



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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**IN THE MATTER OF
PLATEAU ENERGY METALS INC., ALEXANDER FRANCIS CUTHBERT HOLMES
and PHILIP NEVILLE GIBBS**

STATEMENT OF ALLEGATIONS

(Section 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c S.5)

A. OVERVIEW

1. This proceeding involves a Canadian mining company that misled investors about a decision by a Peruvian mining regulator that threatened their mining rights over certain properties in Peru. Since October 2018, the Peru-based employees of the company were aware of regulatory threats to the company's mining rights in Peru but did not advise the company's Canadian executives until March 2019. The company did not inform the public until July 31, 2019.

2. To make informed investment decisions, investors rely on timely and accurate disclosure from a reporting issuer. Misleading statements in a news release, and the failure to disclose material facts in a company's MD&A, deprive investors of the opportunity to make fully informed investment decisions and undermine confidence in Ontario's capital markets.

3. Maintaining title and/or rights to property is of critical importance to a mining exploration and development company. Reporting issuers, including those with operations outside of Canada, must ensure that important information concerning the company's mining rights flows to its Canadian executives and is disclosed to investors on a timely basis.

4. On March 14, 2019, a blogger wrote a detailed post about a recent Peruvian mining authority decision that placed the company at risk of losing certain mining concessions in Peru. Instead of notifying the public of the decision, the company announced in a misleading news release on March 15, 2019 that the blog post was spreading "misinformation" and that all of its mining concessions were in good standing.

5. As a result of contradictory information flowing from the blog post and the company, investors contacted the company's chief executive officer (**CEO**) for more information. The CEO discussed the events giving rise to the regulatory threat and the company's position with these investors. However, the company did not make any public disclosure of these facts until July 31, 2019. Selective disclosure is contrary to the public interest as it does not promote truthful and accurate disclosure to the capital markets as a whole.

6. After the March 15, 2019 news release, the company continued to make misleading statements in subsequent news releases and in its second quarter interim financial statements and related management's discussion and analysis (**MD&A**).

7. When the company finally publicly disclosed the regulatory threat to its mining concessions at the end of July 2019, its share price dropped by more than half.

B. FACTS

8. Staff of the Enforcement Branch of the Ontario Securities Commission (**Enforcement Staff**) make the following allegations of fact:

9. Plateau Energy Metals Inc. (**Plateau** or the **Company**) is an Ontario corporation and reporting issuer with its head office in Toronto. It is listed on the TSX Venture Exchange under the trading symbol "PLU". Plateau is a mining exploration and development company. It conducts its business in Peru through its wholly owned subsidiary, Macusani Yellowcake S.A.C. (also referred to as the **Company**).

10. Alexander Francis Cuthbert Holmes (**Holmes**) was Plateau's CEO at the relevant times discussed below. On January 20, 2021, Holmes resigned as CEO with an effective date of February 12, 2021. Holmes was also a director of Plateau and continued in that role following his resignation as CEO. Holmes is a resident of British Columbia. Philip Neville Gibbs (**Gibbs**) is Plateau's Chief Financial Officer (**CFO**). Gibbs is a resident of Ontario.

11. The Company's significant assets are known as the Falchani Lithium Project and Macusani Uranium Project in southeastern Peru. These projects are contained within the 151 different mining concessions granted to Plateau's subsidiary, since 2006, by the Peruvian mining regulatory

authority known as the Geology, Mining and Metallurgy Institute of the Ministry of Energy and Mines (**INGEMMET**). The Company does not have any other significant assets.

12. Thirty-two of the 151 concessions are relevant to this matter (the **Disputed Concessions**). The Company's main focus of exploration during the relevant time was the Falchani Lithium Project which consists mainly of two concessions, Falchani and Ocacasa 4. The Ocacasa 4 concession is included in the Disputed Concessions.

13. Under Peruvian mining law, mining concessions are granted for an indefinite term. However, in order to maintain the concessions, the holders must satisfy several obligations, including making annual payments of USD 3.00 per hectare before June 30th of a given year (**Good Standing Fees**).

14. When Good Standing Fee payments are made for less than the total amount shown as owing in a database managed by INGEMMET, mining companies are required to follow an accreditation process to allow INGEMMET to link the payments made with the relevant mining concessions. The accreditation process consists of submitting what is referred to as an accreditation application to INGEMMET on or before June 30th of a given year. An accreditation application must include: (i) the identification of the mining concession; (ii) the type of payment (i.e., Good Standing Fee); and (iii) copies of proof of payment (i.e., bank receipts).

15. On October 3, 2018, INGEMMET issued a resolution deeming that the accreditation application filed by the Company on July 2, 2018 (the **Accreditation Application**) was inadmissible because receipts of payments made were not attached to the application on a timely basis (the **Inadmissibility Resolution**).

16. On October 9, 2018, the Company requested that the President of INGEMMET annul the Inadmissibility Resolution (the **Annulment Request**). This request was treated by INGEMMET as an appeal and was sent to the Mining Council within the Ministry of Energy and Mines (**MINEM**) for a determination. On January 9, 2019, the Mining Council within MINEM (the **Mining Council**) rejected the Annulment Request.

17. On February 20, 2019, INGEMMET cancelled the Company's rights to the Disputed Concessions by Presidential Resolution 0464, stating they had lapsed for failing to make timely

payment of the required fees (the **Cancellation Resolution**). The Cancellation Resolution was delivered to the Company's Peruvian office on March 5, 2019.

18. The Company's Peru-based employees did not convey the existence of the Inadmissibility Resolution, the Annulment Request and its rejection, or the Cancellation Resolution to the Company's Canadian executives in a timely way so as to ensure the Company's compliance with its disclosure obligations under Ontario securities law.

Misleading and Selective Disclosure Leading to Breaches of Ontario Securities Laws and Conduct Contrary to the Public Interest

19. On March 14, 2019, the Company filed an appeal of the Cancellation Resolution. That same day, a blogger, who hosts a blog called IKN, posted an article stating:

On February 20th 2019, Peru's geological regulatory body INGEMMET, via its Presidential Resolution 0464, decreed that due to non-payment of concession fees in both 2017 and 2018 the wholly owned subsidiary of Plateau Energy Metals (PLU.v) would be stripped of 32 concessions from its flagship project in the Macusani region of Puno, Peru. What's more, one of the 32 concessions now stripped from the company is Ocacasa 4, which is 1,000 hectares of the total 1,700-hectare zone of the property that contains its lithium resource.

This snafu rates highly in IKN's "Annals of Material Event Disclosure Failures." Frankly amazing that the company has tried to keep this under wraps.

(the **IKN Blog Post**).

Misleading Disclosure in the March 15, 2019 News Release

20. In response to the IKN Blog Post, the Company issued a news release on March 15, 2019 (the **March 15, 2019 News Release**) including:

- a. it had "been made aware that information was published by a third party" late the day before "surrounding certain concessions in its 93,000 hectare land package not being in good standing";
- b. the Company wished "to confirm all of its mineral concessions are in good standing and are 100% controlled";

- c. a statement by Plateau’s CEO and a director, Holmes, that “it’s disappointing to see this irresponsible spread of misinformation” and that “Plateau is actively engaged with the government and communities where it operates, and will continue to operate in an open and transparent manner to the benefit of everyone involved”; and
- d. the Company was in the process of “determining the source of the misinformation and is considering legal action.”

21. Other than the references in the IKN Blog Post that the Cancellation Resolution was due to the *non-payment* of fees, whereas the Cancellation Resolution noted the failure to make *the timely payment* of fees and the use of the word “stripped” in the IKN Blog Post, the facts referred to in the IKN Blog Post were accurate, including that:

- a. INGEMMET had issued the Cancellation Resolution on February 20, 2019 with the number 0464 in relation to the Disputed Concessions owned by Plateau’s wholly owned subsidiary;
- b. The Disputed Concessions formed part of the Company’s project in the Macusani region of Puno, Peru;
- c. the Cancellation Resolution declared that the mining rights associated with the Disputed Concessions had lapsed;
- d. the Ocasasa 4 concession was among the Disputed Concessions included in the Cancellation Resolution; and,
- e. according to the Company’s technical report dated September 6, 2018, the Ocasasa 4 concession constituted 1,000 hectares of the total 1,700-hectare zone of the Falchani Lithium Project that contains the lithium resource.

22. Rather than disclose the existence of the Cancellation Resolution referred to in the IKN Blog Post, the March 15, 2019 News Release made no mention of the Cancellation Resolution. Instead, Plateau made misleading statements that:

- a. the IKN Blog Post was an “irresponsible spread of misinformation”;
- b. “all of its mineral concessions are in good standing and are 100% controlled”; and
- c. the Company would continue to operate in a “transparent manner”.

23. Holmes was involved in the drafting of the March 15, 2019 News Release. As part of the drafting of the March 15, 2019 News Release, Holmes spoke with the Company’s Peru-based Chief Operating Officer (COO), who is fluent in Spanish and who is the conduit through which information flows from Peru to the Company’s Canadian executives.

24. Despite OSC Staff Notice 51-720 – *Issuer Guide for Companies Operating in Emerging Markets*, published in 2012, there was an overreliance by Canadian management on Peruvian management. Holmes did not conduct a sufficient investigation of the accuracy of the IKN Blog Post. In particular, before issuing the March 15, 2019 News Release in which Holmes is quoted as characterizing the IKN Blog Post as an “irresponsible spread of misinformation”, Holmes failed to obtain and review the Cancellation Resolution. As set out above, the facts contained in the IKN Blog Post were essentially accurate and not an “irresponsible spread of misinformation.”

25. Plateau and Holmes made statements in the March 15, 2019 News Release that they knew, or reasonably ought to have known, were materially misleading and/or untrue contrary to subsection 126.2(1) of the *Securities Act*, R.S.O. 1990, c S.5 (the Act) and these statements would reasonably be expected to have a significant effect on the market price or value of Plateau’s securities.

26. Holmes authorized, permitted or acquiesced in Plateau’s breach of subsection 126.2(1) of the Act in connection with the March 15, 2019 News Release, contrary to section 129.2 of the Act.

27. In addition to breaching the Act as outlined above, making misleading statements in the March 15, 2019 News Release is conduct that also violates the fundamental purposes and principles of the Act as set out in subsections 1.1 and 2.1 of the Act, and is conduct contrary to the public interest. Specifically, it was contrary to the public interest for Plateau and Holmes to fail to exercise reasonable diligence to obtain accurate and timely reporting from the Peru-based employees, including failing to seek and obtain a copy of the Cancellation Resolution, prior to

issuing the March 15, 2019 News Release. It was also contrary to the public interest for Plateau and Holmes to make statements they knew or reasonably ought to have known were misleading and/or untrue as such statements are contrary to the requirements for timely, accurate and efficient disclosure of information. Such failures undermine the fairness and efficiency of the capital markets, thereby impairing the confidence in the capital markets.

Failure to Correct the March 15, 2019 News Release and Misleading Disclosure in Subsequent News Releases

28. Following the publication of the March 15, 2019 News Release, a shareholder complaint came to Holmes' attention on March 17, 2019 regarding the lack of disclosure in the March 15, 2019 News Release (the **Complaint**):

"I'm sorry to bother you again, but I'm really not feeling comfortable with the PLU press release. It's clear by now for every investor that took his / her time on the internet, there are definitely some rulings and potential problems with some of PLUs concessions. Maybe mr. (sic) Holmes took legal advice about his choice of words in the press release, however the reason why the inkacola news blog came with the news was not addressed. While the PR warned about potential legal steps against the blogger, there is apparently proof the payment was too late. It's not because PLU has time till the end of the month to appeal that there are no problems."

29. Despite Holmes' receipt of the Complaint and an English translation of the Cancellation Resolution on March 19, 2019, he failed to take steps to correct the March 15, 2019 News Release. Thereafter, the Company continued to make misleading statements in subsequent news releases issued between April 24, 2019 and July 18, 2019 (the **Subsequent News Releases**). The Subsequent News Releases contained misleading and/or untrue information as those news releases referred to either (a) the Company's "100% control of mineral concessions covering over 93,000 hectares" or (b) the Company's "mineral concessions covering over 93,000 hectares" without disclosing that the Company's rights over the Disputed Concessions were at risk of being lost. As a result, the Subsequent News Releases were inaccurate and incomplete because they did not contain balanced information about the Disputed Concessions. This omission gave the public a distorted picture of the Company's affairs in Peru.

30. Plateau made statements in the Subsequent News Releases that it knew, or reasonably ought to have known, were materially misleading and/or untrue contrary to subsection 126.2(1) of

the Act and these statements would reasonably be expected to have a significant effect on the market price or value of Plateau's securities.

31. Holmes authorized, permitted or acquiesced in Plateau's breach of subsection 126.2(1) of the Act in connection with the Subsequent News Releases, contrary to section 129.2 of the Act.

32. In addition to breaching the Act as outlined above, making misleading statements in the Subsequent News Releases is conduct that also violates the fundamental purposes and principles of the Act as set out in subsections 1.1 and 2.1 of the Act, and is conduct contrary to the public interest. Specifically, it was contrary to the public interest for Plateau to make statements it knew or reasonably ought to have known were misleading and/or untrue as such statements are contrary to the requirements for timely, accurate and efficient disclosure of information. It was also contrary to the public interest for Holmes to fail to correct the March 15, 2019 News Release after he received the English translation of the Cancellation Resolution on March 19, 2019. Such failures undermine the fairness and efficiency of the capital markets, thereby impairing the confidence in the capital markets.

Misleading Disclosure in the Q2 2019 Filings

33. On May 22, 2019, the Company filed its second quarter interim financial statements for the period ending March 31, 2019 and related MD&A (together the **Q2 2019 Filings**). Holmes and Gibbs signed a certification in relation to the Q2 2019 Filings in which each of them certified that the Q2 2019 Filings did not contain any untrue statement of a material fact, or omit to state a material fact required to be stated, or that was necessary to make the statement not misleading in light of the circumstances under which it was made (the **Certifications**). The Q2 2019 Filings made the following misleading and/or untrue statements:

- a. Plateau's MD&A stated that "the Company controls over 930 kilometres of territory on the Macusani plateau";
- b. Note 4 to the financial statements stated that: "As at March 31, 2019, the Company, through its Peruvian subsidiaries, held a total of 151 mining concessions covering an aggregate area of approximately 93,000 hectares; and

- c. Plateau's MD&A presented mineral resource estimates for the Falchani Lithium Project on an indicated and inferred basis that included the Ocasasa 4 concession.

34. These statements were misleading and/or untrue because there was no disclosure in the Q2 2019 Filings that the mining rights associated with the Disputed Concessions (including Ocasasa 4) had lapsed following the Cancellation Resolution.

35. As a result of the above, Plateau made statements in its Q2 2019 Filings that, in a material respect and at the time and in light of the circumstances under which they were made, were misleading or untrue, or did not state a fact that was required to be stated, or that was necessary to make the statement not misleading, contrary to the prohibition in subsection 122(1)(b) of the Act, thereby resulting in a breach of Ontario securities law. This conduct was also contrary to subsection 126.2(1) of the Act as these statements would reasonably be expected to have a significant effect on the market price or value of Plateau's securities.

36. Each of Holmes and Gibbs authorized, permitted or acquiesced in Plateau's violation of the prohibition in subsection 122(1)(b) of the Act and in breaching subsection 126.2(1) of the Act in connection with the Q2 2019 Filings, contrary to section 129.2 of the Act.

37. In addition, each of Holmes and Gibbs signed the Certifications, which contained statements that were, in a material respect and at the time and in light of the circumstances under which they were made, misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading, contrary to the prohibition in subsection 122(1)(b) of the Act, thereby resulting in a breach of Ontario securities law, and National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109)*.

38. In addition, the Certifications by Holmes and Gibbs contained materially misleading statements and/or failed to state facts that were required to be stated or that were necessary to make the statements not misleading and/or untrue, contrary to subsection 126.2(1) of the Act. These statements would reasonably be expected to have a significant effect on the market price or value of Plateau's securities.

39. In addition to breaching the Act as outlined above, this conduct also violates the fundamental purposes and principles of the Act as set out in subsections 1.1 and 2.1 of the Act, and is conduct contrary to the public interest. Specifically, it was contrary to the public interest for Plateau, Holmes and Gibbs to make statements and for Holmes and Gibbs to sign Certifications which contained statements that they knew or reasonably ought to have known were misleading and/or untrue as such statements are contrary to the requirements for timely, accurate and efficient disclosure of information. Such failures undermine the fairness and efficiency of the capital markets, thereby impairing the confidence in the capital markets.

Selective Disclosure to Shareholders

40. On the same day the March 15, 2019 News Release was issued, someone using the name “Juan Peru” made a post on the Stockhouse forum providing a detailed account of the events from July 2, 2018 onwards that lead to the Cancellation Resolution (the **Juan Peru Forum Post**).

41. Following the publication of the IKN Blog Post and the Juan Peru Forum Post, between approximately March 14 and 19, 2019, Holmes responded to inquiries from a number of concerned shareholders and analysts about the posts to try to mitigate panic selling and to “bring calm to the situation”. During these discussions, Holmes, while in a special relationship with the Company, referred to the following material facts before they were generally disclosed: (a) the Cancellation Resolution, including the events leading up to that resolution; and (b) the Company’s position in response, contrary to subsection 76(2) of the Act. The Company, however, did not make any public disclosure of these material facts until July 31, 2019.

42. In addition to breaching the Act as outlined above, the conduct described above violates the fundamental purposes and principles of the Act as set out in subsections 1.1 and 2.1 of the Act, and is conduct contrary to the public interest. Specifically, it was contrary to the public interest for Holmes and the Company to provide selective disclosure of these material facts only to those investors who made inquiries. Selective disclosure is contrary to the requirements for timely, accurate and efficient disclosure of information and undermines the fairness and efficiency of the capital markets, thereby impairing the confidence in the capital markets.

Company Finally Discloses the Regulatory Threats to the Disputed Concessions

43. On July 31, 2019, over a year after the events that gave rise to the Inadmissibility Resolution and over four months after it was first notified of the Cancellation Resolution, the Company issued a news release disclosing, for the first time, its on-going administrative issues in respect of the Disputed Concessions (the **July 31, 2019 News Release**). The July 31, 2019 News Release informed investors that the Company's appeal to suspend the Cancellation Resolution affecting seven of the Disputed Concessions was denied. A material change report was filed on August 8, 2019 in connection with the July 31, 2019 News Release.

44. On August 6, 2019, the Company issued a news release disclosing that the Mining Council had dismissed the Company's appeal to suspend the Cancellation Resolution in connection with the remaining 25 of 32 Disputed Concessions (the **August 6, 2019 News Release**). A material change report was filed on August 12, 2019 in connection with the August 6, 2019 News Release.

Loss of the Disputed Concessions was Important Information to Investors

45. Following the Company's disclosure on July 31, 2019, Plateau's share price declined from \$0.59 on July 25, 2019 (the last trading day before the stock was halted) to \$0.28 on August 1, 2019 (the day trading resumed), a drop of approximately 53%.

46. The impact of the potential loss of some or all of the Disputed Concessions to the Company was explained in news releases issued by the Company from July 31, 2019 to at least February 4, 2020 which revealed that the impact represented:

- a. 2.18 million tonnes (**Mt**) of the 4.7 Mt of contained Lithium Carbonate for the Falchani Lithium Project, representing a loss of approximately 46% of the contained Lithium Carbonate in the Falchani mineral resource estimate;
- b. 36.0 million pounds (**Mlbs**) of the total of 68.8 Mlbs of contained Uranium Oxide for the Macusani Uranium Project concessions included in the Company's 2016 preliminary economic assessment (**PEA**) for that project, representing a loss of approximately 52% of the contained Uranium Oxide in the Macusani mineral resource estimate. In addition, a further two of the Disputed Concessions, not

included in the 2016 Macusani PEA, represented a loss of an additional 3.2 Mlbs of contained Uranium Oxide; and

- c. that without the Ocasasa 4 concession, the net present value (after tax) of the Falchani Lithium Project was reduced by 46%, gross revenue was reduced by 58% and there was a 62% decrease in undiscounted cash flows (after tax).

C. BREACHES OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

47. Enforcement Staff alleges the following breaches of Ontario securities law and/or conduct contrary to the public interest as a result of the conduct described above:

- a. Plateau and Holmes made statements in the March 15, 2019 News Release that they knew or reasonably ought to have known, in a material respect, and at the time and in the light of the circumstances under which they were made, were misleading or untrue or did not state a fact that is required to be stated or that is necessary to make the statements not misleading, contrary to subsection 126.2(1) of the Act and constituted conduct contrary to the public interest. These statements would reasonably be expected to have a significant effect on the market price or value of Plateau's securities;
- b. Holmes authorized, permitted or acquiesced in the contravention of subsection 126.2(1) of the Act by Plateau in connection with the March 15, 2019 News Release and is deemed to have failed to comply with Ontario securities law pursuant to section 129.2 of the Act;
- c. Plateau made statements in the Subsequent News Releases that it knew or reasonably ought to have known, in a material respect and at the time and in the light of the circumstances under which they were made, were misleading or untrue or did not state a fact that is required to be stated or that is necessary to make the statements not misleading, contrary to subsection 126.2(1) of the Act, and constituted conduct contrary to the public interest. These statements would

reasonably be expected to have a significant effect on the market price or value of Plateau's securities;

- d. Holmes authorized, permitted or acquiesced in the contravention of subsection 126.2(1) of the Act by Plateau in connection with the Subsequent News Releases and is deemed to have failed to comply with Ontario securities law pursuant to section 129.2 of the Act;
- e. Plateau failed to satisfy its continuous disclosure obligations in its Q2 2019 Filings by making statements that in a material respect and at the time and in light of the circumstances under which they were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading, contrary to the prohibition contained in subsection 122(1)(b) of the Act, thereby resulting in a breach of Ontario securities law and constituted conduct contrary to the public interest;
- f. Plateau made statements in the Q2 2019 Filings that it knew or reasonably ought to have known, in a material respect, and at the time and in the light of the circumstances under which they were made, were misleading or untrue or did not state a fact that is required to be stated or that is necessary to make the statements not misleading, contrary to subsection 126.2(1) of the Act, and constituted conduct contrary to the public interest. These statements would reasonably be expected to have a significant effect on the market price or value of Plateau's securities;
- g. Each of Holmes and Gibbs authorized, permitted or acquiesced in the breach of the prohibition contained in subsection 122(1)(b) of the Act and in the contravention of subsection 126.2(1) of the Act by Plateau in connection with the Q2 2019 Filings and are deemed to have failed to comply with Ontario securities law pursuant to section 129.2 of the Act; and
- h. Each of Holmes and Gibbs falsely certified the Q2 2019 Filings by stating that the filings did not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that was necessary to make the statement not

misleading in light of the circumstances under which it was made contrary to the prohibition contained in subsection 122(1)(b) of the Act, resulting in a breach of Ontario securities law, and contrary to NI 52-109 and constituted conduct contrary to the public interest;

- i. Holmes and Gibbs made statements in the Certifications that they knew or reasonably ought to have known, in a material respect, and at the time and in the light of the circumstances under which they were made, were misleading or untrue or did not state a fact that is required to be stated or that is necessary to make the statements not misleading, contrary to subsection 126.2(1) of the Act, and constituted conduct contrary to the public interest. These statements would reasonably be expected to have a significant effect on the market price or value of Plateau's securities;
 - j. Holmes, while in a special relationship with the Company, informed other persons and companies of material facts that had not been generally disclosed, contrary to subsection 76(2) of the Act; and
 - k. Plateau, Holmes, and Gibbs have engaged in conduct that is contrary to the public interest, as set out in paragraphs 27, 32, 39, and 42 above.
48. Enforcement Staff reserve the right to amend these allegations and to make such further and other allegations as Enforcement Staff may advise and the Commission may permit.

D. ORDER SOUGHT

49. Enforcement Staff request that the Commission make the following orders:
- a. that trading in the Company's securities cease permanently or for such period as is specified in the order, pursuant to paragraph 2 of subsection 127(1) of the Act;
 - b. that Holmes and Gibbs be prohibited permanently or for the period specified in the order from the acquisition of any securities, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

- c. that any exemptions contained in Ontario securities law do not apply to Plateau, Holmes and Gibbs (collectively, the **Respondents**) permanently or for such period as is specified in the order, pursuant to paragraph 3 of subsection 127(1) of the Act;
- d. that the Company submit to a review of its practices and procedures and institute such changes as may be ordered by the Commission pursuant to paragraph 4 of subsection 127(1) of the Act;
- e. that the Respondents be reprimanded pursuant to paragraph 6 of subsection 127(1) of the Act;
- f. that Holmes and Gibbs resign one or more positions that they hold as director or officer of any issuer or registrant pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act;
- g. that Holmes and Gibbs be prohibited from becoming or acting as a director or officer of any issuer or registrant, pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act;
- h. that the Respondents each pay an administrative penalty of not more than \$1 million for each failure to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;
- i. that the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;
- j. that the Respondents pay costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and

k. such other order as the Commission considers appropriate in the public interest.

DATED this 3rd day of May, 2021

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