

Citation: 2013 BCSECCOM 561

Settlement Agreement

Bralorne Gold Mines Ltd., Wilhelmus (William) Kocken, and Matthew Ball

(collectively the Respondents)

Securities Act, RSBC 1996, c. 418 (the Act)

¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Bralorne Gold Mines Ltd., (Bralorne), Wilhelmus (William) Kocken (Kocken) and Matthew Ball (Ball), agree as follows:

Agreed Statement of Facts

Background

1. Bralorne is a British Columbia mining company with shares trading on the TSX Venture exchange. Bralorne purports to be developing and exploring a small gold mining operation near Gold Bridge, British Columbia.
2. Kocken is a resident of British Columbia and the chief executive officer and a director of Bralorne.
3. Ball is a resident of British Columbia and is the president, chief operating officer and a director of Bralorne. He is also Bralorne's Qualified Person for the purposes of its technical disclosure pursuant to National Instrument 43-101, *Standards of Disclosure for Mineral Projects*(NI 43-101).

Misconduct

Breach of National Instrument 43-101

4. On June 5, 2012, Bralorne issued a news release announcing it was commissioning a Preliminary Economic Assessment (PEA) of its mining operation.
5. In a news release dated October 17, 2012, Bralorne announced the results of the PEA. Kocken signed the news release on behalf of the board. Ball was the Qualified Person who reviewed and approved the technical data contained in the news release.

6. In the news release, Bralorne presented the results of an economic analysis that included or was based on a target for further exploration (the Speculative Economic Analysis).
7. On October 17, 2012, Bralorne issued a further news release, on instructions from the Investment Industry Regulatory Organization of Canada, retracting the Speculative Economic Analysis because “the analysis was not based on a current resource estimate.” Kocken, on behalf of the board, signed the news release containing the retraction.
8. On October 18, 2012, Bralorne filed a technical report on SEDAR that included the Speculative Economic Analysis.
9. On or before November 1, 2012, Bralorne posted on its website a copy of the technical report as well as a corporate presentation and fact sheet that referenced the Speculative Economic Analysis.
10. By disclosing the results of an economic analysis that included or was based on a target for further exploration, the Respondents contravened section 2.3(1)(b) of NI 43-101.

Liability under section 168.2

11. Kocken and Ball, as directors of Bralorne, authorized, permitted, or acquiesced in Bralorne’s contraventions of section 2.3(1)(b) of NI 43-101 and therefore also contravened the same provision by operation of section 168.2 of the Act.

Mitigating Factor

12. On November 5, 2013, Kocken and Ball attended a course put on by the TMX TSX Venture Exchange on Mining Company Disclosure Fundamentals to better understand the requirements of NI 43-101.

Public Interest

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

Undertaking

14. Ball and Kocken undertake:
 - (a) To each pay to the Commission \$20,000 in respect of settlement of this matter, which sums are a condition of settlement due and payable at the time of execution of this Settlement Agreement; and

(b) Within one year from the date of the agreement, to complete a course of study on the requirements of NI 43-101 that is acceptable to the Executive Director. Proof of the successful attendance and completion of the course must be provided, in writing, to the Executive Director within the prescribed time period.

Order

¶ 2 The Executive Director will issue an order (the Order) that, under section 161(1)(a) of the Act, the Respondents comply fully with the Act, the Securities Rules, and any applicable regulations.

Consent to Regulatory Orders

¶ 3 The Respondents consent 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 The Respondents waive 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 19, 2013

¶ 7 Wilhelmus (William) Kochen
Bralorne Gold Mines Ltd.
(Signing Authority)

Annie Chan)
Witness Signature)
Annie Chan)
Witness Name (please print))
#900-570 Granville Street)
)
Vancouver, BC V6C 3P1)
Address)
CFO)
Occupation)

¶ 8 December 19, 2013

¶ 9 Wilhelmus (William) Kochen
Wilhelmus (William) Kocken

Annie Chan)
Witness Signature)
Annie Chan)
Witness Name (please print))
#900-570 Granville Street)
)
Vancouver, BC V6C 3P1)
Address)
CFO)
Occupation)

¶ 10 December 19, 2013

¶ 11 Matthew Ball
Matthew Ball

Annie Chan)
Witness Signature)
Annie Chan)
Witness Name (please print))
#900-570 Granville Street)
)
Vancouver, BC V6C 3P1)
Address)
CFO)
Occupation)

¶ 12 December 20, 2013

Paul C. Bourque, Q.C.

¶ 13 Paul C. Bourque, Q.C.
Executive Director