

2007 BCSECCOM 602

Schedule A

Settlement Agreement

Brent Glen Jardine

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Brent Glen Jardine (Jardine) agree as follows:

Agreed Statement of Facts

- ¶ 2 As the basis for the undertakings and orders referred to in this settlement, Jardine acknowledges the following facts as correct:

Background

1. Jardine is a resident of Vancouver, British Columbia. From January 27, 2004 to May 31, 2006, Jardine was a director and the President of Aberdene Mines Ltd. (Aberdene), which has since changed its name to Canyon Copper Corp. Jardine has never been registered under the *Securities Act*, RSBC 1996, c. 418 (the Act).
2. Aberdene was incorporated in Nevada and was quoted on the U.S. over the counter bulletin board (OTCBB). It was not a reporting issuer in British Columbia and has never been registered under the Act.
3. Aberdene had significant connections to British Columbia. Aberdene's head office and the majority of its directors and officers were located in British Columbia. Aberdene's news releases were prepared in and disseminated from British Columbia. Aberdene conducted investor relations from Vancouver. Aberdene made private placements of its securities to British Columbia residents. Jardine made presentations to brokers in Vancouver about Aberdene.
4. Jardine was responsible for retaining and overseeing investor relations advisers and services. Jardine contracted, on behalf of Aberdene, to pay \$US 750,000 for the production of a 17 page full-colour promotional brochure on Aberdene and for its dissemination as a monthly newsletter of the Gold & Energy Advisor (the Newsletter) to 500,000 U.S. residents. Jardine approved the content of the Newsletter. The Newsletter was also available to the public on the Internet.

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5. Jardine was responsible for Aberdene's news releases (News Releases) while he was President. Aberdene's news releases were available to the public on the Internet.
6. During the relevant time, Aberdene had two material exploration properties – the Tuscarora gold property and the New York Canyon copper property, both in Nevada. The New York Canyon property had two known deposits, Long Shot Ridge and Copper Queen. Both New York Canyon deposits had historical mineral resources – that is, estimates of tonnages and grades that were calculated before National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101) came into force and without reference to the standardized definitions for mineral resource and mineral reserve categories NI 43-101 requires.

Misrepresentations

7. The Newsletter contained highly promotional statements about Aberdene's Tuscarora gold property. The Newsletter stated that:
 - (a) The property was in the Carlin Trend and the U.S. Geological Survey believed there was another 200 million ounces of gold waiting to be found.
 - (b) "A new gold field has been discovered in northern Nevada – one of the world's most spectacular finds of the past decade. Two mining giants have moved in, but ONE SMALL COMPANY is right in the middle."
 - (c) The Carlin Trend potentially had "rivers of molten gold, and geological data indicated the current reserves were the "tip of the iceberg."
 - (d) "The consensus amongst geologists is that this Tuscarora property is one of the finest exploration targets in all of Nevada – which, because we're talking of gold, means the WORLD."
8. These statements were misleading because:
 - (a) the property was not in the Carlin Trend and Aberdene had no support for the statement attributed to the U.S. Geological Survey,
 - (b) there was no new discovery on or adjacent to the Tuscarora property,

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- (c) Aberdene had no scientific or technical evidence to support the theory of rivers of molten gold. This theory is contrary to published scientific and technical information on the origin and formation of Carlin trend mineralization, and
 - (d) the Newsletter failed to state that the consensus referred to was not a consensus at all – it was the opinion of the consulting geologist for the vendor of the property.
9. The Newsletter also contained highly promotional statements about the Long Shot Ridge copper deposit in Aberdene's New York Canyon property. The Newsletter stated:
- (a) "...the Long Shot Ridge properties' drill-indicated reserves are 17.7 million tons of ore at 0.57% copper."
 - (b) "Based on a copper price of \$1.25/lb, that equals \$14.25 per ton, for a gross value of \$252 million. As the copper will cost only 35¢ - 50¢ to produce, the net profits should be *enormous* – even more so if the price gets close to \$2 /lb."
 - (c) "The company...plans to have its first copper production underway in 18 months on Long Shot Ridge. Sufficient capital is now being raised...reserves are already in place...production costs are low...the road system is excellent...AND IT'S FULL SPEED AHEAD."
10. These statements were misleading because:
- (a) the Long Shot Ridge deposit did not have current mineral reserves and the drill indicated reserves referred to were historical in nature and did not have demonstrated economic viability under current conditions,
 - (b) the gross value failed to include all capital and operating costs, metal recoveries, smelter charges, royalties and other associated costs and the 35¢ - 50¢ productions were based on a 1992 preliminary cost estimate and were out of date, and
 - (c) Aberdene did not have a pre-feasibility or feasibility study to support mineral reserves and development of a mine, nor did it have the capital to put the property into production.

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11. The Newsletter also contained highly promotional statements about the Copper Queen copper deposit in Aberdene's New York Canyon property. The Newsletter stated that:
 - (a) "Based on earlier test drilling, an independent geological survey estimates the company's property holds a whopping 142 million tons of .35 – .4% oxide and sulphide copper ores.
 - (b) "We *know* there are vast reserves of copper on the Copper Queen target."
 - (c) "At a copper price of \$1.25/lb, this would have a gross value in excess of \$1.4 billion."
12. These statements were misleading because:
 - (a) the Copper Queen deposit did not have current mineral reserves,
 - (b) the copper "ores" and "vast reserves" referred to were not current mineral reserves, were historical in nature, and did not have demonstrated economic viability under current conditions,
 - (c) Aberdene did not have a current pre-feasibility or feasibility study to support the estimation and disclosure of mineral reserves, economic viability and profitability of a mineral project, and
 - (d) the gross value failed to include capital and operating costs, metal recoveries, smelter charges, royalties and other associated costs.
13. Jardine also approved News Releases that disclosed mineral resources, in-situ tonnages and gross values for Aberdene's deposits.
14. In doing so, Jardine caused Aberdene to disclose mineral resources and mineral reserves without ensuring that Aberdene obtained the technical report that it was required to file under NI 43-101.
15. The Newsletter featured an interview attributed to Robert Weicker, a director and officer of Aberdene, about the New York Canyon property. Several News Releases about the New York Canyon property were signed by Mr. Weicker as Aberdene's Senior Geologist and Director. The Newsletter and News Releases failed to disclose that Robert Weicker had an interest in the property, and in Aberdene's continuing to develop it.

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16. By approving the content and dissemination of the Newsletter and News Releases which applied current monetary values to historical resources on its mineral properties and included other misleading statements and omissions, Jardine misrepresented the value of Aberdene's mineral properties, contrary to section (50)(1)(d) of the Act.

Public Interest

- ¶ 3 Jardine acted contrary to the public interest by engaging in the conduct set out above.

Undertaking

- ¶ 4 Jardine shall pay \$50,000.00 to the Commission, which is due and payable immediately without further demand.

Order

- ¶ 5 The Executive Director will issue an order (the Order) that:
1. under section 161(1)(a) of the Act, Jardine comply fully with the Act, the *Securities Rules*, BC Reg. 194/97, and any applicable regulations,
 2. under section 161(1)(d)(i) of the Act, Jardine resign any position he may hold as a director or officer of any issuer,
 3. under section 161(1)(d)(ii) of the Act, Jardine be prohibited from becoming or acting as a director or officer of any issuer for a period of two years from the date of the Order, except that Jardine may be a director or officer of Blackhill Capital Corp. (Blackhill), provided that Jardine is the sole shareholder of Blackhill, and
 4. under section 161(1)(d)(iii) of the Act, Jardine and Blackhill be prohibited from engaging in investor relations activities for a period of two years from the date of the Order.

Consent to Reciprocal Orders

- ¶ 6 Any securities regulator in Canada may rely on the facts admitted in this agreement solely for the purpose of making an order similar to the one contemplated above.

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Waiver

¶ 7 Jardine waives any right he may have, under the Act or otherwise, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this settlement.

¶ 8 October 2, 2007

“Brent Jardine”

¶ 9 Brent Glen Jardine

“H. Roderick Anderson”

_____)
Witness Signature)
H. Roderick Anderson)
_____)
Witness Name (please print))
Barrister & Solicitor)
3200 Vancouver Centre)
650 West Georgia Street,)
Vancouver BC V6B 4P7)
_____)
Address)
_____)
Lawyer)
_____)
Occupation)

¶ 10 October 4, 2007

“Brenda Leong”

¶ 11 Brenda M. Leong
Executive Director