15. Agro cannot complete the issuance of the CCAA Shares, Stock Consolidation and Private Placement because of the Order.
  16. The Private Placement is to be completed in compliance with all applicable policies of the NEX board of the TSX Venture Exchange and applicable securities legislation.
  17. Agro will provide written notice to the recipients of the CCAA Shares and the Private Placement shares that all of Agro's securities, including the CCAA Shares and shares issued under the Private Placement, will remain subject to the Order.
- ¶ 4 The Executive Director is satisfied that the following order is not prejudicial to the public interest.
- ¶ 5 Under section 171 of the Act, the Executive Director partially revokes the Order to permit Agro to proceed with the issuance of CCAA Shares, the Stock Consolidation and the Private Placement and all acts in furtherance of completing the CCAA Share issuance, the Stock Consolidation and the Private Placement.
- ¶ 6 June 22, 2004

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