

Citation: 2024 BCSECCOM 76

Notice of Hearing

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

(together, the Respondents)

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

- ¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing (Hearing) at which the Executive Director will tender evidence, make submissions and apply for orders against the Respondents under sections 161, 162 and 174 of the Securities Act, RSBC 1996, c. 418 (the Act), based on the following facts:

Summary

1. Multi-Metal Development Ltd. (Multi-Metal) made a false or misleading filing by inserting the electronic signature of a qualified person (QP) in a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101) technical report (Report), knowing that the QP had refused to consent to its filing.
2. The Report was further misleading because it contained statements, attributed to the QP but drafted by Shaun Methven Dykes (Dykes), Multi-Metal's directing mind, and another unnamed person. These included forward looking statements that Multi-Metal did not have a reasonable basis to make.
3. By engaging in the conduct set out in this Notice of Hearing, the Respondents contravened section 168.1(1)(b) of the Act.
4. With the same conduct, the Respondents also contravened:
 - (a) sections 5.2, 8.1, and 8.3 of NI 43-101 by inserting the QP's signature without consent,
 - (b) sections 5.3 and 3.1 of NI 43-101 by failing to name Dykes and the other person as authors of the Report, and
 - (c) 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.
5. Each of Multi-Metal's contraventions are also attributable to Dykes by operation of section 168.2 of the Act.

Background

6. Multi-Metal's corporate headquarters are in British Columbia and its securities are listed on the TSX Venture Exchange. During the relevant period, its corporate name was American CuMo Mining Corporation and its principal asset was a molybdenum-copper deposit in the state of Idaho (CuMo Project). It changed its name to Multi-Metal Development Ltd. in May, 2022.
7. Dykes is a British Columbia resident and has been Multi-Metal's President, CEO, and a director of the company since at least 2018.
8. The QP is a professional engineer with experience in mining and mineral processing. He was an author of a previous technical report on the CuMo Project that Multi-Metal filed.

Misconduct

9. In September 2018, Multi-Metal paid for a promotion that required it to file an updated, independent technical report.
10. In October 2018, Multi-Metal retained a mining consulting firm to draft the Report which would include some of the content attributed to the QP in the previous technical report.
11. In July 2019, Dykes asked the QP to review and confirm the content to be attributed to him in the Report. The QP advised Dykes that he had switched firms and that his new firm would not do any work on the Report. He further advised Dykes that he would not give a certificate of qualified person or sign the Report.
12. Dykes asked an employee at the QP's former firm (the Replacement) to prepare a summary of the QP's work on the previous report. Multi-Metal then used the Replacement's summary in the Report and attributed it to the QP.
13. Dykes also made his own additions and revisions to various parts in the Report attributed to the QP. These included statements regarding the potential economic feasibility of producing tungsten at the CuMo Project. Multi-Metal did not have a reasonable basis to make these forward-looking statements in the Report because they were not supported by any analysis of the extraction or processing of tungsten.
14. Multi-Metal did not name Dykes or the Replacement as authors of the Report.
15. Although the QP never reviewed or signed the Report or consented to its filing, Dykes listed him as an author in the Report and inserted the words "original signed" or "original signed and sealed" above his name on:

- (a) the signature page of the Report,
 - (b) a QP Certificate included in the Report (the QP Certificate), and
 - (c) a Statement of Consent of Qualified Person filed with the Report (the Consent).
16. On November 27, 2019, Multi-Metal filed the Report, including the QP Certificate and the Consent, on SEDAR.

Contraventions attributable to Dykes

17. Dykes authorized or permitted each action the company took. He therefore contravened the same provisions that Multi-Metal did by operation of section 168.2 of the Act.

Hearing Process

- ¶ 2 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Tuesday, May 14, 2024, at 9:00 a.m.** if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondent upon request to the Executive Director.
- ¶ 3 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Hearing Office at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: hearingoffice@bcsc.bc.ca.
- ¶ 4 If the Respondents or their counsel do not appear at the Hearing, the Executive Director may apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.
- ¶ 5 Orders made against the Respondents in this matter may automatically take effect against them in other Canadian jurisdictions, without further notice to the Respondents.

Peter J Brady
2/28/2024 | 12:32 PM PST

- ¶ 6 Peter J. Brady
Executive Director