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## **BCSC panel dismisses application to overturn exchange's decision**

**Vancouver** – A British Columbia Securities Commission (BCSC) panel has dismissed a former chief executive officer's application to set aside conditions imposed on him by the TSX Venture Exchange (TSX-V).

Tim Johnston, the former CEO of Desert Lion Energy Inc., had asked the BCSC to rescind the TSX-V's requirement that he take certain steps in the course of applying for approval by the TSX-V of any proposed future involvement as a director or officer of any issuer listed on the exchange.

Desert Lion, a TSX-V listed issuer at the time, was in the business of developing lithium assets in Namibia. Facing the prospect of imminent bankruptcy, it engaged in two private placement financings. The TSX-V found that Desert Lion didn't disclose in news releases or in certain filings to the exchange that the financing included a substantial discount, as well as a covenant that could give rise to the company's default.

When those conditions became known to the TSX-V, it launched a suitability review of Johnston. The exchange, having developed concerns that Johnston might be partly responsible for the fact that Desert Lion failed to comply with its "very fundamental" requirements, imposed conditions on how Johnston can seek approvals to become a director or officer of a TSX-V listed issuer in the future.

In response to Johnston's application, the BCSC panel concluded that the TSX-V had the jurisdiction to issue the decision and that there is no proper basis for the Commission to interfere with it.

As a result, Johnston's application was dismissed, stating that the TSX-V's "right and obligation to assess the suitability of an applicant for such a position is a critical aspect of its role as a gatekeeper in our capital markets."

### **About the British Columbia Securities Commission ([www.bcsc.bc.ca](http://www.bcsc.bc.ca))**

The British Columbia Securities Commission is the independent provincial government agency responsible for regulating capital markets in British Columbia through the



**British Columbia  
Securities Commission**

# News Release

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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