

**In the Matter of the Receivership of
2021929 Ontario Inc. (formerly known as Elementa Group Inc.)
of the City of Niagara-on-the-Lake
in the Province of Ontario**

Final Report of the Receiver
(Subsection 246(3) of the *Bankruptcy and Insolvency Act*)

Introduction

1. This final report is filed by Richter Advisory Group Inc. (“**Richter**”) in its capacity as receiver (“**Receiver**”) of 2021929 Ontario Inc., formerly known as Elementa Group Inc. (“**2021929**” or the “**Company**”).
2. On December 21, 2015, the Ontario Superior Court of Justice (Commercial List)(the “**Court**”), issued an order appointing Richter as Receiver, pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c.B-3, as amended, and section 101 of the *Courts of Justice Act* R.S.O. 1990 c.43, as amended of all the assets, undertakings and properties (the “**Property**”) of 2021929.

Receivership Proceedings

3. The primary purpose of the receivership was to realize the best value for the Company’s assets and to potentially allow for continuation of the Company’s plans to construct a commercial facility to convert municipal waste into synthetic energy in Sault Ste. Marie, Ontario by a prospective purchaser.
4. On February 19, 2016, the Court issued an order (the “**Sales Process Order**”) approving the proposed stalking horse sales process (the “**Sales Process**”), including the bidding procedures to be used in connection with the Sales Process for the sale of substantially all of the Company’s Property. The Sales Process Order also approved an Agreement of Purchase and Sale dated February 12, 2016 (the “**Stalking Horse APS**”) between the Receiver and Bradam Canada Inc. (“**Bradam**”) for the sale of substantially all of the Company’s business and assets on an “as is, where is” basis for cash consideration of \$1,500,000.00 (the “**Purchase Price**”).
5. On April 15, 2016, the Court issued an order (the “**April 15 Order**”) approving the designation of the Stalking Horse APS as the “Winning Bid” pursuant to the Sales Process Order. The April 15 Order also authorized and directed the Receiver to complete the transaction contemplated by the Stalking Horse APS (the “**Transaction**”).
6. Due to the inability of Bradam to secure all the funds to pay the Purchase Price, the Purchaser requested that it be provided with an additional ninety (90) days following the closing of the Transaction to pay the remaining balance of the Purchase Price totaling \$275,000. On May 13, 2016, the Court issued an order that, among other things, permitted the Receiver to accept an interest bearing, secured promissory note in the amount of \$275,000 (the “**Promissory Note**”) in partial payment of the Purchase Price.
7. The Transaction was completed on May 16, 2016.
8. As contemplated by the April 15 Order, on May 17, 2016, the Receiver filed articles of amendment changing the name of the Company from Elementa Group Inc. to 2021929.



9. On June 7, 2016, the Court issued an order (the “**Bankruptcy Order**”) authorizing and directing the Receiver to file an assignment in bankruptcy on behalf of the Company, which bankruptcy was effective June 13, 2016. Richter was appointed to act as trustee (the “**Trustee**”) of the Company’s bankrupt estate.
10. On the same date the Bankruptcy Order was granted, the Court also issued an order (the “**Distribution and Discharge Order**”) that, among other things, (i) authorized and directed the Receiver to make an interim distribution in the amount of \$850,000 to Bennett Jones LLP (“**Bennett Jones**”) in respect of its secured claim against the Property, (ii) authorized the Receiver to make subsequent distributions to Bennett Jones as the Receiver, in its sole discretion, considered appropriate, subject to retaining sufficient funds to satisfy any remaining costs to complete the administration of the receivership, (iii) authorized and directed the Receiver to transfer and assign its interest in and to the Promissory Note to Bennett Jones in respect of its secured claim against the Property, (iv) authorized the Receiver to transfer \$25,000 plus HST to the Trustee to provide funding for the administration of the Company’s bankruptcy proceedings, and (v) discharged the Receiver subject to the Receiver filing a certificate (the “**Certificate of Discharge**”) with the Court certifying that any remaining matters have been completed.
11. The Receiver has completed its administration and the Certificate of Discharge was filed with the Court on December 20, 2017.

Statement of Receipts and Disbursements

12. Attached to this report as Schedule “A” is a Final Statement of Receipts and Disbursements for the period December 21, 2015 to December 18, 2017.

Distribution of Proceeds Realized from the Property

13. All of the Property of the Company under the administration of the Receiver has been realized. However, the proceeds from the sale of the Company’s Property was insufficient to repay, in full, the amounts owed to the Company’s secured creditor, Bennett Jones. Accordingly, there will be no funds available to support a distribution to the Company’s unsecured creditors.
14. Distributions totaling \$964,854.65 were made to Bennett Jones in respect of its secured claim against the Property. This does not take into account the \$28,250 transferred by the Receiver to the Trustee pursuant to the Distribution and Discharge Order.
15. Creditors who wish to receive a copy of interim reports or this final report may request a copy by writing to the Receiver at the following address:

Richter Advisory Group Inc.
Court Appointed Receiver of
2021929 Ontario Inc.
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

Attention: Pritesh Patel
Telephone: +1 416 642 9421
Facsimile: +1 416 488 3765

16. Further information and documentation related to the receivership proceedings may be obtained from the Receiver’s website at <http://www.richter.ca/en/folder/insolvency-cases/e/elementa-group-inc>.

Dated at Toronto, Ontario, this 22nd day of December, 2017.

Richter Advisory Group Inc.
in its capacity as Receiver of
2021929 Ontario Inc. (formerly known as Elementa Group Inc.).

Per:

A handwritten signature in black ink, appearing to be 'P. Patel', with a long horizontal stroke extending to the right.

Pritesh Patel, MBA, CFA, CIRP, LIT
Vice President

**In the Matter of the Receivership of
2021929 Ontario Inc. (formerly known as Elementa Group Inc.)**

**Final Statement of Receipts and Disbursements
for the Period from December 21, 2015 to December 18, 2017**

	\$ CAN	Notes
Receipts		
Bradam Sale Proceeds	1,225,000.00	1
Interest	2,473.99	
Retainers from Bennett Jones LLP	24,747.19	2
HST collected on Bradam Sale	130.00	
HST Refunds (for the period prior to the commencement of the receivership)	24,279.35	
HST Refunds (for the period after the commencement of the receivership)	37,461.42	
Refunds	34,825.00	
Total Receipts	\$ 1,348,916.95	
Disbursements		
Richter Advisory Group Inc. (fees & disbursements of the Receiver)	247,427.62	
Goldman, Sloan, Nash & Haber LLP (fees & disbursements of counsel to the Receiver)	67,128.80	
Storage costs	178.39	
Bank charges	255.50	
Payment to Trustee	28,250.00	3
HST paid	40,821.99	
Total Disbursements	\$ 384,062.30	
Excess of Receipts over Disbursements	\$ 964,854.65	
Payments to Secured Creditor		
First distribution - June 7, 2016	(850,000.00)	
Second distribution - August 11, 2016	(50,000.00)	
Third distribution - December 8, 2017	(64,854.65)	
Total Payments to Secured Creditor	\$ (964,854.65)	
Net funds on Hand	\$ -	

Notes:

(1) The sale proceeds do not take into consideration the Promissory Note that forms part of the sale proceeds, in the principal amount of \$275,000, which amount (including interest) was due August 13, 2016. The Promissory Note has been assigned to Bennett Jones LLP.

(2) Retainer funds provided to Richter Advisory Group Inc. and Goldman, Sloan, Nash & Haber LLP prior to the commencement of the receivership proceedings.

(3) As per an order issued by the Ontario Superior Court of Justice (Commercial List) on June 7, 2016 authorizing the Receiver to transfer funds in its possession to the trustee of the Company's bankrupt estate.