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News Release

B.C. men and their company sanctioned for misleading investors

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Vancouver – A British Columbia Securities Commission (BCSC) panel [has imposed](#) \$400,000 in combined penalties on two B.C. men for failing to disclose information, concealing financial losses and making false or misleading statements.

The panel also permanently banned Zahir “Zip” Dhanani, Robert Naso and their since-dissolved company, Arian Resources Corp. from participating in various market activities.

Arian, a mineral exploration company that was traded on the TSX Venture Exchange, entered into an agreement in 2014 with a Canadian company to buy all the shares of an Albanian company that held the rights to an Albanian copper mine. The mining project was Arian’s only material asset.

Between 2014 and 2017, Arian failed to properly disclose a growing list of risks and challenges to its only material asset. The panel said that the public was not told about the material changes until it was too late, which “completely undermined the purpose of the continuous disclosure regime that lies at the heart of securities regulation.”

Arian also failed to properly disclose an \$800,000 loss to a promoter who never provided any services and a \$285,000 payment to Dhanani’s mother. It also understated the true cost of executive officers’ compensation by hundreds of thousands of dollars in information provided to shareholders.

In October 2021, a BCSC panel found that Dhanani, Naso and Arian repeatedly contravened the *Securities Act* by making false or misleading statements and failing to comply with its continuous disclosure obligations.

In sanctioning the two men and their company, the panel wrote, “Arian’s misconduct caused risks of financial loss to investors in its shares and, more generally, caused risks that the public would lose faith in the integrity of the market.”

In addition to the administrative penalty, Dhanani, Arian’s Chief Executive Officer, and Naso, Arian’s Chief Financial Officer, are permanently prohibited from:

- trading or purchasing any securities or derivatives, except in accounts in their own names
- relying on any exemptions set out in the Act, the regulations or a decision
- becoming or acting as a registrant or promoter
- advising or otherwise acting in a management or consultative capacity in connection with activities in the securities or derivatives markets

- and engaging in promotional activities.

The panel also permanently banned Arian from trading in or purchasing any securities or derivatives, becoming or acting as a registrant or promoter, and engaging in promotional activities. This replaces a 2017 cease trade order imposed by the BCSC against the company.

About the British Columbia Securities Commission (www.bcsc.bc.ca)

The British Columbia Securities Commission is the independent provincial government agency responsible for regulating capital markets in British Columbia through the administration of the *Securities Act*. Our mission is to protect and promote the public interest by fostering:

- A securities market that is fair and warrants public confidence
- A dynamic and competitive securities industry that provides investment opportunities and access to capital

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