



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

22<sup>nd</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

22e étage  
20, rue queen ouest  
Toronto ON M5H 3S8

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## IN THE MATTER OF

### ESSEX OIL LTD.

### PARTIAL REVOCATION ORDER

Under the securities legislation of Ontario (the **Legislation**)

#### Background

1. Essex Oil Ltd. (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the Ontario Securities Commission, its principal regulator (the **Principal Regulator**) on November 3, 2016.
2. The issuer has applied to the Principal Regulator for a partial revocation order of the FFCTO (the **Order**).

#### Interpretation

Terms defined in National Instrument 14-101 Definitions or in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* (**NP 11-207**) have the same meaning if used in this Order, unless otherwise defined.

#### Representations

3. This decision is based on the following facts represented by the Issuer:
  - (a) The Issuer was incorporated as “Essex Oil Ltd.” under the *Business Corporations Act* (Ontario) on November 14, 2008. The Issuer is the result of an amalgamation between Titan Employment Services Ltd. and Adelaide Global Corp.
  - (b) The Issuer's registered office is located at 44 Victoria Street, Suite 1102, Toronto, Ontario, M5C 1Y2, and its principal place of business is located at 31 Sunset Trail, Toronto, Ontario, M9M 1J4.
  - (c) The Issuer is a reporting issuer under the securities legislation of the province of Ontario. The Issuer is not a reporting issuer in any other jurisdiction in Canada.
  - (d) The Issuer's authorized share capital consists of an unlimited number of common shares (the **Common Shares**). The Issuer currently has 26,090,914 Common Shares issued and

outstanding. Other than the issued and outstanding Common Shares, the Issuer has no securities outstanding.

- (e) The Issuer's securities are not listed on any stock exchange or quotation system. The Issuer was previously listed on the CNSX, under the trading symbol ESX. On January 6, 2014, the CNSX changed its name to the Canadian Securities Exchange (the **CSE**). On June 29, 2007, trading in the securities of the Issuer was halted. The Issuer was subsequently delisted from the CSE.
- (f) The FFCTO was issued as a result of the Issuer's failure to file the following continuous disclosure materials as required by Ontario securities law:
  - a. audited financial statements for the year ended June 30, 2016;
  - b. management's discussion and analysis (**MD&A**) relating to the audited annual financial statements for the year ended June 30, 2016; and
  - c. the certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**)

(Collectively, the **Required Annual Filings**).

- (g) The Required Annual Filings were not filed as a result of financial difficulties. On March 2, 2015, the Issuer announced that due to a decline in oil prices, the Issuer was not able to raise necessary funds and decided to terminate its oil and gas operations. The Issuer has not been in operation since that time.
- (h) Subsequent to the failure to file the Required Annual Filings, the Issuer also failed to file the following required filings:
  - a. annual audited financial statements for the years ended June 30, 2017 to June 30, 2021;
  - b. interim unaudited financial statements for the interim periods ended September 30, 2016, to March 31, 2022;
  - c. MD&A relating to the financial statements referred to in subparagraphs a. and b. above;
  - d. certificates required to be filed in respect of the financial statements referred to in subparagraphs a. and b. above under NI 52-109;
  - e. disclosure required by Form 51-102F6V *Statement of Executive Compensation - Venture Issuers* for the years ended June 30, 2016 to June 30, 2021;

- f. disclosure required by Form 52-110F2 *Disclosure by Venture Issuers*, for the years ended June 30, 2016 to June 30, 2021; and
- g. disclosure required by Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)*, for the years ended June 30, 2016 to June 30, 2021.

(Together with the Required Annual Filings, the **Required Filings**).

- (i) The Issuer has failed to pay certain fees to the Principal Regulator including, but not limited to, those in connection with the Required Filings (the **Outstanding Fees**).
- (j) The Issuer is seeking a partial revocation of the FFCTO to be able to complete a private placement of up to 75,000,000 Common Shares in the province of Ontario (the **Transaction**), at a price of C\$0.002 per Common Share. The private placement will consist of Robert Salna along with Robert Wyllie subscribing for a total principal amount of \$150,000 CDN (the **Subscribers**). Mr. Robert Salna is not a director or officer of the Issuer and currently owns 24,526 Common Shares directly and indirectly. Mr. Robert Wyllie is a director of the Issuer and currently owns 620,000 Common Shares of the Issuer. After the Transaction, Mr. Salna will own directly or indirectly an additional 72,500,000 Common Shares with a final total of 72,524,526 Common Shares representing 71.7% of the outstanding Common Shares post Transaction. Mr. Wyllie will own an additional 2,500,000 Common Shares with a final total of 3,120,000 Common Shares representing 3% of the outstanding Common Shares post Transaction.
- (k) Robert Wyllie, a director of the issuer, is a “related party” (as that term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions (MI 61-101)*) and the Transaction is a “related party transaction” pursuant to subsection (g) of the definition of that term in MI 61-101. The Issuer is relying on exemptions from the formal valuation and minority shareholder approval requirements available under MI 61-101. The Issuer is exempt from the formal valuation requirement in section 5.4 of MI 61-101 in reliance on section 5.5(b) of MI 61-101 as the Issuer is not listed on a specified market. Additionally, the Issuer is exempt from the minority shareholder approval requirement in section 5.6 of MI 61-101 in reliance on section 5.7(b) of MI 61-101 as the fair market value of the Transaction is not more than \$2,500,000. There are no approvals in respect of, or in connection with, the Transaction that must be obtained at a meeting of securityholders of the Issuer.
- (l) The Issuer intends to complete the Transaction to enable the Issuer to raise sufficient funds to bring its continuous disclosure record up to date by filing the Required Filings, pay the Outstanding Fees, apply to the Principal Regulator for a full revocation of the FFCTO within a reasonable time following completion of the Transaction, and provide working capital.
- (m) The Transaction will be conducted on a prospectus exempt basis with subscribers in Ontario who satisfy the requirements of sections 2.3 (*Accredited Investor*) and 2.5 (*Family, Friends, and Business Associates*) of National Instrument 45-106 *Prospectus Exemptions*.

(n) The Issuer is not currently involved in any discussions relating to a reverse take-over, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.

(o) Other than the failure to file the Required Filings and the failure to pay the Outstanding Fees, the Issuer is not in default of any of the requirements of the *Securities Act* (Ontario) or the rules and regulations made pursuant thereto. The Issuer is not in default of the FFCTO. The Issuer's SEDAR and SEDI profiles are up to date.

(p) The Issuer intends to allocate the proceeds from the Transaction as follows:

<b>Description</b>	<b>Cost</b>
Initial working capital post revocation order (6 months)	\$20,000
News Releases and other document filing fees (material change report, interims, personal information forms, etc.)	\$5,000
2022 Annual General Meeting costs	\$5,000
Auditor Fees	\$9,000
Transfer agent	\$5,000
Legal fees, accounting fees, and General administrative expense related to the filing of all outstanding continuous disclosure documents	\$40,000
Costs associated with the Transaction	\$0
HST (13%)	\$10,920
<b>NON-HST ITEMS</b>	
Partial Revocation Application	\$4,800
Regulatory late filing, participation fees, and full revocation application	\$49,000
Miscellaneous	\$1,280
<b>Total:</b>	<b>\$150,000</b>

- (q) The Issuer reasonably believes that the Transaction will be sufficient to bring its continuous disclosure obligations up to date, pay the Outstanding Fees, apply for a full revocation of the FFCTO, and provide it with sufficient working capital to continue its business.
- (r) As the Transaction would involve a trade of securities and acts in furtherance of trades, the Transaction cannot be completed without a partial revocation of the FFCTO.
- (s) Since the issuance of the FFCTO, there have not been any material changes in the business, operations or affairs of the Issuer that have not been disclosed to the public.
- (t) The Transaction will be completed in accordance with all applicable laws.
- (u) Prior to completion of the Transaction, the Issuer will:
  - a. provide all participants in the Transaction with the following:
    - i. a copy of the FFCTO; and
    - ii. a copy of this Order; and
  - b. obtain, and provide upon request to the Principal Regulator, from each participant in the Transaction a signed and dated acknowledgment which clearly states that all of the Issuer's securities, including the securities issued in connection with the Transaction, will remain subject to the FFCTO, and that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future.
- (v) Upon the issuance of this Order, the Issuer will issue a press release announcing the order and the intention to complete the Transaction as well as file a material change report. Upon completion of the Transaction, the Issuer will issue a press release and file a material change report. As other material events transpire, the Issuer will issue appropriate press releases and file a material change report as applicable.

## **Order**

4. The Principal Regulator is satisfied that a partial revocation of the FFCTO meets the test set out in the Legislation for the Principal Regulator to make the decision.

5. The decision of the Principal Regulator under the Legislation is that the FFCTO is partially revoked solely to permit the trades in securities of the Issuer (including for greater certainty, acts in furtherance of trades in securities of the Issuer) that are necessary for and are in connection with the Transaction, provided that:

- (a) prior to completion of the Transaction, the Issuer will:

- (i) provide to each subscriber under the Transaction a copy of the FFCTO;
- (ii) provide to each subscriber under the Transaction a copy of this Order; and
- (iii) obtain from each subscriber under the Transaction a signed and dated acknowledgment, which clearly states that all of the Issuer's securities, including the Common Shares issued in connection with the Transaction, will remain subject to the FFCTO, and that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future;

(b) the issuer will make available a copy of the written acknowledgements referred to in paragraph 5(a)(iii) to staff of the Principal Regulator on request;

(c) this Order only varies the FFCTO and does not provide an exemption from the prospectus requirement; and

(d) this Order will terminate on the earlier of (A) the closing of the Transaction and (B) 60 days from the date hereof.

**DATED** this 30<sup>th</sup> day of August, 2022.

“Erin O’Donovan”  
Erin O’Donovan  
Manager, Corporate Finance  
Ontario Securities Commission

OSC File #2022/0316