



British Columbia Securities Commission

Citation: 2017 BCSECCOM 338

Partial Revocation Order

Agau Resources, Inc.

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

- ¶ 1 On February 10, 2011, the Executive Director issued an order (the Order) that all trading in the securities of Agau Resources, Inc. (Agau) cease until it files the required records referred to in the Order.
- ¶ 2 Agau made an application to the Executive Director under section 171 of the Act for a partial revocation of the Cease Trade Order to permit certain trades in connection with the issuance of securities as described below.
- ¶ 3 Agau represented to the Commission that:
1. Agau's head office is in Calgary, Alberta.
 2. Agau is a reporting issuer in the provinces of British Columbia and Alberta.
 3. The authorized capital of Agau consists of an unlimited number of common shares without par value, of which 14,711,551 shares are issued and outstanding.
 4. Agau failed to file its interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim period ended November 30, 2010. On February 3, 2011, the Alberta Securities Commission issued a cease trade order against Agau.
 5. Agau is seeking a partial revocation of the Order to permit completion of the Offering (defined below) and the Debt Settlement (defined below).
 6. Agau seeks to vary the Order to permit Agau to distribute, pursuant to certain exemptions from the prospectus requirement, common shares or units comprising common shares and warrants, for aggregate maximum proceeds of \$65,000 (the Offering).



7. For each distribution made in respect of the Offering, Agau will comply with one or more of the accredited investor exemption contained in section 2.3 of National Instrument 45-106 Prospectus Exemptions (NI 45-106), the family, friends and business associates exemption in section 2.5 of NI 45-106 and the employee, executive officer, director and consultant exemption in section 2.24 of NI 45-106. Agau will only use the exemption in section 2.24 of NI 45-106 to raise funds from executive officers and directors, and will not use this exemption to raise funds from employees or consultants.
8. The Offering is intended to take place in British Columbia, Alberta and possibly other jurisdictions in Canada and the United States.
9. Agau reasonably expects the proceeds from the Offering will be used in a manner consistent with the below table:

Auditing Fees	\$20,000
Accounting Fees	\$ 7,000
Legal Fees	\$10,000
Filing Fees and Disclosure Costs	\$18,000
Registrar and Transfer Agent	\$ 5,000
Working Capital	\$ 5,000
Total	\$65,000
10. Agau reasonably expects that the proceeds raised from the Offering will be sufficient to bring its continuous disclosure up to date and to apply for a full revocation and pay all outstanding related fees.
11. Pursuant to a loan agreement with an arm's length party (the Lender), the Lender agreed to advance up to \$7,500 (the Loan) to Agau, secured by a general security agreement. The proceeds are to be used to pay Agau's expenses relating to Agau's application for this order and for the partial revocation of the Alberta Securities Commission cease trade order. The Loan is payable on demand and bears interest at the rate of 10% per annum only after default.
12. Agau also seeks to vary the Order to permit Agau to issue common shares and warrants to the Lender in full satisfaction of the Loan (the Debt Settlement) pursuant to section 2.14 of NI 45-106.
13. Agau intends to apply to the Executive Director for a full revocation of the Order.



14. Before completing the Offering and the Debt Settlement, Agau will:

- (a) Provide each investor in the Offering, and the Lender a copy of the Cease Trade Order;
- (b) Provide each investor in the Offering, and the Lender a copy of this Partial Revocation Order;
- (c) Obtain a signed and dated acknowledgement from each investor in the Offering, and the Lender, which clearly states that the issuance of a partial revocation order does not guarantee the issuance of a full revocation 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 Order be partially revoked solely to permit completion of the Offering and the Debt Settlement.

¶ 6 November 6, 2017

Michael L. Moretto, CPA, CA
Manager
Corporate Finance