



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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**IN THE MATTER OF  
THE SECURITIES ACT,  
R.S.O.1990 C. S.5, AS AMENDED (THE "ACT")**

**AND**

**IN THE MATTER OF  
ADEX MINING INC.**

**ORDER**

**(Section 144)**

**WHEREAS** the securities of Adex Mining Inc. (the "**Issuer**") are subject to a temporary cease trade order dated May 27, 1998 made pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further order dated June 8, 1998 made pursuant to subsection 127(8) of the Act (collectively, the "**Cease Trade Order**") ordering that trading in the securities of the Issuer cease;

**AND WHEREAS** the Issuer has applied to the Ontario Securities Commission (the "**Commission**") pursuant to section 144 of the Act for an order varying the Cease Trade Order with respect to the Private Placement (as defined below);

**AND WHEREAS** the Issuer has represented to the Commission that:

1. The Issuer was incorporated under the *Business Corporations Act* (Ontario) (the "**OBCA**") pursuant to articles of amalgamation dated December 31, 1992 amalgamating Bellex Mining Corp. and Adonos Resources Inc. under the name Adex Mining Corp. Bellex Mining Corp. was originally incorporated under the laws of British Columbia on May 18, 1988 and was continued under the OBCA on December 30, 1992. Adonos Resources Inc. was originally incorporated under the laws of British Columbia on March 30, 1989 and was continued under the OBCA on December 31, 1992. The Issuer changed its name to Adex Mining Inc. by articles of amendment dated July 15, 1996.
2. The Issuer's registered and head office is located at 372 Bay Street, Suite 801, Toronto, Ontario, M5H 2W9
3. The authorized capital of the Issuer consists of an unlimited number of common shares (the "**Common Shares**") and an unlimited number of First Preference Shares, issuable in series, of which 31,193,669 Common shares are currently issued and outstanding as fully paid and non-assessable.

4. The Issuer is a reporting issuer or the equivalent under the securities legislation of the provinces of Ontario and British Columbia. The Issuer is not a reporting issuer in any other jurisdiction of Canada. The Issuer is also subject to a cease trade order in British Columbia.
5. The Issuer's principal asset is the Mount Pleasant Mine (the "**Property**"), a dormant multi-metal mine development project located in Charlotte County, New Brunswick. The Property is the site of a dormant tungsten mine that was in production between 1983 and 1985. The Property consists of 102 contiguous mining claims covering approximately 1,600 hectares located approximately 80 km south of the city of Fredericton. The Issuer has held its interest in the Property since 1995.
6. Prior to issuance of the Cease Trade Order, the Common Shares of the Issuer traded on the Toronto Stock Exchange. The Common Shares have since been delisted from the Toronto Stock Exchange and are not currently listed or quoted on any exchange or market in Canada or elsewhere.
7. The Cease Trade Order was issued due to the failure of the Issuer to file and mail to its shareholders (the "**Shareholders**") audited financial statements for the year ended December 31, 1997. Subsequently, the Issuer filed on December 4, 1998 and mailed to the Shareholders audited financial statements for the year ended December 31, 1997 and interim financial statements for the three months ended March 31, 1998, the six months ended June 30, 1998 and the nine months ended September 30, 1998, but no further financial statements had been filed or mailed to the Shareholders since that time until the filings listed in paragraph 11 below were made on January 10, 2007.
8. The Issuer's failure to file financial statements commencing with the year ended December 31, 1998 was a result of financial distress. The Issuer had expended all of its resources on maintaining its interest in the Property, and there were insufficient funds available to prepare the required financial statements and retain auditors to audit them.
9. The Issuer obtained an order of the Commission dated May 27, 2005 (the "**Variation Order**") varying the Cease Trade Order to permit the Issuer to, among other things: (i) negotiate with potential accredited investors and complete a private placement of a minimum of \$250,000 and a maximum of \$1,000,000 by way of an equity or debt offering (the "**Original Private Placement**"); and (ii) negotiate a debt settlement with two principals of Adex to settle an aggregate of \$129,000 of debt (the "**Non-arm's Length Debt Settlement**");
10. Between October 28, 2005 and May 15, 2006, the Issuer completed the Original Private Placement, issuing to accredited investors an aggregate of \$1,000,000 principal amount of convertible debentures and 10,000,000 warrants to acquire Common Shares. In addition, on May 15, 2006, the Non-Arm's Length Debt Settlement was completed through the issuance of convertible debentures in the aggregate principal amount of \$117,370 and 1,173,700 warrants to acquire Common Shares.
11. On January 10, 2007, the Issuer filed the following disclosure documents with the Commission via SEDAR:

- (a) audited consolidated financial statements of the Issuer for the fiscal years ended December 31, 2005 and December 31, 2004 together with the report of the Issuer's auditors thereon;
  - (b) audited consolidated financial statements of the Issuer for the fiscal years ended December 31, 2004, December 31, 2003, December 31, 2002, December 31, 2001, December 31, 2000, December 31, 1999 and December 31, 1998, together with the report of the Issuer's auditors thereon;
  - (c) unaudited interim consolidated financial statements of the Issuer for the three month period ended March 31, 2006;
  - (d) unaudited interim consolidated financial statements of the Issuer for the three and six month periods ended June 30, 2006;
  - (e) unaudited interim consolidated financial statements of the Issuer for the three and nine month periods ended September 30, 2006;
  - (f) management's discussion and analysis for the fiscal year ended December 31, 2005;
  - (g) management's discussion and analysis for the fiscal year ended December 31, 2004;
  - (h) management's discussion and analysis for the three month period ended March 31, 2006;
  - (i) management's discussion and analysis for the three and six month periods ended June 30, 2006;
  - (j) management's discussion and analysis for the three and nine month periods ended September 30, 2006; and
  - (k) all certifications by the Chief Executive Officer and the Chief Financial Officer of the Issuer with respect to the Issuer's annual filings for 2005 and the Issuer's interim filings for the first, second and third quarters of 2006 required by Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings.
12. The Issuer has paid all outstanding participation fees, filing fees and late fees which are owing to the Commission.
13. The Issuer intends to call and hold an annual and special meeting of the Shareholders to, amongst other things, present to the Shareholders the financial statements for its fiscal years ended December 31, 2006, December 31, 2005, December 31, 2004, December 31, 2003, December 31, 2002, December 31, 2001, December 31, 2000, December 31, 1999, December 31, 1998 and December 31, 1997. In connection with this meeting, the Issuer is preparing a Management Information Circular (the "**Circular**") which will contain prospectus level disclosure with respect to the Issuer, including a summary of a National

Instrument 43-101 compliant technical report (the “**Report**”) with respect to the Property, and which will have appended thereto the financial statements referred to in the preceding sentence and the related management’s discussion and analysis. It is intended that the mailing of the Circular will satisfy the requirement to mail to the Shareholders such financial statements and management’s discussion and analysis.

14. The Issuer is not, to its knowledge, in default of any requirements of the Act or the rules and regulations made pursuant thereto, subject to mailing the financial statements and management’s discussion and analysis referred to in paragraph 13 above to the Shareholders.
15. At the time that the Variation Order was issued, it was expected that all of the work necessary to obtain a full revocation of the Cease Trade Order would be completed by the end of 2005. However, it took until early 2007 to complete the preparation and audit of the necessary financial statements and to complete the other steps necessary to put the Issuer in a position to apply for a full revocation of the Cease Trade Order. As a result of this delay, which has required the Issuer to continue to pay significant amounts for care and maintenance of the Issuer’s assets over a longer period of time than anticipated prior to the revocation of the Cease Trade Order, as well as the actual cost of a number of the items paid for out of the proceeds of the Original Private Placement ultimately exceeding by a significant margin the amounts budgeted therefor, the Issuer finds itself in a position where it is in need of an immediate additional cash infusion.
16. The Issuer wishes to raise up to \$500,000 by way of an offering (the “**Private Placement**”) of convertible debentures (the “**Debentures**”) and warrants to acquire Common Shares (“**Debenture Warrants**”). The Debentures will bear no interest for the first nine months following issuance and thereafter will bear interest at the rate of 8% per annum, payable quarterly in arrears. The Debentures will be convertible at the option of the holder into Common Shares on the basis of one Common Share for each \$0.10 of principal amount converted (the “**Conversion Rate**”). The Debentures will be automatically converted at the Conversion Rate on the day on which the Common Shares are listed on a recognized stock exchange in Canada.
17. Each purchaser of Debentures will also be issued for no additional consideration 10,000 Debenture Warrants for each \$1,000 principal amount of Debentures subscribed for with each Debenture Warrant entitling the holder to acquire one Common Share at a price of: (i) \$0.10 per Common Share from the time of issuance up to 5:00 p.m. (Toronto time) on the date which is nine months following the day on which the Common Shares are listed on a recognized stock exchange in Canada (the “**Listing Date**”); (ii) \$0.20 per Common Share up to 5:00 p.m. (Toronto time) on the date which is 18 months following the Listing Date; and (iii) \$0.30 per Common Share up to 5:00 p.m. (Toronto time) on the date which is 24 months following the Listing Date, when the Debenture Warrants will expire.
18. Prior to completion of the Private Placement, each potential investor in securities of the Issuer will receive:
  - (a) a copy of the Cease Trade Order;

- (b) a copy of this Order; and
  - (c) written notice from the Issuer, and will acknowledge, that all of the Issuer's securities, including the Debentures and the Debenture Warrants and any Common Shares issued upon conversion of the Debentures or exercise of the Debenture Warrants, will remain subject to the Cease Trade Order until it is revoked.
19. The Private Placement will be completed in accordance with applicable securities legislation.
20. The Issuer has applied to the Commission for a full revocation of the Cease Trade Order and has also applied to the British Columbia Securities Commission for full revocation of the cease trade order applicable in British Columbia.
21. As the Private Placement will involve trades in securities of the Issuer or acts in furtherance of trades of securities of the Issuer, it cannot be completed without a variation of the Cease Trade Order.

**AND WHEREAS** the Director is satisfied that to do so would not be prejudicial to the public interest; **IT IS ORDERED** pursuant to section 144 of the Act that the Cease Trade Order be and is hereby varied solely to permit trades in securities of the Issuer and acts in furtherance of trades in securities of the Issuer in connection with the Private Placement and the issuance of Common Shares on the exercise of Debenture Warrants and the conversion of Debentures, provided that:

- a) prior to completion of the Private Placement each potential investor in securities of the Issuer will receive:
  - i. a copy of the Cease Trade Order;
  - ii. a copy of this Order; and
  - iii. written notice from the Issuer, and will acknowledge, that all of the Issuer's securities, including the Debentures and the Debenture Warrants and any Common Shares issued upon conversion of the Debentures or exercise of the Debenture Warrants, will remain subject to the Cease Trade Order until it is revoked.
- b) this Order will terminate, except in respect of the issuance of Common Shares on the exercise of Debenture Warrants and the conversion of Debentures, on the earlier of:
  - i. the closing of the Private Placement; and
  - ii. 60 days from the date hereof.

**DATED** this 22nd day of February, 2007.

*“Joanne Matear”*

Assistant Manager, Corporate Finance

