

**In the Matter of
The Securities Act, 1988**

and

**In the Matter of
SHEC Energy Corporation
James Thomas Beck
and
Terrence Michael Stott**

AGREED STATEMENT OF FACTS

The following numbered paragraphs contain facts which are alleged by Staff of Financial and Consumer Affairs Authority of Saskatchewan (FCAA Staff) and admitted by Terrence Michael Stott (Stott).

Stott hereby admits the following:

1. At all material times, Stott was a resident of Saskatoon, Saskatchewan.
2. During the relevant time Stott was employed by SHEC Energy Corporation (SHEC), and held himself out as SHEC's Vice President, or Senior Vice President of Corporate Development. Stott had signing authority on SHEC's bank accounts, however, Stott was never listed on SHEC's corporate records as being either a director or officer of SHEC at any time.
3. Stott officially resigned as an employee of SHEC in or around March 2014.
4. From time to time from in or around March 2009 to in or around March 2014 (the Relevant Time), Stott traded shares in SHEC and options to purchase shares in SHEC with residents of Saskatchewan, other Canadian provinces, and the United States.
5. During the Relevant time, Stott traded in securities by selling shares in SHEC (the Shares) to, collectively, approximately 53 residents of Saskatchewan, in exchange for an aggregate sum of approximately \$1,505,099.80.
6. During the Relevant Time, Stott also traded in securities by transferring shares in SHEC and options for shares in SHEC (the Options/Shares) to, collectively, approximately 10 persons or companies, resident or situate in Saskatchewan, purported to be employees,

consultants or directors of SHEC in exchange for an unknown quantum of value received.

7. Stott, himself, received Shares and Options/Shares.
8. The Shares and the Options/Shares were previously unissued securities, and as such, trades in these securities would be distributions, pursuant to the Act.
9. The Shares and the Options/Shares were distributed as follows:
 - a) From on or about March 9, 2009 to on or about December 31, 2009, Stott traded approximately 39,433 Shares as well as approximately 137,500 Options/Shares (referred to as the 2009 Distribution). Approximately \$138,017.50 for the Shares, plus an unknown quantum of value received for the Options/Shares, was raised through the 2009 Distribution;
 - b) From on or about December 31, 2009 to on or about December 15, 2010, Stott traded approximately 28,304 Shares as well as approximately 309,685 Options/Shares (referred to as the 2010 Distribution). Approximately \$99,059.00 for the Shares, plus an unknown quantum of value received for the Options/Shares, was raised through the 2010 Distribution;
 - c) From on or about January 17, 2011 to on or about November 15, 2011, Stott traded approximately 113,204 Shares as well as approximately 80,000 Options/Shares (referred to as the 2011 Distribution). Approximately \$378,216.50 for the Shares, plus an unknown quantum of value received for the Options/Shares, was raised through the 2011 Distribution;
 - d) From on or about December 31, 2011 to on or about April 13, 2012, Stott traded approximately 8,622 Shares as well as approximately 20,000 Options/Shares (referred to as the 2011-2012 Distribution). Stott, himself, also purchased a total of approximately 18,412 Shares and was transferred approximately 142,570 Options/Shares during the 2011-2012 Distribution. While a total of approximately \$89,578 for the Shares, plus an unknown quantum of value received for the Options/Shares, was raised through the 2011-2012 Distribution, as Stott was the purchaser of \$59,402 worth of these Shares, he traded in approximately \$30,176 worth of Shares sold under the 2011-2012 Distribution with other Saskatchewan residents;
 - e) From on or about April 13, 2012 to on or about December 31, 2012, Stott traded approximately 76,914 Shares (referred to as the 2012 Distribution). Stott, himself, also purchased a total of approximately 19,289 Shares and was transferred approximately 51,029 Options/Shares during the 2012 Distribution. While a total of approximately \$303,065.24 for the Shares, plus an unknown quantum of value received for the Options/Shares, was raised through the 2012 Distribution, as Stott was the purchaser of \$63,868.19 of these Shares, he traded in approximately \$239,197.50 worth of Shares sold under the 2012 Distribution with other Saskatchewan residents;

- f) From on or about February 15, 2013 to on or about April 12, 2013, Stott traded approximately 15,954 Shares as well as approximately 20,000 Options/Shares (referred to as the 2013 Distribution). Stott, himself, also purchased a total of approximately 4,596 Shares during the 2013 Distribution. While a total of approximately \$53,120.75 for the Shares, plus an unknown quantum of value received for the Options/Shares, was raised through the 2013 Distribution, as Stott was the purchaser of \$16,087 of these Shares, he traded in approximately \$37,033.75 worth of Shares sold under the 2013 Distribution with other Saskatchewan residents; and
- g) From on or about April 26, 2013 to on or about March 31, 2014 Stott traded approximately 62,200 Shares as well as approximately 37,500 Options/Shares (referred to as the 2013-2014 Distribution). Stott, himself, also purchased a total of approximately 4,114 Shares and was transferred approximately 55,714 Options/Shares during the 2013-2014 Distribution. While a total of approximately \$138,800 for the Shares, plus an unknown quantum of value received for the Options/Shares, was raised through the 2013-2014 Distribution, as Stott was the purchaser of \$14,400 of these Shares, he traded in approximately \$124,400 worth of Shares sold under the 2013-2014 Distribution with other Saskatchewan residents;

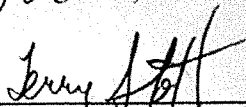
(the 2009 Distribution, the 2010 Distribution, the 2011 Distribution, the 2011-2012 Distribution, the 2012 Distribution, the 2013 Distribution, and the 2013-2014 Distribution are collectively referred to as the Distributions).

10. During the Relevant Time, Stott acted as an intermediary between SHEC and investors in the trades of various of the Shares and the Options/Shares. Many of the Shares and the Options/Shares were sold or transferred to investors pursuant to subscription agreements, filled out and signed by Stott on behalf of SHEC.

11. In carrying out the acts indicated above, during the Relevant Time, Stott engaged in the business of trading in securities in Saskatchewan. Stott has never been registered as a "dealer" pursuant to the Act, and therefore contravened clause 27(2)(a) of the Act.

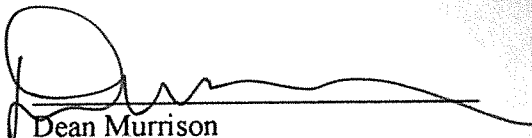
The facts in the preceding numbered paragraphs are agreed to by Stott and the Director, Securities Division, as facts that FCAA Staff can prove on a balance of probabilities.

DATED at Regina, Saskatchewan this 10 day of October, 2017.



Terrence Michael Stott

DATED at Regina, Saskatchewan this 10 day of October, 2017.



Dean Murrison
Director,
Securities Division
Financial and Consumer Affairs Authority of
Saskatchewan