

2002 BCSECCOM 1062

Temporary Order and Notice of Hearing

American Gold Mining Corporation

Section 161 of the *Securities Act*, RSBC 1996, c. 418

- ¶ 1 A hearing (the Hearing) will be held to give American Gold Mining Corporation (the Company) an opportunity to be heard before the British Columbia Securities Commission considers whether it is in the public interest to make the following orders:
1. under section 161(1)(b) of the *Securities Act*, RSBC 1996, c. 418 that all persons cease trading in, or be prohibited from purchasing, the securities of the Company;
 2. under section 161(1)(c) of the Act that that all of the exemptions described in any of sections 44 to 47, 74, 75, 98 or 99 do not apply to a person trading in the securities of the Company; and
 3. any other orders as may be appropriate in the circumstances.
- ¶ 2 The Commission will be asked to consider the following facts and allegations in making its determinations:
1. The Company was incorporated in the state of Nevada on October 25, 1999.
 2. Ronald Victor Markham (Markham) is the President and a Director of the Company.
 3. John R. Claus is the Secretary and Treasurer and a Director of the Company.
 4. The Company has distributed its securities to residents of British Columbia.
 5. Persons resident in British Columbia are promoting and selling the securities of the Company.
- Breaches of the Act**
6. The Company has not filed a preliminary prospectus or a prospectus with the Executive Director of the Commission, as required under section 61 to distribute its securities to residents of British Columbia.

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7. The Company has not obtained any registration under section 34 of the Act to trade in its securities to residents of British Columbia.
8. On February 7, 1997, the Commission made certain findings in the matter involving Mindoro Corporation and Markham, et al. (the Mindoro Matter) and issued an order (the Order) against Markham.
9. The Order banned Markham from participating in the capital markets of British Columbia for life, which included a trading ban, participating in investor relations activities and acting or becoming a director or an officer of an issuer.
10. In the Mindoro Matter, the Commission found that Markham was the “ultimate con man” and that Markham had “deliberately violated the most fundamental provisions of the Act, all with a view to defraud Mindoro and its shareholders”.
11. In the Mindoro matter, the Commission also found that Markham’s conduct was “highly prejudicial to the public interest and [warranted] the severest sanction”.

Temporary Order

- ¶ 3 The Executive Director considers the length of time to hold a hearing under section 161(1) of the Act could be prejudicial to the public interest.
- ¶ 4 The Executive Director, considering that it would be in the public interest to do so, orders under section 161(2) of the Act (the Temporary Order) that:
 12. under section 161(1)(b) of the Act that all persons cease trading in, and be prohibited from purchasing, the securities of the Company;
 13. under section 161(1)(c) of the Act that that all of the exemptions described in any of sections 44 to 47, 74, 75, 98 or 99 do not apply to a person trading in the securities of the Company; and
 14. under section 161(1)(d) of the Act that all persons are prohibited from engaging in any investor relations activities on behalf of the Company;for a period expiring on January 8, 2003.
- ¶ 5 The Hearing will be held at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, BC, on January 8, 2003, at 10:30 am.

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¶ 6 At the Hearing the staff of the Commission will bring the following applications:

15. that the matter be adjourned for 90 days to permit the conclusion of the investigation in this matter; and

16. that the Temporary Order be extended until such time as the Hearing is completed and a decision rendered.

¶ 7 The Company may be represented by counsel at the Hearing and may make representations and lead evidence. The Company is requested to advise the Commission of their intention to attend by contacting the Commission Secretary at PO Box 10142, Pacific Centre, 5th Floor, 701 West Georgia Street, Vancouver, BC, telephone: (604) 899-6500.

¶ 8 Determinations may be made in this matter if the Company or its counsel do not appear at the Hearing.

¶ 9 December 24, 2002

“Stephen J. Wilson”

¶ 10 Stephen J. Wilson
Executive Director