BRITISH COLUMBIA SECURITIES COMMISSION
Securities Act, RSBC 1996, c. 418

Citation: Re Multi-Metal, 2026 BCSECCOM 185 Date: 20260601

Multi-Metal Development Ltd., formerly American CuMo Mining Corporation, and Shaun Methven Dykes

Panel	Marion Shaw	Commissioner
	Judith Downes	Commissioner
	Warren Funt	Commissioner
Submissions completed	May 6, 2026	
Decision date	June 1, 2026	

Counsel

Amir Ghorbani	For the Executive Director
Patricia Taylor	For Multi-Metal Development Ltd., formerly American CuMo Mining Corporation

Decision

I. Introduction

[1] This is the sanctions portion of a hearing under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (Act).

[2] In a notice of hearing issued February 28, 2024, the executive director alleged, among other things, that the respondent Multi-Metal Development Ltd., formerly American CuMo Mining Corporation (Multi-Metal) made a false or misleading filing by inserting the electronic signature of H as a qualified person in its technical report dated November 27, 2019 (Report) filed under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101), knowing that H had refused to consent to its filing.

[3] The executive director further alleged that the Report was misleading because it contained statements attributed to H but drafted by the respondent Shaun Dykes (Dykes) and another person, including forward-looking statements that Multi-Metal did not have a reasonable basis to make.

[4] After a hearing at which Multi-Metal and Dykes were represented by counsel, we found:

a) that Multi-Metal had contravened:

i. section 168.1(1)(b) of the Act by representing that a qualified person had dated, signed and sealed a technical report filed pursuant to NI 43-101 and the accompanying certificate and consent when he had not;

ii. sections 5.2, 8.1 and 8.3(1) of NI 43-101 by filing the technical report without the signature, certification or consent of the qualified person; and

iii. section 4A.2 of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) by including forward-looking information in the Report without having a reasonable basis for that information; and

b) that Dykes, the President and Chief Executive Officer and a director of Multi-Metal, had authorized, permitted or acquiesced in Multi-Metal's contraventions of section 168.1(1)(b) of the Act, sections 5.2, 8.1 and 8.3(1) of NI 43-101 and section 4A.2 of NI 51-102, and so, by operation of section 168.2 of the Act, had also contravened those provisions.

[5] The findings of this panel on liability made on December 15, 2025 (Findings), reported at 2025 BCSECCOM 545, are part of this decision.

[6] Dykes passed away on December 25, 2025. On April 9, 2026, the executive director discontinued the proceedings against Dykes by a Notice of Discontinuance, 2026 BCSECCOM 119.

[7] Each of the executive director and Multi-Metal made written submissions on the appropriate sanctions in this case.

[8] This is our decision with respect to sanctions.

II. Applicable Law

[9] Once liability has been established, the task before the panel, acting in the public interest, is to craft the appropriate sanction. The authority to do so resides in sections 161 and 162 of the Act. When it crafts orders under those sections, the Commission aims to protect investors, promote the fairness and efficiency of the capital markets, and preserve public confidence in those markets.

[10] Section 161 of the Act provides, in part:

> (1) If the commission or the executive director considers it to be in the public interest, the commission or the executive director, after a hearing, may order one or more of the following:
>
> …
>
> (b) that
> (i) all persons,
> (ii) the person or persons named in the order, or
> (iii) one or more classes of persons
>
> cease trading in, or be prohibited from purchasing, any securities or derivatives, a specified security or derivative or a specified class of securities or class of derivatives;

[11] Section 162 of the Act provides, in part:

> (1) If the commission, after a hearing,
>
> (a) determines that a person has contravened,
> (i) a provision of this Act…

(b) considers it to be in the public interest to make the order,

the commission may order the person to pay the commission an administrative penalty of not more than $1 million for each contravention.

[12] In *Re Eron Mortgage Corporation*, [2000] 7 BCSC Weekly Summary 22 at page 24, the Commission provided a non-exhaustive list of factors relevant to making orders under sections 161 and 162 of the Act:

> In making orders under sections 161 and 162 of the Act, the Commission must consider what is in the public interest in the context of its mandate to regulate trading in securities. The circumstances of each case are different, so it is not possible to produce an exhaustive list of all of the factors that the Commission considers in making orders under sections 161 and 162, but the following are usually relevant:
>
> - the seriousness of the respondent's conduct,
> - the harm suffered by investors as a result of the respondent's conduct,
> - the damage done to the integrity of the capital markets in British Columbia by the respondent's conduct,
> - the extent to which the respondent was enriched,
> - factors that mitigate the respondent's conduct,
> - the respondent's past conduct,
> - the risk to investors and the capital markets posed by the respondent's continued participation in the capital markets of British Columbia,
> - the respondent's fitness to be a registrant or to bear the responsibilities associated with being a director, officer or adviser to issuers,
> - the need to demonstrate the consequences of inappropriate conduct to those who enjoy the benefits of access to the capital markets,
> - the need to deter those who participate in the capital markets from engaging in inappropriate conduct, and
> - orders made by the Commission in similar circumstances in the past.

III. Positions of the parties

A. The executive director

[13] The executive director submits that a contravention of section 168.1(1)(b) is a serious breach of the Act, since sound and reliable disclosure is fundamental to the operation, integrity and strength of the capital markets. He says that the filing of an NI 43-101 report that included false and misleading disclosure regarding a listed issuer's key project and principal asset is at the high end of seriousness for misleading statements in required disclosure, given that the NI 43-101 disclosure requirements were designed specifically to address issues of concern in the mining sector.

[14] The executive director submits that here, where the investing public was misled both by the content of the Report and by being told that a qualified person had approved the Report when in fact he had not, the effect was to nullify the NI 43-101 disclosure regime. He acknowledges, though, that by publicly retracting the Report after it was filed, Multi-Metal reduced the seriousness of its misconduct.

[15] The executive director cites the decision of the Alberta Securities Commission in *Russell, Re*, 2012 ABASC 249 [*Russell*], at para 29, for his contention that NI 43-101-related misconduct causes serious harm to the capital markets:

> To the extent that NI 43-101 has had the intended effect of elevating the quality and reliability of mining-sector disclosure, its breach (as here) risks a reversal. In particular, if a view were to develop that public disclosure of a "mineral resource" discovery or the

> involvement of a QP cannot be trusted, then general respect for NI 43-101 disclosure, and investor confidence in our securities regulatory regime and capital market, are put at risk – and with it, the ability of law-abiding mineral exploration companies to economically raise capital.

[16] The executive director submits that the sanctions must not be disproportionate to the misconduct, but must be sufficient to ensure that both the respondent and others will appreciate the seriousness of providing false or misleading information and be deterred from engaging in similar conduct. In that regard, the executive director says that although Multi-Metal suspended Dykes while it conducted an internal investigation, it reinstated him promptly and in its public disclosure sought to mask or minimize the significance of the misconduct, which suggests that specific deterrence is an appropriate factor in the consideration of sanctions in this case.

[17] The executive director noted that the three previous decisions most relevant to this matter are *Brookmount Explorations Inc. (Re)*, 2012 BCSECCOM 445 [*Brookmount*], *Re Mountainstar Gold Inc.*, 2019 BCSECCOM 123 [*Mountainstar*] and *QcX Gold Corp. (Re)*, 2022 BCSECCOM 422 [*QcX*].

[18] Brookmount was a junior mining company that contravened section 50(1)(d) of the Act by grossly exaggerating the value of its mineral property in news releases over a two-year period. In describing the misconduct, the panel said "it is hard to imagine a more serious and flagrant case of misrepresentation relating to a junior mining company". The panel found Brookmount's President and its Chief Operating Officer vicariously liable for the company's contraventions. They were assessed administrative penalties of $65,000 and $45,000 and received eight-year and five-year market prohibitions, respectively. The issuer was permanently cease-traded, but no administrative penalty was assessed against it.

[19] Mountainstar was a junior mining company that repeatedly contravened section 168.1(1)(b) of the Act by filing materially false or misleading continuous disclosure over a three-year period. The panel found Mountainstar's Chief Executive Officer vicariously liable for the company's contraventions. He was given an administrative penalty of $150,000 and a permanent market prohibition. The issuer was permanently cease-traded, but no administrative penalty was assessed against it.

[20] The executive director says that the misrepresentations in both *Brookmount* and *Mountainstar* were more serious than Multi-Metal's contraventions. He also notes that Multi-Metal retracted its Report and issued a news release to correct the misleading information less than a month after the Report was filed. Accordingly, he says, the sanctions against Multi-Metal should be less than those ordered against the issuers in those cases.

[21] QcX was a junior mining company that contravened section 168.1(1)(b) of the Act by filing a materially misleading technical report and section 85(b) of the Act by failing to disclose resource estimates. QcX also contravened NI 43-101 by failing to ensure that the qualified person named in its technical report met the criteria to be named as such. The panel found V, a director and officer of QcX, vicariously liable for the company's contraventions. V was also found to have contravened section 57.2(2) of the Act by engaging in insider trading. The panel ordered an administrative penalty of $130,000, disgorgement of $36,790 and a permanent market prohibition against V. The panel did not order any penalties against QcX on the basis that the group of people who faced the highest risk of harm due to the misconduct were the shareholders of QcX, who would likewise bear the brunt of any financial sanction against the company. In that case, the panel noted that there was an entirely new management team in place and no allegations of misconduct had been made against any of them.

[22] The executive director says that the misconduct of QcX was comparable to the misconduct of Multi-Metal in that in both cases, the contraventions could be attributed to the actions of a specific executive officer. However, he notes, QcX had replaced its management, whereas Dykes remained in place as Multi-Metal's Chief Executive Officer for another six years until his death. Accordingly, he says, it will be appropriate to impose some sanctions against Multi-Metal, at the low end of the range for making false and misleading filings, to advance the regulatory goals of both specific and general deterrence.

[23] The executive director says that in all the circumstances of this case, an administrative penalty of $30,000 is appropriate. He does not seek any market prohibitions against Multi-Metal.

B. Multi-Metal Developments Inc.

[24] Multi-Metal argues that in the unique circumstances of this case, it is not necessary or appropriate to impose any monetary sanction on it. Multi-Metal argues that the panel found that Dykes was Multi-Metal's directing mind and was responsible for the false disclosure. It says that following the death of Dykes, Multi-Metal will have new management. Multi-Metal notes the similarity to *QcX*, where the panel did not impose any monetary penalty on the issuer.

[25] Multi-Metal also emphasizes that it acted promptly to issue a news release retracting the Report on notice by H that he had not consented to its filing, with the result that the misleading information was in the market for only a short time.

[26] Multi-Metal submits that as in *QcX*, the imposition of a monetary sanction on Multi-Metal will only harm its shareholders, which is not in the public interest. It says that if the panel nevertheless determines that a monetary penalty is appropriate, it should be no more than $10,000 to reflect the fact that the misconduct here is not as serious as that in some other cases of misleading disclosure, including *Brookmount* and *Mountainstar*.

[27] Multi-Metal also argues that the protection of the public does not require that any other order be made against it. It notes that on April 14, 2023, the Commission issued an Amended Cease Trade Order, reported at 2023 BCSECCOM 172 (CTO) ordering that all persons cease trading in the shares of Multi-Metal until it files certain records. The CTO, which remains in place, permits a beneficial shareholder of Multi-Metal who is not and was not at the date of the CTO an insider or control person to sell shares acquired before the date of the CTO through a market outside Canada through a British Columbia registrant.

[28] Multi-Metal submits that it poses no risk to investors or the capital markets while the CTO is in place. It submits that the CTO should remain in place until all required documents are filed.

IV. Analysis

A. Application of the *Eron Mortgage* factors

Seriousness of the conduct, integrity of the capital markets

[29] We agree with the executive director that contraventions of section 168.1(1)(b) of the Act and of sections 5.2, 8.1 and 8.3(1) of NI 43-101 are inherently serious. In the Findings, we emphasized the particular importance of reliable information in the mining context:

> [66] Clear, timely and accurate disclosure is the cornerstone of fair and efficient securities markets. Because information relating to the scientific and technical aspects of mineral projects is necessarily complex and cannot reasonably be expected to be within the knowledge of all investors, NI 43-101 requires that it be prepared by or under the supervision of an expert who is qualified to understand

> and assess it. The expert's certification is intended to ensure the quality and reliability of the information made available by issuers to the investing public, so that they may make informed investment decisions with confidence.
>
> [67] The level of knowledge and experience required to be a "qualified person" and the requirement that the qualified person be independent of the issuer in circumstances of first-time disclosure of mineral reserves underline the importance of the assurance associated with their certification. The use of a qualified person's name to signify that they have approved the information where they have not in fact done so completely undermines that assurance. We find that the inclusion of H's name on the report, certificate and consent in the November Report when he had not in fact signed those documents constituted a statement or information that, at the time and in all the circumstances, was false or misleading in a material respect.

[30] As was noted by the executive director with reference to *Russell,* false and misleading disclosure significantly undermines investor confidence and the integrity of the capital markets. That said, the misconduct identified in the Findings was not as serious as circumstances involving fraud or patterns of prolonged or repeated misrepresentations.

[31] In the Findings, we concluded that certain statements made regarding the expected recovery of tungsten fell within the very broad definition of "forward-looking information", with the result that we found that Multi-Metal had contravened Section 4A.2 of NI 51-102. We do not regard that breach as particularly significant and have not factored it into our consideration of the appropriate sanctions in this case.

Harm to investors

[32] There is no evidence of any direct harm to investors from Multi-Metal's misconduct.

Enrichment of the respondents

[33] There is no evidence that Multi-Metal was enriched by its misconduct.

Aggravating or mitigating factors

[34] We did not identify any aggravating factors. While the executive director submits that Multi-Metal's retraction of the Report "reduced the seriousness of its misconduct," we note that it still took 23 days for it to take place. We can envision circumstances where three weeks of uncorrected disclosure by a public issuer would be sufficient time to cause significant harm to investors. In the matter before us, that point was not canvassed by the parties and we do not have evidence before us on which we can conclude whether a retraction after three weeks is either aggravating or mitigating.

Past misconduct

[35] Multi-Metal does not have a history of securities-related misconduct.

Risk to our capital markets

[36] We do not see that Multi-Metal's continued participation in the capital markets poses a risk to investors or the capital markets. We also note that Multi-Metal is currently subject to the CTO, which will remain in place until lifted by the executive director once all required documents have been filed.

Specific and general deterrence

[37] Sanctions are properly designed to provide both specific and general deterrence against misconduct. They must be sufficient to ensure that both this respondent and other market

participants understand the consequences of providing false and misleading information to the market.

[38] In this case, Multi-Metal retracted the Report, but kept Dykes, who was primarily responsible for the misconduct, in his role as a director and officer and played down the importance of the misconduct.

Prior orders in similar cases

[39] The executive director in his submissions drew on the prior decisions of the Commission in *Brookmount*, *Mountainstar* and *QcX*, each of which shares some similarities with this case. As was conceded by the executive director, the "serious and flagrant" misrepresentation in *Brookmount* and the filing of materially false and misleading disclosure over a three-year period in *Mountainstar*, both of which attracted permanent market bans, were more serious than the misconduct identified here.

[40] Closer in nature to this matter was the misconduct in *QcX*, which was also occasioned by the actions of the issuer's Chief Executive Officer and which resulted in significant administrative penalties and a permanent market ban against him personally, but no market ban against the issuer.

B. Appropriate sanctions

[41] The executive director was right to say that the appropriate sanctions against Multi-Metal are not obvious. What is clear is that in order to send a message to this issuer and to other market participants that misrepresentation of the type found here is serious and will be met with serious consequences, some sanction must be imposed.

[42] It was clear on the evidence and Dykes expressly acknowledged that throughout the relevant period, he was Multi-Metal's directing mind and he made the decisions relating to its disclosure. Multi-Metal says that now that Dykes is no longer connected to the company, it is not in the public interest to impose any sanctions against it. We disagree. We do not accept that Multi-Metal's board of directors bears no oversight responsibility for disclosure. In addition, while Multi-Metal did retract the Report and announce an investigation, it promptly reinstated Dykes in his role and glossed over the cause of the problem.

[43] Multi-Metal asks us to follow *QcX*, where the panel decided, on the executive director's recommendation, not to impose a monetary sanction against the issuer on the basis that to do so would harm the interests of shareholders, who already faced the highest risk of harm as a result of the misconduct. In that case, the issuer had severed ties with the officer primarily responsible for the misconduct and was under new management. That is not the case here.

[44] Finally, Multi-Metal says that what it characterizes as the "dual purposes of an administrative penalty, to deter future misconduct and maintain the integrity of the capital markets," are served here by the maintenance of the existing CTO and no other orders should be made. A cease-trade order is not a sanction based on misconduct, imposed after a liability hearing. It simply creates a pause in the market until an issuer files all required information under the Act, so that investors may make informed investment decisions. While the CTO does serve to protect the public in that way, it cannot take the place of a sanction that is based on proven misconduct and intended to deter future misconduct.

[45] We do not find it necessary to order a market prohibition against Multi-Metal, but we conclude that a monetary sanction is appropriate in these circumstances. Taking into account the

seriousness of the misconduct identified in the Findings relative to that found in other misrepresentation cases, we find that a monetary sanction of $15,000 is appropriate.

[46] We also find it in the public interest to issue our own, parallel order prohibiting trading in securities of Multi-Metal, with terms similar to the CTO, to ensure that trading remains prohibited until Multi-Metal pays the monetary sanction in this Decision.

V. Orders

[47] Considering it to be in the public interest, and pursuant to sections 161(1) and 162 of the Act, we order:

a) under section 162, that Multi-Metal pay to the Commission an administrative penalty of $15,000, and

b) under section 161(1)(b)(i), that all persons cease trading in securities of Multi-Metal until the later of the date Multi-Metal:

   i. pays to the Commission the administrative penalty described in paragraph a), above, and

   ii. complies with the terms of the CTO at 2023 BCSECCOM 172.

c) Despite this order, a beneficial shareholder of Multi-Metal who is not, and was not at April 14, 2023 (the date of the CTO), an insider or control person of Multi-Metal, may sell securities of Multi-Metal acquired before April 14, 2023 if:

   i. the sale is made through a market outside of Canada, and

   ii. the sale is made through an investment dealer registered in British Columbia.

June 1, 2026

For the Commission

Marion Shaw
Commissioner

Judith Downes
Commissioner

Warren Funt
Commissioner

The orders made against Multi-Metal Development Inc. in this matter may automatically take effect against it in other Canadian jurisdictions, without further notice to it.