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News Release

Mining company and former CEO made misrepresentations and filed misleading statements, panel rules

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*Vancouver* – A Vancouver mining company and its former CEO made misrepresentations and filed misleading statements by omitting from its disclosure that most of the funds raised in two private placements would be used to pay consultants, a B.C. Securities Commission (BCSC) panel [has found](#).

The company, formerly known as New Point Exploration Corp., issued two news releases in the summer of 2018 announcing the sales of shares. The first news release, in July 2018, said the total proceeds from the sale was \$1.7 million; the second news release, in August 2018, announced another sale that raised \$4.7 million. For both sales, New Point also filed material change reports.

The news releases and the material change reports didn’t disclose that the company would retain less than 43 per cent of the funds from the first transaction, and less than 15 per cent of the funds from the second transaction, because most of the money was either already spent on – or owed for – consulting fees.

The panel said that New Point had created a strong expectation among its investors and would-be investors that if it raised a material amount of new capital, most of the funds would be used for mining projects that it had mentioned in previous news releases.

“An omission becomes misleading when there is a marked and undisclosed divergence in use of proceeds from what the market expected,” the panel wrote. “... There is nothing inherently wrong with expenditures on consultants. However, money spent on these consultants could not be dedicated to the use which the market was expecting for the majority of the funds raised.”

The panel found that the former CEO, Bryn Gardener-Evans, had also made misrepresentations and filed misleading statements because he was the company’s decision-maker, had reviewed and approved the news releases, was aware that the consulting fees were undisclosed, had signed the share transaction forms, and was listed as the executive officer knowledgeable about the material change in the company’s material change reports.

Before the hearing, New Point – which later changed its name to Bam Bam Resources Corp., and is now Majuba Hill Copper Corp. – had entered into an agreed statement of facts with the BCSC’s Executive Director, in which the company admitted liability for misrepresentation and filing false or misleading statements, in exchange for a recommendation that there should be no sanction against the company. The company’s former Chief Financial Officer and Director, Norman George Wilfred Wareham, entered into a settlement with the BCSC’s Executive Director, in which he agreed to a suspension from market activities and paid \$10,000 to the BCSC.

The panel directed the Executive Director and Gardener-Evans to make submissions on sanctions.

### About the B.C. Securities Commission ([www.bcsc.bc.ca](http://www.bcsc.bc.ca))

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- 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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