IN THE MATTER OF THE SECURITIES ACT
R.S.N.S. 1989, CHAPTER 418, AS AMENDED ("Act")

- AND -

IN THE MATTER OF BYRON MILLARD FILLMORE
(the "RESPONDENT")

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The parties to this Settlement Agreement are the Respondent and the Director of Enforcement for the Nova Scotia Securities Commission.

2. The parties agree that the Nova Scotia Securities Commission has jurisdiction over this matter.

3. The parties agree to recommend to the Commission approval of this Agreement in accordance with the terms and process set out herein.

PART II – PROCEDURE FOR APPROVAL OF THE AGREEMENT

4. The Director of Enforcement agrees to request that a Notice of Hearing be issued setting down a hearing ("Settlement Hearing") wherein the Commission will consider whether it is in the public interest to approve this Agreement and to issue an Order in the form attached as Schedule A.

5. The parties agree that the Agreement constitutes the entirety of evidence to be submitted to the Commission at the Settlement Hearing.

6. The Director agrees to recommend that the allegations acknowledged and admitted by the Respondent be resolved and disposed of in accordance with this Agreement.

7. The Parties acknowledge that this Agreement will become a public document upon its approval by the Commission at the Settlement Hearing.

PART III – STATEMENT OF AGREED FACTS

8. The Director of Enforcement and the Respondent agree with the facts and conclusions set out in this Agreement.

9. The Respondent is a resident of Dartmouth, Nova Scotia.

10. The Respondent has never been registered with the Commission in any capacity.

11. The Respondent is the Vice President of Marketing at Ucore Rare Metals Inc. His day-to-day job responsibilities do not include approaching potential investors.

12. At all relevant times, Ucore was an exploration stage junior mining company with rights to several mineral properties and essentially no revenues. Consequently, Ucore regularly engaged in capital raising activity which was essential to its ability to continue to carry on its business.

13. On March 26, 2014, the Board of Ucore decided to offer a non-brokered private placement of units consisting of one Ucore common share and one common share purchase warrant at $0.38 per unit. A blackout policy was put into effect from March 26, 2014 until the public announcement of the private placement. Because the successful completion of the non-brokered private placement was uncertain, Ucore elected not to issue a press release at the commencement of the private placement and instead filed a price reservation form with the TSX-V on March 31, 2014.

14. Starting on March 27, 2014, Ucore informed employees, including the Respondent, of the private placement.

15. Ucore's CEO and Vice President of Business Development were primarily responsible for approaching investors regarding the private placement. Employees were asked to identify and approach members of their personal networks who may qualify to participate in the private placement. Ucore informed all employees, including the Respondent, that no material or inside information should be communicated to anyone outside of the company that could be used for trading or tipping purposes, and that all potential investors must sign a nondisclosure agreement before any information was shared.

16. On or around March 30, 2014, the Respondent told AA that Ucore would be offering a private placement at $0.38 per unit.

17. The Respondent does not recall telling AA at that time that the information was confidential and that he could not trade on the information. The Respondent did not require AA to sign a nondisclosure agreement before informing him of the existence and terms of the private placement, which constituted non-public, material information regarding Ucore, and left AA to contact Ucore directly to sign the NDA. AA did not sign a NDA. Housed with this non-public, material information, AA traded Ucore shares between March 30 and April 3, 2014. The Respondent subsequently advised AA in writing by email on April 15, 2014 that investors cannot sell stock to get into a private placement and this is part of the NDA.

18. On or around April 3, 2014, the Respondent informed BB, a prior Ucore investor who had participated in Ucore's 2013 prospectus offering, of the existence and terms of the private placement, which constituted non-public, material information regarding Ucore, before BB signed a nondisclosure agreement. The Respondent advised BB at that time that BB should contact Ucore directly to sign the NDA.

19. On April 3, 2014, BB signed the NDA, which contained provisions requiring BB not to buy or sell any Ucore securities prior to the public announcement of the private placement

20. On April 11, 2014, Ucore issued a press release announcing the private placement.

21. By informing AA and BB of the private placement before the information was released publicly and in a manner that was not in the necessary course of business, the Respondent contravened section 82(2) of the Act.

PART IV – STATEMENT OF ALLEGATIONS ACKNOWLEDGED AND ADMITTED BY THE RESPONDENTS

22. The Respondent acknowledges and admits that he contravened section 82(2) of the Act.

23. The Respondent acknowledges that such contraventions undermine investor confidence in the fairness and efficiency of capital markets in Nova Scotia and are otherwise contrary to the public interest.

24. The Respondent admits the facts set forth in Part III herein and acknowledges that he contravened the Act.

PART V – MITIGATING FACTORS

25. The Respondent acknowledges and accepts responsibility for his conduct which is the subject matter of this Agreement.

26. The Respondent cooperated with the investigation of this matter.

27. The Respondent has no prior contraventions of the Act.

28. The Respondent did not receive any compensation for advising AA and BB of the private placement.

29. The Respondent only disclosed the existence and terms of the private placement. The Respondent believed that this disclosure to potential investors was in the necessary course of business of Ucore, due to the need to raise capital in order to carry on business. The Respondent did not take sufficient care to ensure that parties he contacted had signed a nondisclosure agreement and understood the applicable trading restrictions that resulted from the disclosure.

30. The Respondent is not an experienced or sophisticated investor, and he does not regularly engage in discussions of the different disclosure and trading rules applicable to prospectus offerings, publicly announced private placements and private placements completed under a price reservation form. The Respondent had never participated in a private placement from an issuer other than Ucore.

31. The Respondent did not intentionally contravene the Act.

PART VI – TERMS OF SETTLEMENT

32. The terms of settlement are set forth in the order contained in Schedule "A" to this Agreement which is expressly incorporated herein.

33. The Respondent consents to the order contained in Schedule A.

PART VII – COMMITMENTS

34. If this Agreement is approved and the Order as set out in Schedule A is granted, the parties agree to waive any right to a full hearing and judicial review and appeal of this matter.

35. If this Agreement is approved by the Commission, the parties will not in any way make any statement, public or otherwise, that is inconsistent with the terms of this Agreement.

36. If this Agreement is approved by the Commission, the Respondent agrees to abide by all terms of this Agreement as set out in the Order attached as Schedule A.

37. If, for any reason whatsoever, this Agreement is not approved, or the Order set forth in Schedule A is not granted by the Commission:

(a) The Director of Enforcement and the Respondent will be entitled to proceed to a hearing of the allegations which are the subject matter of this Agreement unaffected by the Agreement or the settlement negotiations;

(b) The terms of the Agreement will not be raised in any other proceeding or disclosed to any person except with the written consent of the Director of Enforcement and the Respondent or as may otherwise be required by law; and

(c) The Respondent agrees that he will not raise in any proceeding the Agreement or the negotiations or process of approval thereof as a basis of any attack or challenge of the Commission's jurisdiction, alleged bias, appearance of bias, alleged unfairness or any other challenge that may otherwise be available.

38. The Respondent acknowledges that the Director of Enforcement has the discretion to withdraw from this Agreement if additional facts or issues are discovered that cause him to conclude that it would not be in the public interest to request approval of this Agreement. In the event of such withdrawal, notice will be provided to the Respondent in writing and the provisions of paragraph 37 of this Agreement will apply.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

39. The Director of Enforcement or the Respondent may refer to any or all parts of this Agreement as required by Rule 15-501 – General Rules of Practice and Procedure and in the course of the Settlement Hearing. Otherwise, this Settlement Agreement and its terms will be treated as confidential by all parties to it until approved by the Commission, and forever if, for any reason whatsoever, this settlement is not approved by the Commission.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

40. This Agreement may be signed in one or more counterparts that together shall constitute a binding agreement and a facsimile copy of any signature shall be as effective as an original signature.

DATED at Halifax, Nova Scotia, this 26th day of September, 2018.

SIGNED, SEALED AND DELIVERED
In the presence of:

Witness

Byron Millard Fillmore

DATED at Halifax, Nova Scotia this 18th day of October, 2018.

SIGNED, SEALED AND DELIVERED
In the presence of:

Witness

~~Randy Case~~ H. Jane Anderson
~~Director of Enforcement~~ Acting Executive Director
Nova Scotia Securities Commission
Enforcement Branch

Schedule A

IN THE MATTER OF
THE SECURITIES ACT, R.S.N.S. 1989, CHAPTER 418, AS AMENDED ("ACT")

-and-

IN THE MATTER OF BYRON MILLARD FILLMORE
("Respondent")

ORDER
(Sections 134, 135 and 135A)

WHEREAS on _____, 2018, the Nova Scotia Securities Commission issued a Notice of Hearing to the Respondent pursuant to sections 134, 135 and 135A of the Act;

AND WHEREAS the Respondent entered into a Settlement Agreement with the Director of Enforcement for the Commission whereby he agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND WHEREAS the Director of Enforcement and the Respondent recommend approval of the Settlement Agreement;

AND WHEREAS the Commission finds that the Respondent has contravened Nova Scotia securities laws and it is in the public interest to make this order;

AND UPON reviewing the Settlement Agreement, and hearing the submissions of counsel for the Director of Enforcement and the Respondent;

IT IS HEREBY ORDERED that:

1. The Settlement Agreement dated _____, 2018, a copy of which is attached, is approved;

2. Pursuant to section 134(1)(a)(i) of the Act, the Respondent shall comply with Nova Scotia securities laws;

3. Pursuant to section 134(1)(b) of the Act, the Respondent shall, for a period of ten years from the date of this order, cease trading in securities beneficially owned solely by anyone other than himself;

4. Pursuant to section 134(1)(c) of the Act, the exemptions contained in National Instrument 45-106 – Prospectus Exemptions do not apply to the Respondent for a period of five years from the date of this order;

5. Pursuant to section 134(1)(d)(ii) of the Act, the Respondent shall be prohibited from becoming or acting as a director of any issuer, registrant or investment fund manager for a period of five years from the date of this order;

6. Pursuant to section 134(1)(f) of the Act, the Respondent shall be restricted from becoming registered with the Commission in any capacity for a period of ten years from the date of this order;

7. Pursuant to section 134(1)(h) of the Act, the Respondent shall be reprimanded;

8. Pursuant to sections 135(a) and (b) of the Act, the Respondent shall forthwith pay an administrative penalty in the amount of seven thousand five hundred dollars ($7,500.00); and

9. Pursuant to section 135A of the Act, the Respondent shall forthwith pay costs in the amount of one thousand dollars ($1,000.00) in connection with the investigation and conduct of this proceeding forthwith.

10. Pursuant to section 136A of the Act, clause 4 of this order shall not prohibit the Respondent from acquiring securities from an issuer issuing securities pursuant to National Instrument 45-106 – Prospectus Exemptions.

DATED at Halifax, Nova Scotia, this ____ day of _____, 2018.

NOVA SCOTIA SECURITIES COMMISSION

_____

Chair