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News Release

Blockchain company commits misrepresentation about consultant spending

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Vancouver – The B.C. Securities Commission (BCSC) [has found](#) that a Vancouver-based blockchain technology investment company made misrepresentations when it failed to disclose it had spent, or planned to spend, most of the proceeds from a private placement on consultants.

A panel found that BLOK Technologies Inc., previously known as Aida Minerals Corp., published a false or misleading news release which said the company had raised approximately \$5.4 million, but did not disclose that nearly \$4.4 million would go toward consulting fees. The company retained approximately \$950,000 – less than 18 per cent of the amount raised.

The news release indicated that the proceeds of the private placement would be spent on advancing the company's blockchain investment projects, evaluating new blockchain opportunities and working capital. It also stated that the financing will take "our company to the next level in the execution of its business model ... and we look forward to advancing our worldwide investment projects with top-level strategic partners."

Given these claims, the panel concluded that reasonable investors would not have expected that BLOK would retain less than 18 per cent of what it had raised to execute its business model and pay expenses.

The panel found that the company's failure to disclose this information to investors was misleading and a misrepresentation.

The panel dismissed allegations that BLOK's vice-president and director, James Joseph Hyland, authorized, permitted or acquiesced in BLOK's contravention and therefore committed the same offence. In making this determination, the panel concluded that the "Executive Director has failed to establish that Hyland had actual knowledge of the consulting agreements when the June 8 news release was issued."

Last year BLOK's former CEO, Robert Earle Dawson and its former CFO, David Malcolm Alexander, were [prohibited](#) from participating in the investment market for their part in the misrepresentation. Alexander also paid \$25,000 for his misconduct.

The company, which is in the process of being dissolved, used to trade on the Canadian Securities Exchange.

The panel will next consider what sanctions to impose, which could include monetary penalties or bans from market participation.

The B.C. 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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