

2012 BCSECCOM 471

Settlement Agreement

Aaron Ross

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Aaron Ross (Ross) agree as follows:

Agreed Statement of Facts

Background

1. Aguila American Gold Limited (Aguila) is a British Columbia mining company with shares trading on the TSX venture exchange.
2. Ross is a resident of British Columbia. During the relevant period, Ross worked in corporate communications for Aguila.
3. Ross has never been registered under the Act.

Misconduct

4. On February 18, 2011, Aguila issued a news release disclosing drill results on a property in Peru. The news release included disclaimers regarding the quality and grade of the resource.
5. In February, 2011, Ross, while engaging in investor relations activities for Aguila, made calls and sent emails to over 130 potential investors identified on a list.
6. A Commission employee was named among the individuals identified on the list as potential investors. He was, in fact, an investigator in the Corporate Finance Division.
7. On February 17, 2011, the day before the issuance of the news release, Ross telephoned the investigator and spoke to him. During that conversation, Ross made the following promotional statements about Aguila:
 - (a) Aguila would be releasing a news release regarding drill results at the close of market that day or early the next morning that would show “high tonnage” with “2 [to] 16 grams/tonne”;
 - (b) Aguila should go to “2 to 3 bucks” at the current market value of gold; and
 - (c) that they were “looking at 2 million ounces” of gold.

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8. Those statements were materially misleading because:
 - (a) Ross omitted to provide the disclaimer found in the news release that the drilling results were only conceptual in nature and there was insufficient evidence to say that gold would be found;
 - (b) The share price projection was unrealistic given that the information in the News Release was old information taken from a five year old Technical Report; and
 - (c) Ross's statement that they were "looking at 2 million ounces" was not found in either the Technical Report or the news release.
9. Ross acknowledges that, while making statements on behalf of the issuer, he disclosed estimates of grade, quantity, and metal content that are not classified as a mineral resource or mineral reserve, contrary to section 2.3(1) of NI 43-101.
10. Ross acknowledges that, while engaging in investor relations, he made statements that he ought to have known were misrepresentations, contrary to section 50(1)(d) of the Act.

Mitigating Factors

11. Ross has no prior regulatory history with the Commission.
12. Ross has taken the Public Companies: Financing, Government and Compliance course through Simon Fraser University Continuing Studies.

Public Interest

13. It is in the public interest that the Executive Director issue orders under section 161 of the Act.

Undertaking

14. Ross undertakes to pay \$2,500 to the Commission in respect of settlement of this matter, which sum is due and payable immediately without further demand.

Order

¶ 2 The Executive Director will issue an order (the Order) that:

1. under section 161(1)(a) of the Act, that Ross comply fully with the Act, the Securities Rules, and any applicable regulations;

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2. under section 161(1)(d)(v) of the Act, Ross is prohibited from engaging in investor relations activities for a period of 2 years from the date of the Order.

Consent to Regulatory Orders

- ¶ 3 Ross consents to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in paragraph 2 above.

Waiver

- ¶ 4 Ross waives any right they 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.

Counterpart

- ¶ 5 This Settlement Agreement may be executed in counterpart or by facsimile execution and all such counterparts of executed copies or faxed copies shall be read or construed together as if they formed one originally executed document.

- ¶ 6 December 10, 2012

- ¶ 7 Aaron Ross
Aaron Ross

H. Roderick Anderson)
Witness Signature)
H. Roderick Anderson)
Witness Name (please print))
3200 Vancouver Centre)
650 W. Georgia Street)
Vancouver, B.C. V6B 4P7)
Address)
Barrister & Solicitor)
Occupation)

- ¶ 8 December 12 , 2012

Paul C. Bourque

- ¶ 9 Paul C. Bourque, Q.C.
Executive Director