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News Release

Former mining company CEO must pay \$40,000 for misrepresentations and filing of misleading statements

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Vancouver – A B.C. Securities Commission (BCSC) panel [has ordered](#) the former CEO of a Vancouver mining company to pay \$40,000 for omitting from its news releases and filings that most of the funds raised in two private placements would be used to pay consultants.

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 BCSC, in [finding](#) that New Point and former CEO Bryn Gardener-Evans had violated securities law, said the company 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.

In addition to the \$40,000 administrative penalty imposed on Gardener-Evans, the panel prohibited him for six years from:

- Becoming or acting as a director or officer of any issuer or registrant
- Becoming or acting as a registrant or promoter
- Advising or otherwise acting in a management or consultative capacity in connection with the securities or derivatives markets
- Engaging in promotional activities by or on behalf of an issuer, security holder or party to a derivative, or another person that is reasonably expected to benefit from the promotional activity, and
- Relying on any exemptions in the *Securities Act*, regulations or a decision.

Referring to Gardener-Evans, the panel said, “He failed in his obligations to ensure the public had the necessary disclosure to make informed investment decisions. We also conclude, for the reasons set out above, that Gardener-Evans has not demonstrated a clear recognition of what his responsibilities were. We conclude that there is a continuing risk that

further breaches might follow if Gardener-Evans is allowed to perform a role of responsibility in capital markets in the near future.”

Before the hearing, New Point – which later changed its name to Bam Bam Resources 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. New Point’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.

About the B.C. Securities Commission (www.bcsc.bc.ca)

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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