



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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**IN THE MATTER OF THE *SECURITIES ACT*,  
R.S.O. 1990, c. S.5, AS AMENDED,**

**and**

**IN THE MATTER OF  
CONSTANCE ANDERSON**

**STATEMENT OF ALLEGATIONS  
OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission (“Staff”) allege as follows:

**I. OVERVIEW**

1. This is a case of insider trading and conduct contrary to the public interest.
2. The case centers on Constance Anderson, who in 2009 and 2010 purchased securities of two reporting issuers, Brett Resources Inc. (“Brett”) and Excellon Resources Inc. (“Excellon”), with knowledge of material, generally-undisclosed facts concerning those issuers.
3. By engaging in the conduct more fully described below Anderson engaged in unlawful insider trading in contravention of subsection 76(1) of the *Securities Act*, RSO 1990, c. S.5, as amended (the “Act”).

**II. THE RESPONDENT**

4. In 2009 and 2010, Anderson was employed in investor relations at an Ontario reporting issuer called Starfield Resources Inc. (“Starfield”) and was married to AD. In 2009 and 2010, AD was the President and Chief Executive Officer of Starfield and a director of a reporting issuer called Osisko Mining Corporation (“Osisko”).

### III. ANDERSON'S CONDUCT

#### **Brett Resources Inc.**

5. Prior to March 2010, Osisko had engaged in discussions with Brett and conducted due diligence concerning a possible acquisition of Brett by Osisko.

6. On March 11, 2010, AD and the Chief Executive Officer of Osisko, SR, had a conversation by telephone. During this telephone conversation, SR requested and received from AD in his capacity as a director of Osisko the approval to proceed with a letter of intent (the "LOI") from Osisko to Brett. The LOI was to propose the acquisition of Brett by Osisko.

7. Approximately one minute after the telephone call between AD and SR ended, Anderson logged into her trading account and purchased 9,000 shares of Brett for a cost of \$17,186. In order to free up funds for that transaction, she sold 1,000 Kinross shares immediately before buying the Brett shares.

8. Six minutes after that purchase, Anderson logged into her daughter's trading account and purchased 2,000 shares of Brett for that account.

9. The next day, on March 12, 2010, Osisko sent the LOI to Brett offering to acquire all of the outstanding common shares of Brett for an approximate 35% premium. On March 21, 2010, Brett and Osisko jointly announced that they had entered into a definitive support agreement pursuant to which Osisko offered to acquire all of the issued and outstanding common shares of Brett. The offer represented a premium of 52.5% using the 20-day volume weighted average prices of Osisko and Brett on the TSX and TSX Venture, respectively for the 20 trading day period ending March 16, 2010.

10. Brett's share price increased 35% at the close of the markets following the announcement.

11. Anderson sold her Brett shares on May 5, 2010, making \$13,235 in profit (a 77% return). Anderson sold her daughter's Brett shares on the same day for a profit of \$2,883 (a 74% return). The combined profit from those sales was \$16,118.

12. AD was a person in a special relationship with Osisko and was in a special relationship with Brett at the times Anderson purchased and sold Brett by virtue of subsection 76(5)(c)(iv) of the Act. Anderson knew or ought to have known that AD was in a special relationship with Brett, and, consequently, Anderson was in a special relationship with Brett.

13. Anderson had knowledge of the material fact that Osisko was proposing to acquire Brett and purchased Brett shares in her account and her daughter's account with that knowledge. The material fact had not yet been generally disclosed.

**Excellon Resources Inc.**

14. On June 25, 2009, Anderson purchased 20,000 shares of Excellon, a reporting issuer. At the time of her purchase Anderson knew from AD that he would become Excellon's Chief Executive Officer. The fact of AD's future appointment as CEO of Excellon would reasonably be expected to have a significant effect on the market price or value of Excellon's securities and was, therefore, material.

15. On July 14, 2009, AD's appointment as Excellon's CEO was announced by press release, following which Excellon's share price rose by 9%.

16. Anderson sold her shares of Excellon on September 18, 2009, making a profit \$2,652 (a 48% return).

17. AD was a person in a special relationship with Excellon by virtue of subsection 76(5)(e) of the Act. Anderson knew or ought to have known that AD was in a special relationship with Excellon when she purchased Excellon shares. Consequently, Anderson was also in a special relationship with Excellon.

***Profits Made by Anderson***

18. Anderson made a combined profit of \$18,770 in respect of the Brett and Excellon purchases she made for herself and her daughter.

19. Anderson was in a special relationship with Brett and purchased Brett securities with knowledge of a material generally-undisclosed fact respecting Brett contrary to section 76(1) of the Act and also thereby acted contrary to the public interest.

20. Anderson was in a special relationship with Excellon, and purchased Excellon securities with knowledge of a material generally-undisclosed fact respecting Excellon.

21. Consequently Anderson's conduct was contrary to subsection 76(1) of the Act and the public interest.

22. Such additional allegations as Staff may advise and the Commission may permit.

**DATED** at Toronto this 1<sup>st</sup> day of May 2015.