Released: October 8, 2021  
NR 21-69

**BCSC panel finds that B.C. men and their company misled investors**

**Vancouver** – A British Columbia Securities Commission (BCSC) panel has found that two B.C. men and their Vancouver-based mineral exploration company failed to disclose information, concealed financial losses and made false or misleading statements.

Zahir “Zip” Dhanani and Robert Naso managed Arian Resources Corp., a reporting issuer in B.C. that traded on the TSX Venture Exchange. In 2014, Arian entered into an agreement 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 several material changes or pieces of information:

* an $800,000 loss to a promoter who never provided any services
* the Canadian company’s actions to take back shares of the Albanian company
* a licence revocation relating to the mine
* a $285,000 payment to Dhanani’s mother.

Arian also understated the true cost of salary and stock compensation of executive officers by hundreds of thousands of dollars in information provided to shareholders.

As a result, the panel found that Arian repeatedly contravened the *Securities Act* by making false or misleading statements and failing to comply with its continuous disclosure obligations.

The panel also concluded that Dhanani and Naso authorized, permitted or acquiesced in Arian’s contraventions and therefore violated the same provisions as Arian.

The panel will consider imposing sanctions on the respondents after submissions from BCSC staff and the respondents.

In 2017, the BCSC issued a cease trade order because Arian failed to file records required under the Act. The cease trade order remains in effect. In 2018, the B.C. Registrar of Companies dissolved Arian for failing to file annual reports.

**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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