

**DISCIPLINE COMMITTEE OF THE
ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO**

B E T W E E N:

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

- and -

JOHN C. ARCHIBALD

NOTICE OF HEARING

The Complaints Committee of the Association of Professional Geoscientists of Ontario (“APGO”) has referred allegations against John C. Archibald to the Discipline Committee of the APGO. The allegations were referred in accordance with section 21 of the *Professional Geoscientists Act*. The statement of allegations is attached to this notice of hearing. A discipline panel has the authority to hold a hearing under the authority of sections 24-26 of the *Professional Geoscientists Act* and sections 7-19 of Ontario Regulation 258/02, for the purposes of deciding whether the allegations are true and, if a finding is made, what order to make. A discipline panel will convene by teleconference on Monday, June 4, 2018 at 1:00 p.m. (Toronto time) or as soon thereafter as the panel can be convened for the purposes of conducting the hearing.

To participate in the hearing, you must call-in via teleconference at (888) 289-4573 or (416) 645-1179 and use the conference ID number 9199434#. If you object to dealing

with this matter on the merits by teleconference, you may request a hearing in person by delivering a request in writing within ten days to:

Aftab Khan, P. Geo
Registrar
Association of Professional Geoscientists of Ontario
25 Adelaide Street, East, Suite 1100
Toronto, ON M5C 3A1
Tel: (416) 203-2746 Ext. 27 Fax: (416) 203-6181 Toll Free: 1-877-557-2746
E-mail: akhan@apgo.net.

IF YOU DO NOT ATTEND AT THE HEARING, EITHER ELECTRONICALLY, PERSONALLY, BY AGENT, OR IN ACCORDANCE WITH THE PRECEDING PARAGRAPHS, THE DISCIPLINE PANEL MAY PROCEED IN YOUR ABSENCE AND YOU WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THE PROCEEDINGS.

If the discipline panel finds that you have engaged in professional misconduct or makes a finding of incompetence, it may make one or more of the following orders:

1. Revoke the member's registration or the certificate holder's certificate of authorization.
2. Suspend the member's registration or the certificate holder's certificate of authorization for a specified period or until he or she takes specified steps relating to the practice of professional geoscience.
3. Vary or impose terms, conditions or restrictions on the member's membership until the member has successfully completed specified studies or has obtained specified practical experience under the supervision of another member.

4. Vary or impose terms, conditions or restrictions on the certificate holder's certificate of authorization until the certificate holder takes specified steps relating to the practice of professional geoscience.
5. Direct the member or certificate holder to return all or part of the money paid by a person to the member or certificate holder for his or her services relating to the practice of professional geoscience.
6. Reprimand the member or certificate holder.
7. Publish the name of the member or certificate holder.

Parties are required to disclose to the other parties the evidence they intend to introduce pursuant to s. 10 of Ontario Regulation 258/02. In addition, APGO discloses the relevant information in its files to permit you to make full answer and defence unless the information is privileged. You, or your representative, may contact the solicitor for the APGO in this matter for disclosure of APGO's information and evidence:

Richard Steinecke
Steinecke Maciura LeBlanc
Barristers & Solicitors
401 Bay Street
Suite 2308, P.O. Box 23
Toronto, ON M5H 2Y4

Telephone: (416) 626-6897
Facsimile: (416) 593-7867

Date: _____

April 30, 2018

Aftab Khan
Registrar, APGO

TO: John C. Archibald
2707 Forbes Street
Victoria, BC V8R 4C4

STATEMENT OF ALLEGATIONS

1. At all material times, John C. Archibald (“Mr. Archibald”) was duly registered with the Association of Professional Geoscientists of Ontario (“APGO”).
2. In or about 2014, Mr. Archibald consulted on the First Mexican Gold Corp.’s (“FMG”) Hilda 30 Concession Sonora State, Mexico Project.
3. Mr. Archibald’s role included acting as a Qualified Person for a press release dated October 28, 2014 and, when the British Columbia Securities Commission (“BCSC”) requested support for the statements contained in the press release, Mr. Archibald authored the report titled “NI 43-101 Technical Report On The Hilda 30 Concession Sonora State, Mexico For First Mexican Gold Corp.”, which was updated on October 28, 2014 (the “Report”). Both of these documents were submitted to the BCSC and posted on SEDAR by FMG.
4. Both documents contained mineral resource estimates based on information provided by Ms. Sue Bird, P.Eng.
5. In the Report that was signed and sealed by Mr. Archibald, he:
 - a. Consented to it being filed with the regulatory authorities (p. 75 of the Report),
 - b. Certified that he was a Qualified Person for the purposes of the Report,
 - c. Certified that he was responsible for the Report’s preparation and content,
 - d. Certified that he had no prior involvement in the property,
 - e. Certified that he was independent of the issuer, and
 - f. Certified that he was in compliance with the NI 43-101 instrument and forms (pp. 76-77 of the Report).

6. In fact, Mr. Archibald:
 - a. Was surprised that the Report was accepted and posted on SEDAR,
 - b. Does not have the training and experience to be a Qualified Person for the purposes of mineral resource estimates,
 - c. Relied on the information of Ms. Sue Bird without making adequate inquiries about the information and his right to refer to them and failed to properly reference her work in this version of the Report,
 - d. Has had prior involvement in the property since his visit there in 2009 as part of the co-authorship of an earlier NI 43-101 report (which involvement was partially disclosed on p. 5 of the Report),
 - e. Has himself and through his previous employer (Billiken Management Services Inc.) had connections with FMG (e.g., working on this and other properties) and the President and CEO of FMG (e.g., Mr. Voisin had a management role in UC Resources while Mr. Archibald was a director there; Mr. Voisin also held a 15-20% ownership interest in Billiken), and
 - f. Was not was in compliance with the NI 43-101 instrument and forms.

7. Details of the non-compliance with the NI 43-101 instrument and forms are set out in the expert opinion of Greg Greenough, P.Geo., dated January 25, 2018, including:
 - a. The Report contained a number of false and misleading statements (e.g., that he had the qualifications to do a mineral resource estimate);
 - b. The Report used an old form that was no longer compliant with NI 43-101 and which omitted certain important information;
 - c. The Report does not include details of key assumptions, parameters and methods used in mineral resource estimates and its reasonable prospect

of economic extraction including metal price assumptions, mill recoveries and estimation methodologies;

- d. The Report incorrectly referred to “proven and probable” categories for “likely upgrading”; and
 - e. The Report made no reference to bulk density.
8. The conduct alleged above constitutes professional misconduct as described in paragraphs 16(2).3 (contravening the law), 16(2).6 (not qualified by training or experience), 16(2).9 (disgraceful, dishonourable or unprofessional) and 16(2).12 (conduct unbecoming a professional geoscientist) of Ontario Regulation 258/02 under the *Professional Geoscientists Act*.
9. The conduct alleged above also displayed incompetence as described in section 25 of the *Professional Geoscientists Act*.

APPENDIX

1. The documents to be tendered in evidence at the hearing have been or will be disclosed to you.
2. Take notice that the documents that have been or will later be disclosed to you will be tendered as business documents pursuant to the *Evidence Act* of Ontario.
3. All documents that are disclosed to you in this matter are disclosed on the basis that they are to be used solely for the purpose of this proceeding and for no other purpose.

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ASSOCIATION OF PROFESSIONAL
GEOSCIENTISTS OF ONTARIO

NOTICE OF HEARING

STEINECKE MACIURA LEBLANC
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401 Bay Street
Suite 2308, P.O. Box 23
Toronto, ON M5H 2Y4

Richard Steinecke

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Professional Geoscientists of Ontario