



Citation: 2021 BCSECCOM 291

Notice of Hearing

Bam Bam Resources Corp., formerly known as New Point Exploration Corp., Bryn Gardener-Evans and Norman George Wilfred Wareham

Section 161 of the *Securities Act*, RSBC 1996, c. 418

¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing (Hearing) at which the Executive Director will tender evidence, make submissions and apply for orders against the respondents under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (Act), based on the following facts:

Summary

1. When Bam Bam Resources Corp. was known as New Point Exploration Corp., it issued two news releases that contained misrepresentations. In both news releases, New Point announced the amount of funds raised in a financing but did not disclose that it had already spent or owed most of the funds.
2. New Point filed two material change reports that contained the same misrepresentations.
3. Gardener-Evans was a director and officer of New Point when it issued both news releases and material change reports and by authorizing, permitting or acquiescing in New Point's contraventions, he contravened the same provisions that it did.
4. Wareham was a director and officer of New Point when it issued the first news release and material change report and by authorizing, permitting or acquiescing in New Point's contraventions, he contravened the same provisions that it did.

Background

5. Bam Bam Resources Corp. is a mining exploration company based in Vancouver, British Columbia. It is a reporting issuer in British Columbia and its shares trade on the Canadian Securities Exchange. It was known as New Point during the relevant period.
6. Gardener-Evans is a resident of Calgary, Alberta. He was a director, president and CEO of New Point when it made both misrepresentations.
7. Wareham is a resident of North Vancouver, British Columbia. He was a director and CFO of New Point when it made the first misrepresentation.



Misconduct

July 6, 2018 news release

8. On May 28, 2018, New Point announced that it had acquired an option to purchase a copper mining property for US \$4 million. New Point also announced that it intended to offer a private placement for proceeds of up to \$3 million. It said the net proceeds of the private placement were to be used for the exploration and development of the copper mining property, project acquisition and exploration, and general working capital.
9. On July 6, 2018, New Point announced that it had closed the first tranche of the private placement for aggregate proceeds of \$1,668,250. New Point did not disclose that it would only retain about \$710,000 or less than 43% of the amount raised because it:
 - had already spent \$320,000 of the funds on consulting fees, and
 - owed almost \$640,000 of the funds in additional consulting fees.

By announcing the proceeds from the first tranche but failing to disclose that it would retain less than 43%, New Point made a statement to investors that it knew, or ought reasonably to have known, was a misrepresentation contrary to section 50(1)(d) of the Act.

10. New Point filed a material change report containing the same misrepresentation. In doing so, it made a statement or provided information in a record filed under this Act that in a material respect was false or misleading, contrary to section 168.1(1)(b) of the Act.
11. While they were directors and officers of New Point, Gardener-Evans and Wareham authorized, permitted or acquiesced in New Point's contravention of section 50(1)(d) and section 168.1(1)(b) and therefore, by operation of section 168.2 of the Act, they also contravened those same provisions.

August 9, 2018 news release

12. On July 25, 2018, New Point announced that it intended to offer a private placement for gross proceeds of up to \$5 million. It said the net proceeds of the financing were to be used for general corporate purposes, including general & administrative expenses and exploration of the company's projects.
13. On August 9, 2018, New Point announced that it had closed the private placement for aggregate proceeds of \$4,651,000. New Point did not disclose that it would only retain \$678,000 or less than 15% of the amount raised because it:
 - had already spent almost \$3.483 million of the funds on consulting fees, and
 - owed \$490,000 of the funds in additional consulting fees.



By announcing the proceeds from the private placement but failing to disclose that it would retain less than 15%, New Point made a statement to investors that it knew, or ought reasonably to have known, was a misrepresentation contrary to section 50(1)(d) of the Act.

14. New Point filed a material change report containing the same misrepresentation. In doing so, it made a statement or provided information in a record filed under this Act that in a material respect was false or misleading, contrary to section 168.1(1)(b) of the Act.
15. While he was a director and officer of New Point, Gardener-Evans authorized, permitted or acquiesced in New Point's contravention of section 50(1)(d) and section 168.1(1)(b) and therefore, by operation of section 168.2 of the Act, he also contravened those same provisions.

Hearing Process

- ¶ 2 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Wednesday, October 13, 2021, at 9:00 a.m.** if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondent upon request to the Executive Director.
- ¶ 3 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Hearing Office at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.
- ¶ 4 If the Respondents or their counsel do not appear at the Hearing, the Executive Director may apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.

Peter J Brady
Sep 17 2021 9:12 AM -07:00

- ¶ 5 Peter J. Brady
Executive Director