



British Columbia Securities Commission

Citation: 2018 BCSECCOM 291

Settlement Agreement

Carl Vance Loeber and Nickel One Resources Inc.

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Carl Vance Loeber (Loeber) and Nickel One Resources Inc. (the Issuer) agree as follows:

Agreed Statement of Facts

Overview

1. The Issuer filed a required technical report that did not comply with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101).
2. Loeber, as an officer and director of the Issuer, authorized the Issuer's contraventions of that instrument.
3. Once Commission staff (Staff) informed him of the technical report's deficiencies, Loeber was slow to respond and delayed issuing a public retraction of the report for several months.

Background

4. Loeber is a British Columbia resident and, since 2016, has been the president and a director of the Issuer, a reporting issuer in British Columbia.
5. The Issuer is a junior mineral exploration company with its shares listed on the TSX Venture and Frankfurt exchanges. Its principal assets are mineral exploration properties in northern Finland (the Finnish Project) and northern Ontario.
6. In August 2016, the Issuer announced that it had signed a letter of intent to buy the Finnish Project. The vendor provided Loeber with a technical report for the property (the Original Report).
7. The Finnish Project transaction closed in early February 2017.



Misconduct

8. After acquiring the Finnish Project, the Issuer disclosed mineral resource estimates from the Original Report. That constituted a first time disclosure of mineral resources by the Issuer, requiring the Issuer to file a new technical report under NI 43-101 section 4.2(1)(j)(i). Loeber did not take steps to have the Issuer obtain a new report, however, until Staff advised him of that obligation.
9. In April 2017, the Issuer filed a technical report for the Finnish Property (the New Report) prepared by a mining consultancy (the Mining Consultants) retained at Loeber's direction.
10. In its New Report, the Issuer disclosed mineral resources and technical information in contravention of NI 43-101 by:
 - (a) disclosing information about a mineral resource without using only the mineral resource categories set out in the Canadian Institute of Mining, Metallurgy and Petroleum's definition standards, contrary to section 2.2(a),
 - (b) disclosing analytical or testing results for the Finnish Property without including:
 - (i) the results of significantly higher grade intervals within a lower grade intersection, contrary to section 3.3(2)(d), or
 - (ii) drilling, sampling, recovery, and other factors that could materially affect the accuracy or reliability of the data, contrary to section 3.3(2)(e), and
 - (c) disclosing a mineral resource without including:
 - (i) the key assumptions, parameters, and methods used to estimate the mineral resource, contrary to section 3.4(c), or
 - (ii) identifying known legal, political, environmental, or other risks that could materially affect the potential development of the mineral resource, contrary to section 3.4(d).



11. The Issuer also failed to have a qualified person responsible for preparing the New Report conduct a current inspection of the Finnish Property as required by section 6.2 of NI 43-101.
12. By authorizing the Issuer's contraventions of NI 43-101, Loeber also contravened those same provisions under section 168.2 of the Act.

Factors Relevant to Settlement

13. In April and May 2017, Staff twice wrote to the Issuer outlining the New Report's deficiencies. Loeber did not take steps to address the deficiencies until June, and did not meet with the Mining Consultants to address the site visit issue until July.
14. In late July 2017, Loeber knew that the New Report could not be valid unless an independent qualified person visited the Finnish Project for the Issuer. Nevertheless, it was over a month before Loeber contacted a geologist in Finland.
15. The Issuer also failed to disclose that the New Report did not comply with NI 43-101 until mid-September 2017, when it at last issued a news release explaining that the New Report should not be relied on.
16. The Issuer finally filed a revised technical report (the Final Report) in December 2017. It contained no current resource for the Finnish Project, but provided the estimate from the Original Report as historical.
17. Although, as the Issuer's president and director, Loeber is ultimately responsible for its disclosure of mineral resource information, the New Report's deficiencies originated with the Mining Consultants.
18. After the Issuer acquired the Finnish Project, it triggered the requirement for a new report under NI 43-101 by disclosing the estimates from the Original Report. For the Issuer, that was a first time disclosure of mineral resources. However:
 - (a) If the property's former owners had made the same disclosure, there would have been no such obligation: for them, the Original Report would have still been current under NI 43-101.



- (b) If the Issuer had purchased the former owner, instead of just the property, the Issuer could have likewise relied on the Original Report as current.
 - (c) If the Issuer had disclosed the estimate from the Original Report as a historical, and not current, resource (which is what it ultimately did in the Final Report), it could have also avoided the need for a new report.
19. Additionally, the New Report's author had visited the Finnish Project. That visit was only non-compliant with NI 43-101 section 6.2 because it was made on behalf of the property's former owner, rather than the Issuer.
20. While Loeber was unreasonably dilatory in responding to Staff's disclosure review, he cooperated in the subsequent investigation.

Undertakings

21. Loeber acknowledges that, in order to prevent future contraventions by him or the Issuer, he requires additional training and education with respect to the requirements of NI 43-101 and the duties and responsibilities of directors and officers of public companies.
22. Loeber undertakes to complete courses of study acceptable to the Executive Director on:
- (a) the duties and responsibilities of directors and officers of public companies; and
 - (b) the requirements of NI 43-101

within one year of the date of this settlement agreement, and provide proof in writing of attendance and successful completion to the Executive Director.

Waiver

- ¶ 2 Loeber 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.



Counterpart

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

¶ 4 September 28, 2018

¶ 5 *Carl Vance Loeber*

Carl Vance Loeber

Jeff Dare

Witness Signature

Jeff Dare

Witness Name (please print)

550-800 West Pender Street

Vancouver, BC V6C 206

Address

Corporate Secretary

Occupation

¶ 6 *Carl Vance Loeber*

Nickel One Resources Inc.

Per: Carl Vance Loeber, President

Jeff Dare

Witness Signature

Jeff Dare

Witness Name (please print)

550-800 West Pender Street

Vancouver, BC V6C 206

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Corporate Secretary

Occupation

¶ 7 September 28, 2018

Peter Brady

¶ 8 Peter J. Brady
Executive Director