

Citation: The Securities Act (Manitoba)
Sections 147.1(1) and 20(1)

Date: July 22, 2021
Order No. 7551

Preferred Dental Technologies Inc.

PARTIAL REVOCATION ORDER

**Under the securities legislation of
the Province of Manitoba and the Province of Ontario
(the Legislation)**

Background

1. Preferred Dental Technologies Inc. (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the regulator or securities regulatory authority in each of the Provinces of Manitoba (the **Principal Regulator**) and Ontario (each a **Decision Maker**) respectively on January 31, 2020.
2. The Issuer has applied to each of the Decision Makers for a partial revocation order of the FFCTO.
3. This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* or in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

Representations

4. This decision is based on the following facts represented by the Issuer:
 - a) The Issuer was incorporated under the *Business Corporations Act* (British Columbia) on December 8, 2010.
 - b) The Issuer's head office is in Winnipeg, Manitoba.
 - c) The Issuer is currently a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.
 - d) The Issuer's authorized share capital consists of an unlimited number of common shares without par value. The Issuer currently has 74,126,668 common shares issued and outstanding (**Common Shares**). The Company also has 5,900,000 stock options outstanding exercisable at a price of \$.15 per share.

- e) The FFCTO was issued due to failure of the Issuer to file its audited annual financial statements, annual management’s discussion and analysis (**MD&A**) and certification of annual filings for the year ended July 31, 2019 (the **Unfiled Documents**).
- f) Subsequent to the failure to file the Unfiled Documents, the Issuer has not filed any further financial statements or any continuous disclosure documents required by applicable securities legislation (together with the Unfiled Documents, the **Unfiled Continuous Disclosure**).
- g) Other than the failure to file the Unfiled Continuous Disclosure, the Issuer is not in default of the securities legislation in any jurisdiction and the Issuer’s SEDAR and SEDI filings are up to date.
- h) The Issuer is seeking a partial revocation of the FFCTO in order to complete a private placement of Common Shares in the aggregate amount of \$180,000 (the **Equity Offering**) and a debt offering by way of a non-convertible, unsecured promissory note in the aggregate sum of \$21,000 (the **Debt Offering**, and together with the Equity Offering, the **Private Placement**).
- i) The Equity Offering will be made to investors in all jurisdictions of Canada and to a lesser extent in certain U.S. states, including Arizona. Applicable U.S. securities filings related to exemptions will be made, as necessary, for distributions conducted in the US. The Debt Offering will be made to the Issuer’s auditor, Manning Elliott LLP, to cover the outstanding fees owing from audit fees for prior years.
- j) The Private Placement will be conducted in reliance on the accredited investor exemption contained in section 2.3 of National Instrument 45-106 *Prospectus Exemptions*.
- k) The Issuer is seeking to conduct the Private Placement in order to allow it to have sufficient funds to prepare and file the Unfiled Continuous Disclosure and to apply for and receive a full revocation of the FFCTO.
- l) The Issuer intends to use the proceeds from the Equity Offering as follows:

Description	Estimated Amount
Costs associated with completing the two outstanding audit periods and Q1 and Q2 of fiscal 2021	\$50,000
Costs associated with completing MD&A disclosures for the respective periods	\$15,000
Outstanding filing fees with the various Securities Commissions	\$18,000
Transfer agent fees	\$4,800
CSE listing fees and the preparation of a full listing statement	\$45,000
Filing fees for patent continuation	\$12,000
General Working Capital	\$35,200
Total	\$180,000

- m) As the Private Placement would involve trades of the securities of the Issuer or acts in furtherance of trades of the Issuer, the Private Placement cannot be completed without a partial revocation of the FFCTO.
- n) The Issuer reasonably expects that the proceeds raised from the Private Placement will be sufficient to bring its continuous disclosure up to date and pay all outstanding fees. The Issuer intends to apply for a full revocation of the FFCTO.
- o) The Private Placement will be completed in accordance with all applicable laws.
- p) Upon issuance of this order, the Issuer will issue a press release announcing the order and the intention to conduct the Private Placement. As material events transpire, the Issuer will issue appropriate press releases and file material change reports as applicable.

Order

5. Each of the Decision Makers is satisfied that a partial revocation order of the FFCTO meets the test set out in the Legislation for the Decision Maker to make the decision.

6. The decision of the Decision Makers under the Legislation is that the FFCTO is partially revoked solely to permit the Private Placement, provided that prior to completion of the Private Placement, each investor (**Investor**) in the Private Placement will receive:

- a) a copy of the FFCTO;
- b) a copy of this Partial Revocation Order; and
- c) Written notice from the Issuer, to be acknowledged by each Investor in writing, that all of the Issuer's securities, including the securities issued in connection with the Private Placement, will remain subject to the FFCTO until such orders are revoked and that the issuance of the partial revocation order does not guarantee the issuance of a full revocation in the future.

BY ORDER OF THE COMMISSION

“Chris Besko”

Chris Besko
Director
The Manitoba Securities Commission