

IN THE MATTER OF: THE SECURITIES ACT

-and-

IN THE MATTER OF: KIP POITRAS

STATEMENT OF ALLEGATIONS OF STAFF OF THE
MANITOBA SECURITIES COMMISSION

STAFF OF THE MANITOBA SECURITIES COMMISSION ALLEGE, AMONG OTHER THINGS, THAT:

A. STATEMENT OF FACTS

1. At all material times Kip Poitras ("Poitras") was a resident of British Columbia.
2. Ace Mining Ltd. ("Ace Mining") and Eden Resources Ltd. ("Eden") were potential names of a mining company Poitras proposed to incorporate.
3. At all material times none of Poitras, Ace Mining or Eden were registered to trade in securities under The Securities Act of Manitoba (the "Act").
4. No preliminary prospectus or prospectus had been filed for Ace Mining or Eden with The Manitoba Securities Commission (the "Commission"), nor had there been any exemption order granted under section 20 of the Act.
5. Neither Ace Mining nor Eden had filed any reports under section 7 of the Regulation to the Act or any notice under section 91 of the Regulation to the Act with respect to any trades under section 19 of the Act or sections 90 or 91 of the Regulation.
6. At all material times Gilles and Diana Desrochers (the "Desrochers") were residents of Winnipeg, Manitoba.
7. In or about July of 1996, Poitras told the Desrochers about a mining claim in British Columbia owned by a man he had met named Ted Miller ("Miller"). Poitras and Miller did not have the funds necessary to develop the claim. Poitras was looking for seed capital to start a company to be incorporated as Ace Mining. Poitras showed the Desrochers rock samples from the claim site.
8. Poitras gave the Desrochers an opportunity to invest in shares in Ace Mining. The money invested was to be used for development of the claim site, testing of samples, and raising capital to bring the site to the stage of a commercial mining operation.
9. Poitras offered the Desrochers a reduced price of \$3,600 for one unit being a 1% interest in the company, stating that the price would later be \$5,000.

10. On or about July 30, 1996, Poitras presented to the Desrochers a Subscription for Units, which they signed. The Subscription entitled them to 2 units representing 2% of mining claims, which would be deemed to be a subscription for 2 shares in Ace Mining upon the completion of its incorporation.

11. The Desrochers took out a line of credit to raise the \$7,200 which they paid to Poitras on or about July 30, 1996, for the purchase of 2 units.

12. Poitras also offered the same deal to Diana Desrochers' parents, William and Nancy Crakewich (the "Crakewiches"). The Crakewiches were residents of Winnipeg, Manitoba.

13. On July 30, 1996, the Crakewiches also signed a Subscription for Units, as presented by Poitras. The Subscription also entitled them to 2 units representing 2% of mining claims, which would be deemed to be a subscription for 2 shares in Ace Mining upon the completion of its incorporation.

14. Also on July 30, 1996, the Crakewiches paid to Poitras \$7,200, which they had borrowed, for the purchase of the 2 units.

15. In addition to the Desrochers and the Crakewiches, relatives of theirs, Jason and Kathie Gladu (the "Gladus"), also purchased units. The Gladus were residents of Winnipeg, Manitoba.

16. On August 12, 1996, the Gladus wired a payment of \$5,000 to Ace Precious Metals (Kip Poitras).

17. On or about August 13, 1996, the Gladus \$5,000 payment was deposited into an account in Salmon Arm, B.C., held in the name of Ace Precious Metals.

18. Poitras forwarded to the Gladus a Subscription form dated August 20, 1996. The Subscription was similar in content to that of the Desrochers and the Crakewiches, except that the Gladus were only entitled to a 1/10th unit in return for \$5,000 and the proposed name for the company was now Eden as opposed to Ace Mining.

19. Following their investment, in or about August or September of 1996, the Desrochers received from Poitras a promotional pamphlet on their investment which described the company to be incorporated as being named Eden.

20. To date, the investors have only been paid back 1% of their initial investments.

B. ALLEGATIONS

21. Staff of the Commission allege that:

- a. Poitras traded in securities without having been registered and without prospectus in contravention of sections 6 and 37 of the Act;

and that due to these allegations, Poitras should not be entitled to use any of the exemptions set out in the Act and should not be entitled to participate in the exempt markets in Manitoba in the future.

22. Such further and other matters as counsel may advise and the Commission may permit.

DATED at Winnipeg, Manitoba this 17th day of December, 1999.

Director, Legal and Enforcement

TO: KIP POITRAS