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BCSC settles with mining company and CEO for failing to disclose that advertorials and social media posts were issued on its behalf

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News Release

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**Vancouver** – A mining company and its CEO must pay a combined \$35,000 in a [settlement](#) with the British Columbia Securities Commission (BCSC) for not disclosing that advertorials and social media posts were issued on the company’s behalf.

MGX Minerals Inc. hired marketing company Stock Social Inc. in 2017 to conduct investor relations activities. This work included six advertorials for newswires and websites, and multiple promotional posts by 17 social media influencers on platforms including Twitter, Facebook and LinkedIn.

The advertorials were written to look and read like objective journalistic content. Some of them inconspicuously directed readers to a disclaimer on another website. Others indicated a fee had been paid, but did not identify who paid, or who was paid, for the content. Some indicated MGX as the source, but stated the author was a third party and that the content was not reflective of the company’s opinion.

None of the social media posts disclosed they were issued on behalf of MGX.

The *Securities Act* requires anyone engaged in investor relations activities, or who is doing so on behalf of an issuer or security holder, to clearly and conspicuously disclose when promotional materials are issued by them or on their behalf.

MGX, a reporting issuer in B.C. whose shares trade on the Canadian Securities Exchange, admitted it violated the *Securities Act* by not ensuring these promotional materials disclosed they were issued on its behalf.

As MGX’s CEO, president and director, Jared Michael Lazerson reviewed, revised and approved some content prepared for MGX by Stock Social staff or third parties. Lazerson admitted his involvement in the company’s contravention of the *Securities Act*, and therefore contravened it himself.

Under the settlement, MGX must pay \$25,000 to the BCSC and Lazerson must pay \$10,000.

**About the British Columbia Securities Commission ([www.bcsc.bc.ca](http://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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