

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

BENNETT JONES LLP

Applicant

- and -

ELEMENTA GROUP INC.

Respondent

APPLICATION UNDER 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.C.43, AS AMENDED

**APPLICATION RECORD
(Returnable November 30, 2015 at 9:30 a.m.)**

November 27, 2015

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Proposed Receiver

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Counsel to the Proposed Receiver

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AND TO: **GARY BLOKHUIS**
D.B.A. BLOKHUIS HOLDINGS
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AND TO: **LOOPSTRA NIXON LLP**
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Agent for: 2124732 Ontario Inc.

AND TO: **HER MAJESTY IN RIGHT OF ONTARIO
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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

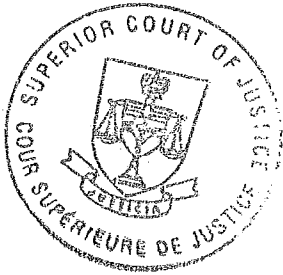
BENNETT JONES LLP

Applicant

- and -

ELEMENTA GROUP INC.

Respondent



APPLICATION UNDER 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. C.43, AS AMENDED

**NOTICE OF APPLICATION
(Returnable November 30, 2015 at 9:30 a.m.)**

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing on **November 30, 2015, at 9:30 a.m.**, at 330 University Avenue, 8th Floor, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

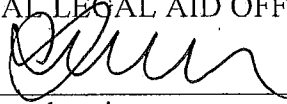
IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance,

serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date November 27, 2015

Issued by


Local registrar

Address of
court office

330 University Avenue,
7th Floor,
Toronto, Ontario

TO:

ELEMENTA GROUP INC.
Suite 302, 509 Glendale Avenue East
Niagara-on-the-Lake, ON L0S 1J0

John Ashbourne
john@ashbournemanagement.com

Chairman of the Board

AND TO:

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Proposed Receiver

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AND TO: **LOOPSTRA NIXON LLP**
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AND TO: **HER MAJESTY IN RIGHT OF ONTARIO**
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Leonard Zwierschke
Email: jay_zwierschke@yahoo.com

APPLICATION

1. The applicant, Bennett Jones LLP ("**Bennett Jones**") makes an Application for an Order:
 - (a) appointing Richter Advisory Group Inc. ("**Richter**") as receiver (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of Elementa Group Inc. ("**EGI**") pursuant to s. 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the "**BIA**") and s. 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C-43, as amended (the "**CJA**") (the "**Receivership Order**"); and
 - (b) such further and other relief as this Court deems just.
2. The grounds for the application are:
 - (a) Pursuant to a May 4, 2012 engagement letter (the "**Engagement Letter**"), Bennett Jones acted as legal counsel to EGI;
 - (b) As of November 18, 2015 Bennett Jones is owed \$2,922,329 for fees, disbursements, interest and taxes (the "**Indebtedness**");
 - (c) Pursuant to a June 12, 2014 General Security Agreement (the "**GSA**"), Bennett Jones is the first ranking secured creditor of EGI;
 - (d) Details of the Indebtedness have been regularly provided to EGI;
 - (e) Bennett Jones has ceased to act for EGI and is bringing this Application in its capacity as a secured creditor;
 - (f) Pursuant to the GSA, Bennett Jones has the right to seek the Court appointment of a receiver over the Property;
 - (g) EGI has defaulted under the Engagement Letter and the GSA;
 - (h) Bennett Jones has issued a demand and sent a s. 244 BIA notice;

- (i) The appointment of a Receiver is just and convenient for the following reasons, among others:
 - (i) EGI has significant secured and unsecured debts aggregating more than \$10 million;
 - (ii) EGI is not an operating business, has no current paid employees, has no on-going revenue-generating operations, and has no realistic prospect of satisfying its debts;
 - (iii) The Company is experiencing significant unresolved corporate governance issues and there is a dispute as to the current constitution of the Board and the control of the Company and the Property;
 - (iv) Bennett Jones has lost confidence in EGI and believes there is no reasonable prospect of payment of the Indebtedness;
 - (v) The appointment of a receiver is necessary for the protection of Bennett Jones' security interest; and
 - (vi) There is risk of an erosion of the value available to satisfy stakeholders if a receiver is not appointed, and a concomitant necessity to secure and protect the Property while value maximization strategies are explored by a Court supervised receiver.
- (j) Richter is qualified and consents to act as Receiver of the Debtor;
- (k) Sections 243(1) and 47(1) of the BIA;
- (l) Section 101 of the CJA;
- (m) Rules 1.04, 3.02, 16.08, 38 and 41 of the *Rules of Civil Procedure*; and
- (n) Such further and other grounds as counsel may advise and this Court may permit.

3. The following documentary evidence will be used at the hearing of the application:
- (a) The affidavit of Eden M. Oliver, sworn November 27, 2015 and the exhibits attached thereto; and
 - (b) Such further and other materials as counsel may advise and this Court may permit.

November 27, 2015

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Lawyers for the Applicant,
Bennett Jones LLP

BENNETT JONES LLP
Applicant

-and-

ELEMENTA GROUP INC.
Respondent
CV-15-11198-00CL
Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF APPLICATION
(Returnable November 30, 2015)

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Suite 3400, P.O. Box 130
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Lawyers for the Applicant, Bennett Jones LLP

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

BENNETT JONES LLP

Applicant

- and -

ELEMENTA GROUP INC.

Respondent

APPLICATION UNDER 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. C.43, AS AMENDED

**AFFIDAVIT OF EDEN M. OLIVER
(Sworn November 27, 2015)**

I, Eden M. Oliver, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Partner in the Toronto office of the Applicant, Bennett Jones LLP ("**Bennett Jones**"), and in such capacity I am familiar with the security arrangements between Bennett Jones and the Respondent, Elementa Group Inc. (the "**EGI**" or the "**Company**"). The facts set forth herein are within my personal knowledge or determined from the face of the documents attached hereto as exhibits or arise from information and advice provided to me from others, including members of the Board of Directors of EGI (the "**Board**"). Where I have relied upon information and advice from others, I specify herein and believe it to be true.

Court File No.: [•]

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

BENNETT JONES LLP

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- and -

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APPLICATION UNDER 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. C.43, AS AMENDED

**AFFIDAVIT OF EDEN M. OLIVER
(Sworn November 27, 2015)**

I, Eden M. Oliver, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Partner in the Toronto office of the Applicant, Bennett Jones LLP ("**Bennett Jones**"), and in such capacity I am familiar with the security arrangements between Bennett Jones and the Respondent, Elementa Group Inc. (the "**EGI**" or the "**Company**"). The facts set forth herein are within my personal knowledge or determined from the face of the documents attached hereto as exhibits or arise from information and advice provided to me from others, including members of the Board of Directors of EGI (the "**Board**"). Where I have relied upon information and advice from others, I specify herein and believe it to be true.

2. This affidavit is sworn in support of the application by Bennett Jones for an order appointing Richter Advisory Group Inc. ("**Richter**") as receiver, without security, over all of the present and after-acquired assets, properties and undertakings of EGI (collectively, the "**Property**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("**BIA**"), as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.

OVERVIEW

3. Pursuant to an engagement letter dated May 4, 2012 (the "**Engagement Letter**") Bennett Jones acted as legal counsel to EGI. As of November 18, 2015, Bennett Jones is owed \$2,922,329 for legal fees, disbursements, interest and taxes by EGI (the "**Indebtedness**"). EGI owes its secured and unsecured creditors, including Bennett Jones, in excess of \$10 million. EGI has no realistic prospect of satisfying the Indebtedness. Bennett Jones has ceased to act as legal counsel to EGI.

4. Pursuant to a General Security Agreement executed by EGI on June 12, 2014 ("**GSA**"), Bennett Jones is the first ranking secured creditor of EGI. On November 18, 2015, Bennett Jones issued a written demand for payment of the Indebtedness (the "**Demand**"), accompanied by a Notice of Intention to Enforce Security (the "**BIA Notice**") pursuant to s. 244(1) of the BIA. More than 10 days will have elapsed by the time this Application is heard, and as of the date of this affidavit no payment of the Indebtedness has been made. Bennett Jones has lost confidence in EGI and believes there is no reasonable prospect of payment. Moreover, Bennett Jones has concerns about the erosion of its security interest and the security of the Property due to reports it has received of serious dysfunction between Board members that has called into question the current constitution of the Board and the control of the Company and its Property.

5. I am swearing this Affidavit as a representative of Bennett Jones, which is the primary secured creditor of EGI and which is seeking to enforce its security interest in the Property. In swearing this Affidavit, I have not disclosed any confidential information of EGI, except to the extent required to establish and collect the fees owing to Bennett Jones. Where it is necessary to provide the Court with relevant information about EGI's operations, financial circumstances or

governance, I have obtained the information herein from direct discussion with Mr. John Ashbourne, the Chairman of the Board of EGI, in Bennett Jones' capacity as a secured creditor.

A. DESCRIPTION OF EGI

6. EGI is an early stage development company that owns and controls intellectual property rights to a steam reformation method of reforming carbonaceous municipal waste into synthesis gas.

7. EGI is incorporated under the *Business Corporations Act* (Ontario) ("**OBCA**"). EGI has its registered office at 509 Glendale Avenue E., Suite 302, Niagara-on-the-Lake, Ontario, L0S 1J0. A copy of the Corporate Profile Report for EGI is attached hereto as Exhibit "A".

8. EGI is the sole limited partner of Elementa Algoma LP, an Ontario limited partnership whose general partner is Elementa Algoma Inc., also an OBCA corporation. The shares of Elementa Algoma Inc. are wholly owned by Elementa Holdings Ltd., an OBCA corporation. The shares of Elementa Holdings Ltd. are wholly owned by EGI. In this Affidavit, EGI, Elementa Algoma LP, its general partner Elementa Algoma Inc., and Elementa Holdings Ltd. are collectively referred to as the "**Elementa Group**". A copy of EGI's corporate chart is attached as Exhibit "B" to this Affidavit.

9. Elementa Algoma LP is a party to certain contracts (the "**SSM Project Contracts**") in relation to a planned construction of a municipal waste processing facility to produce electricity in the City of Sault Ste. Marie (the "**Project**"). The SSM Project Contracts contain deadlines for the construction and commercial operation of the Project. Pursuant to one such contract, the construction of the Project must be commenced on or before May 1, 2016. The undertaking to construct the Project requires the Elementa Group to raise a significant amount of capital in the order of approximately \$50-55 million. EGI holds 99.9% of Elementa Algoma LP's units, and controls 100%.

10. EGI owns and controls all intellectual property rights of the Elementa Group (the "**Technology**").

11. I am advised by John Ashbourne that EGI operated out of leased office space, which is in arrears under the terms of the lease. EGI is not an operating business, has no current paid employees and has no current source of revenue. I am further advised by Mr. Ashbourne that EGI has secured and unsecured debts aggregating in excess of \$10 million that it has no realistic prospect of satisfying.

12. As of November 18, 2015 the Board of EGI was comprised of the following members:

- (a) John Ashbourne, chair of the Board since June 5, 2015 and an independent Board member (he is not a member of management or a shareholder and is an unsecured creditor);
- (b) Bruce Gowan, an independent Board member (he is not a member of management and is a shareholder);
- (c) Garry Rawson, also formerly Vice President, Finance and VP, Corporate Development of EGI, a shareholder, and an unsecured creditor;
- (d) Ernie Dueck, a founder, formerly Chief Technology Officer of EGI, a shareholder, and an unsecured creditor;
- (e) Jayson Zwierschke, a founder, a shareholder and an unsecured creditor; and
- (f) Leonard Zwierschke, a founder, a shareholder and an unsecured creditor.

13. The biographies of each of the Board members used by EGI are attached hereto as Exhibit "C".

14. As discussed below, I have been advised by John Ashbourne that there is currently a corporate governance dispute between members of the Board as to whether a special shareholders meeting called for November 25, 2015 was validly called and properly conducted and whether or not the Board of six as set out above was replaced by a Board of three comprised of existing directors Jayson Zwierschke, his brother Leonard Zwierschke, as well as Jim Dalton. To the best of my knowledge, as of the swearing of this Affidavit this dispute between Board

members has not been resolved. As a result, there is a dispute as to who is in control of the Company and its Property.

B. ENGAGEMENT TO ACT FOR EGI

15. Bennett Jones was engaged to act as legal counsel for EGI pursuant to an engagement letter between Bennett Jones and EGI dated May 3, 2012, and executed on behalf of EGI by Jayson Zwierschke (then President & CEO of EGI) on May 4, 2012 (the "**Engagement Letter**"). An executed copy of the Engagement Letter is attached hereto as Exhibit "D".

16. The following are certain of the material terms of the Engagement Letter:

- (a) EGI retained Bennett Jones as legal counsel to assist EGI in the development of its business model and in providing tax, corporate and commercial advice;
- (b) The basis for determining fees was the time spent on a matter, and in determining the chargeable time for a matter, generally all time spent in providing legal services to EGI was to be taken into account;
- (c) Time charges for a matter were to depend on the hourly rate of the lawyer or lawyers doing the work, and hourly rates were subject to change from time to time;
- (d) To the extent legal fees are subject to taxes, such taxes were to be added to accounts;
- (e) Bennett Jones was permitted to recover certain "other charges" for non-legal services (e.g. on-line research, photocopy, fax, etc.), and EGI was responsible for paying disbursements, and taxes thereon, where applicable;
- (f) Fees for services and other charges were to be billed monthly and were payable within 30 days of receipt; and
- (g) Accounts unpaid after 30 days were subject to interest calculated on the outstanding balance until the account is paid in full at the rate of 12% per annum.

17. Pursuant to the terms of the Engagement Letter, and on instructions from EGI, Bennett Jones provided extensive services to EGI on a broad variety of matters.

18. Bennett Jones sent accounts on a regular monthly basis through December 2014 and has provided further updates and accounts since that date. On May 14, 2015, Bennett Jones sent a letter to EGI (the "**Update Letter**") advising that the total outstanding fees and expenses before interest was approximately \$1.74 million before interest. EGI was further advised that work in progress for time and expenses since January 1, 2015 totaled approximately \$240,000 as of May 5, 2015. A copy of the Update Letter, with certain confidential information relating to EGI redacted, is attached hereto as Exhibit "E".

19. The accounts rendered and the Update Letter contained detailed descriptions of the services provided. EGI has never disputed these accounts and updates, and has acknowledged that all amounts are due and owing. Bennett Jones has also regularly updated the Board regarding amounts outstanding for work in progress and provided them with detailed pre-bills, as requested, which they have reviewed and accepted. Attached hereto as Exhibit "F" is a table summarizing the accounts, the last time entry for which is November 6, 2015 (the "**Accounts Summary**"). The Accounts Summary details, among other things, accounts receivable, work in progress, interest and taxes, all corresponding with the appropriate dates. Also included in the Exhibit are examples of the accounts sent and cover letters, with the detailed descriptions of the work performed excised for confidentiality and privilege reasons.

20. As indicated by the Accounts Summary, the Indebtedness totals \$2,922,329. EGI has never disputed that any part of the Indebtedness is due and owing.

C. SECURITY FOR INDEBTEDNESS

21. As a non-operating and non-revenue generating technology development company, EGI has had limited resources at its disposal to pay for necessary legal services. As of June 2014, EGI was indebted to Bennett Jones for accounts totaling approximately \$1,482,791 (inclusive of interest, taxes and disbursements). In order to be able to continue to provide legal advice to EGI, Bennett Jones requested that the Indebtedness be secured.

22. EGI provided a general security agreement dated June 12, 2014 (the "GSA") as security for the Indebtedness in favour of Bennett Jones. Pursuant to the GSA, EGI granted Bennett Jones a security interest in all of the assets, property and undertaking of EGI then owned or thereafter acquired including, without limitation, the assets, property and undertaking more specifically described in the GSA (collectively, the "Collateral" as the term is defined in the GSA, which corresponds to the Property over which the Receiver is to be appointed). An executed copy of the GSA is attached hereto as Exhibit "G".

23. The following are certain of the material terms of the GSA:

- (a) The security interest granted by EGI secures payment to Bennett Jones for all Obligations (as such term is defined in the GSA), which includes, *inter alia*, all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing or remaining unpaid by EGI to Bennett Jones, whether arising from dealings between Bennett Jones and EGI or from other dealings or proceedings by which EGI may be or become in any manner whatever a creditor of Bennett Jones;
- (b) In the event of a default under the GSA (which includes failure to pay any amount when due), Bennett Jones may seek the appointment of a receiver of the Collateral by instrument in writing or by taking proceedings in any court of competent jurisdiction;
- (c) Any proceeds of any disposition of the Collateral may be applied by Bennett Jones to the payment of expenses incurred in connection with disposing of the Collateral (including reasonable solicitors' fees and legal expenses and any other reasonable expenses); and
- (d) All expenses and amounts borrowed on the security of the Collateral shall bear interest at 12% per annum and are considered Obligations under the GSA.

24. Bennett Jones has registered financing statements to perfect the security interests memorialized by the GSA in the Province of Ontario, as registration no. 20140605 0927 1862 3349.

25. Pursuant to the GSA, the Collateral over which EGI granted a security interest includes all rights in, arising out of, or associated with intellectual property rights, whether registered or not, that were then or thereafter owned by EGI.

26. By a notice of security interest in intellectual property dated September 28, 2015 (the "**CIPO Notice**") Bennett Jones advised the Canadian Intellectual Property Office that the Technology described in the CIPO Notice is subject to a security interest granted by EGI in favour of Bennett Jones. A copy of the CIPO Notice is attached hereto as Exhibit "H". Similar registrations have been made with the U.S. Patent Office.

E. EGI'S SECURED CREDITORS

27. Creditors with current registrations against the Company under the PPSA are the following:

- (a) Bennett Jones LLP registered as 20140605 0927 1862 3349;
- (b) Her Majesty in Right of Ontario represented by the Minister of Finance registered as 20140717 1127 1031 4420;
- (c) 2124732 Ontario Inc. registered as 20141010 1024 1590 1821;
- (d) Gary Blokhuis D.B.A. Blokhuis Holdings registered as 20141010 1024 1590 1821;
- (e) Sharon D'Amico registered as 20141219 1427 6083 0289; and
- (f) David D'Amico registered as 20141219 1429 6083 0290.

Copies of the search results against Elementa Group Inc., Elementa Algoma Inc., and Elementa Algoma LP under the PPSA, with a file currency date of November 18, 2015, are attached hereto as Exhibit "I".

D. DEFAULT AND DEMAND

28. In August, EGI's Board met with financial advisors (including Richter) to discuss restructuring options and strategies. At that time, there was discussion about the need for EGI to retain independent counsel when it determined to engage in a potential restructuring process. In October 2015, the Elementa Group determined to review restructuring options and strategies and the Elementa Group was advised to and did engage separate counsel to advise it in respect of such matters.

29. As of November 18, 2015 the Indebtedness totaling \$2,922,329 was owed to Bennett Jones by EGI. Bennett Jones has lost confidence in EGI and does not believe there is any prospect of payment of the Indebtedness.

30. On November 18, 2015, Bennett Jones issued the Demand to EGI, accompanied by the BIA Notice, and an Acknowledgement, Consent, and Waiver (the "**Waiver**"). Copies of the Demand, BIA Notice, and Waiver are attached hereto as Exhibits "J", "K" and "L", respectively.

31. The Demand advised EGI that it was in default under the Engagement Letter and the GSA, the Indebtedness was immediately due and payable, and Bennett Jones was demanding immediate payment of the Indebtedness. EGI was also advised that it had ten (10) days from the date of the Demand and BIA Notice to make payment, unless EGI consented to an earlier enforcement by executing the Waiver.

E. CORPORATE GOVERNANCE ISSUES

32. Mr. Ashbourne has advised me of a pattern of troubling and dysfunctional dealings between the Zwierschke brothers and the other members of the Board, including an unresolved corporate governance dispute about the constitution of the Board, and therefore the control of the Company and the Property.

33. Specifically, Mr. Ashbourne has advised me that police reports have been made in connection with (i) approximately \$26,000 of Company funds that are unaccounted for as a result of unauthorized withdrawals they believe were made by Jayson and Leonard Zwierschke, (ii) blank cheques that were removed when card access to the Company bank accounts was revoked for Jayson and Leonard Zwierschke when they were terminated by EGI for cause (although they remained directors); (iii) an unauthorized cheque written on the Company's bank

account believed to have been signed by Jason Zwierschke; and (iv) various physical altercations at the Company that were reported to have been initiated by Leonard Zwierschke. I understand the foregoing to be the subjects of ongoing police investigations.

34. Moreover, I am advised by Mr. Ashbourne that a special shareholders meeting was called by Jayson Zwierschke, Leonard Zwierschke, and Jim Dalton to be held on November 25, 2015 to replace the existing Board with a board comprised of themselves. Mr. Ashbourne advises that the meeting was not properly called or constituted, to which he and the other Board members objected, and that he does not recognize the legitimacy of the meeting. To the best of my knowledge, as of the date of the swearing of this Affidavit, the current constitution of the Board, and therefore the control of the Company and the Property, appears to be in dispute.

35. Following the sending of the Demand and BIA Notice, I have had one limited telephone discussion with the legal counsel to Jayson and Leonard Zwierschke, who have been representing the Zwierschke brothers in their individual capacities for a number of months, to discuss the Indebtedness. No information was requested about the Indebtedness and no satisfactory resolution was reached. No payment or formal proposal to pay the Indebtedness has been made as of the swearing of this Affidavit.

36. Bennett Jones sent a letter to legal counsel to the Zwierschke brothers on November 25, 2015 outlining the concerns it has about the preservation and protection of the Property and the duties and obligations Jayson and Leonard Zwierschke owe to the Company and its stakeholders. The letter asked for certain undertakings to ensure the Property is safeguarded. A copy of that letter is attached as Exhibit "M".

37. On November 26, 2015 at 5:39 p.m. Bennett Jones received an email from legal counsel to the Zwierschke brothers stating that they had been instructed to indicate that Bennett Jones' concerns would be addressed in the manner Bennett Jones has requested, and requesting a form of undertaking (although the specific undertakings requested could have been provided in a letter). The email further advised (for the first time) that the "current members of the Board of Directors" had not been given access to the corporate file dealing with Bennett Jones' outstanding accounts despite a request to do so, and claimed that the Zwierschke brothers did not have detailed knowledge of the extent of Bennett Jones' outstanding fees and disbursements.

Bennett Jones was requested to forward copies of accounts rendered and a statement of outstanding amounts to legal counsel to the Zwierschke brothers. The email did not set out, or contemplate, any specific plan for payment of the Indebtedness. A copy of that email is attached as Exhibit "N".

38. The statement that the "current members of the Board of Directors" had not been given access to information regarding Bennett Jones' outstanding accounts does not reflect the fact that this information has been regularly provided to the Board, which includes the Zwierschke brothers, as set out in paragraphs 17 and 18 above. Further, until the aforementioned corporate governance dispute has been resolved, it is not clear who has corporate authority in respect of the Company and the Property. In any event, the details of the Indebtedness are set out in Exhibit "F" hereto.

F. APPOINTMENT OF A RECEIVER

39. More than 10 days will have elapsed by the time this Application is heard, and as of the date of this affidavit, no payment of the Indebtedness has been made. Bennett Jones has lost confidence in EGI and believes there is no reasonable prospect of payment of the Indebtedness. Bennett Jones is concerned about the erosion of its security interest given the aforementioned corporate governance issues and the lack of any realistic prospect of recovery outside of a court supervised process.

40. I therefore believe it is necessary for the Court to appoint a receiver who will realize on the Property in a manner that will maximize value for all stakeholders under the oversight of the Court.

41. In this regard, I believe that it is in the best interests of all stakeholders that a receiver be appointed to carry out a marketing and sale process for the Property under a process approved and supervised by the Court. Bennett Jones understands that Richter, if appointed, intends to return to the Court to seek the approval of such a process.

42. As set out above, EGI had earlier discussions with Richter. EGI has released Richter to act as Receiver. It is proposed that Richter be appointed as Receiver as it is familiar with the

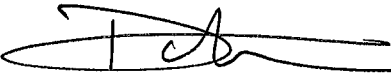
affairs of EGI and its appointment as Receiver is in the best interests of all stakeholders. Richter has agreed to accept the appointment, and a copy of its consent is attached hereto as Exhibit "O".

43. Richter is a trustee within the meaning of subsection 2(1) of the BIA and, as such, is permitted to be appointed Receiver over the Property.


44. I believe that the appointment of a Court-appointed receiver will enhance recovery and protect all stakeholders, as it will allow for a transparent sale process in respect of the Property and for the distribution of proceeds to any parties entitled to same under Court supervision.

45. This Affidavit is made in support of the within application for the appointment of Richter as receiver in respect of the Property and for no other or improper purpose.

SWORN BEFORE ME at the City of)
Toronto, in the Province of Ontario,)
this 27th day of November, 2015.)



A Commissioner, Etc.)



EDEN M. OLIVER)

BENNETT JONES LLP
Applicant

-and-

ELEMENTA GROUP INC.
Respondent

Court File No. CV-15-11198-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF EDEM M. OLIVER
(Sworn November 27, 2015)

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Gavin H. Finlayson (LSUC #44126D)
Email: finlaysong@bennettjones.com

Danish Afroz (LSUC #65786B)
Email: afrozd@bennettjones.com

Tel. (416) 863-1200
Fax (416) 863-1716

Lawyers for the Applicant, Bennett Jones LLP

TAB A

**THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF EDEN OLIVER
SWORN THE 27th DAY OF NOVEMBER, 2015.**

A handwritten signature in black ink, appearing to read 'Eden Oliver', written over a horizontal line.

A Commissioner for taking affidavits, etc.

Request ID: 018343638
 Transaction ID: 59496785
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2015/11/19
 Time Report Produced: 09:28:48
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2021929	ELEMENTA GROUP INC.	2003/01/30
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
509 GLENDALE AVE. E.		NOT APPLICABLE
Suite # 302		Amalgamation Ind.
NIAGARA-ON-THE-LAKE		NOT APPLICABLE
ONTARIO		
CANADA LOS 1J0		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
Mailing Address		Letter Date
509 GLENDALE AVE. E.		NOT APPLICABLE
Suite # 302		Revival Date
NIAGARA-ON-THE-LAKE		NOT APPLICABLE
ONTARIO		Continuation Date
CANADA LOS 1J0		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced In Ontario
		NOT APPLICABLE
		Date Ceased In Ontario
		NOT APPLICABLE
Activity Classification	Number of Directors Minimum Maximum	
NOT AVAILABLE	00001 00010	

Request ID: 018343638
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Province of Ontario
 Ministry of Government Services

Date Report Produced: 2015/11/19
 Time Report Produced: 09:28:48
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2021929	ELEMENTA GROUP INC.

Corporate Name History	Effective Date
ELEMENTA GROUP INC.	2008/10/29
ENQUEST POWER CORPORATION	2003/01/30

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
JOHN W. ASHBOURNE	12 UPPER CANADA DRIVE RR 3 NIAGARA-ON-THE-LAKE ONTARIO CANADA LOS 1J0

Date Began	First Director	Resident Canadian
2014/08/25	NOT APPLICABLE	Y
Designation	Officer Type	
DIRECTOR		

Request ID: 018343638
 Transaction ID: 59496785
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2015/11/19
 Time Report Produced: 09:28:48
 Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2021929	ELEMENTA GROUP INC.

Administrator: Name (Individual / Corporation)	Address
ERNIE DUECK	630 ALBERT ST. Suite # 4A FORT ERIE ONTARIO CANADA L2A 6R7

Date Began	First Director	Resident Canadian
2014/08/25	NOT APPLICABLE	
Designation	Officer Type	
DIRECTOR		Y

Administrator: Name (Individual / Corporation)	Address
BRUCE GOWAN	260 WEST BROWNS RD. RR 2 HUNTSVILLE ONTARIO CANADA P1H 2J3

Date Began	First Director	Resident Canadian
2014/08/25	NOT APPLICABLE	
Designation	Officer Type	
DIRECTOR		Y

Request ID: 018343638
Transaction ID: 59496785
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2015/11/19
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CORPORATION PROFILE REPORT

Ontario Corp Number

2021929

Corporation Name

ELEMENTA GROUP INC.

Administrator:
Name (Individual / Corporation)

GARRY
RAWSON

Address

6670 MCMICKING STREET

NIAGARA FALLS
ONTARIO
CANADA L2J 1X3

Date Began

2014/08/25

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:
Name (Individual / Corporation)

JAYSON
ZWIERSCHKE

Address

229 CREEKSIDE DRIVE

WELLAND
ONTARIO
CANADA L3C 0B6

Date Began

2003/01/30

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 018343638
Transaction ID: 59496785
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2015/11/19
Time Report Produced: 09:28:48
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2021929	ELEMENTA GROUP INC.

Administrator: Name (Individual / Corporation)	Address
LEONARD ZWIERSCHKE	229 CREEKSIDE DRIVE WELLAND ONTARIO CANADA L3C 0B6

Date Began	First Director	Resident Canadian
2010/06/29	NOT APPLICABLE	
Designation	Officer Type	
DIRECTOR		Y

Request ID: 018343638
Transaction ID: 59496785
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2015/11/19
Time Report Produced: 09:28:48
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2021929

ELEMENTA GROUP INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2015/10/30 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

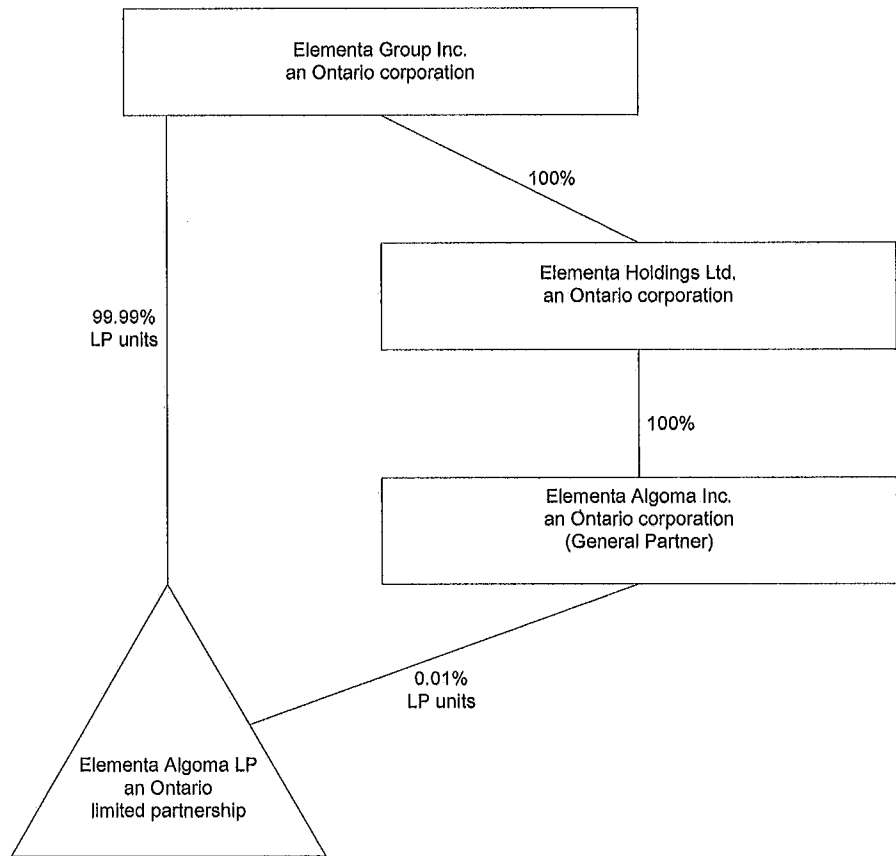
TAB B

**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF EDEN OLIVER
SWORN THE 27th DAY OF NOVEMBER, 2015.**



A Commissioner for taking affidavits, etc.

Elementa Corporate Structure – June 19, 2013



9256156 v.1

TAB C

**THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF EDEN OLIVER
SWORN THE 27th DAY OF NOVEMBER, 2015.**

A handwritten signature in black ink, appearing to be 'T. Oliver', written over a horizontal line.

A Commissioner for taking affidavits, etc.

Directors and Management of Elementa Group Inc.- January 2014**John W. Ashbourne, B.Ed., CHRP, CMC***Director*

John Ashbourne has held senior positions with corporations in Canada and the United States. With expertise in organizational development, labour relations and human resources management, he has played a leading role on management teams in a number of restructurings and corporate "turnarounds".

John has directed the human resources functions of corporations in the brand marketing, manufacturing and service sectors. He is an experienced labour negotiator. He has managed consulting engagements with a major utility, and with companies in the consumer products capital equipment, hospitality, retail and aerospace sectors.

A graduate of the University of Toronto, John completed The Advanced Program in Human Resources Management and The Advanced Program in Managing Strategic Change at the Rotman School of Business. He is professionally accredited by The Human Resources Professionals Association of Ontario and the Canadian Association of Management Consultants. He is a member of the Institute of Corporate Directors.

Ernie Dueck, BSc. (RMC), P. Eng.*Co-Founder, Director, Chief Technology Officer*

Ernie Dueck is a Professional Engineer with over 30 years of experience in various engineering roles and executive management positions in the aerospace industry, including 25 years with Pratt & Whitney and from 1993 to 1999 served as Vice President and General Manager of Fleet Industries Inc., a subsidiary of Magellan Aerospace. Ernie has a proven track record of directing technology-related endeavours, as he managed two of Pratt & Whitney's most technologically advanced manufacturing plants in Mississauga and Halifax. He successfully directed Fleet Industries Ltd. through a turbulent period culminating in the successful acquisition of Fleet Industries by Magellan Aerospace, clearly indicating Ernie's leadership skills in challenging industries.

Ernie has been directly involved in the development and evolution of Elementa's steam reforming technology, directing its analytical and design development, including build and running of the world class Elementa pilot plant in Sault Ste. Marie, Ontario. Ernie's key role and function with Elementa has been to provide engineering leadership and support in directing development of Elementa's proprietary steam reformation technology. He and the R&D team will play a key role in plant commissioning to ensure that technology objectives are accomplished.

Bruce W. Gowan, CPA, CA*Director*

Bruce W. Gowan is a professional accountant having a public accounting career starting with PricewaterhouseCoopers. After PWC, Bruce accumulated over 40 years experience with publicly traded companies in Canada and the United States, including 16 years as Chief Financial Officer with Magellan Aerospace Corporation, a manufacturer of aerospace components through its numerous subsidiaries in Canada, the United States, Europe and Asia.

Subsequent to his retirement, he has continued to serve on the Board of Directors of Magellan. In addition, he currently serves as Chairman of the Board of IWG Technologies, Inc., a Canadian publicly listed aerospace company. For seven years, he served on the Board of Directors (five as Chairman) of Lakeland Holdings Inc., a power generation and distribution company.

Throughout his career, he has served on several other public companies and non-profit organizations in both Canada and the United States. On Boards that Bruce currently sits on, he serves on various Committees of the Boards including Audit, Governance, Pension and Compensation. In addition to his Board and employment activities, Bruce has acted as a financial advisor to several other public and private companies.

Jeffrey Myers*Director*

Jeff has 35 years of experience in all aspects of the downstream energy sector with focus on mid to large infrastructure project development, financing, execution and operations. Jeff was a co-founder, Chairman of the Board, President and Chief Executive Officer of Pristine Power from its founding in 2002, public listing in 2008 and the successful sale of the company to Veresen in late 2010. From 1994 to 2002, Jeff was involved in leadership roles in the development of several major natural gas pipeline projects and the development, execution and operations of three gigawatts of independent power projects in four countries. Currently, Jeff is a Senior Operating Partner with Stonepeak Infrastructure Partners, and is a developer of independent power projects and an investor and Board member of companies in the clean tech space.

Garry Rawson, CPA, CMA, BA, MA*Director and CFO*

Garry is a professional accountant having obtained his Certified Management Accountant designation in 1978. Prior to this Garry completed a BA at the University of Western Ontario in 1972 and in 2006 he completed a Master Degree from Athabasca University.

Garry's career began in the accounting area and after reaching the Controller/VP Finance levels, his interest gravitated to general management and business development areas. Garry has held

positions of General Manager, Director of Finance & Operations, and Director of Business Development in numerous small and medium sized entrepreneurial organizations.

In these roles, he has provided leadership in financial, legal and operational areas, successfully restructuring, achieving sustainable profitability and managing rapid growth. Garry is respected for his ability to distill complex business challenges and opportunities into easy to understand concepts structures, including the inherent financial implications.

Jayson Zwierschke

Co-Founder, Director, President and CEO

Jayson has acquired senior management, operational and technology development experience with a focus on environmental waste management companies over his almost 20 year career. He has successfully directed environmental companies ranging from site remediation, environmental technology development such as in-vessel composting technology, and management of large-scale recycling operations and waste transfer systems in Ontario.

As a co-founder and Chief Executive Officer of Elementa Group Inc. since 2003, his focus has been to promote extended growth and long-term value by leveraging Elementa's energy from waste technology. Jayson has developed a solutions approach to addressing market demand for waste management and clean energy. He has developed an experienced and innovative management team to demonstrate and optimize Elementa's technology on a large commercial scale. Jayson has spent the last twelve years dedicated to technology development and implementation for the EFW market.

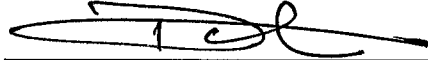
Leonard Zwierschke

Co-Founder & Director

Len Zwierschke has more than 30 years of experience in the construction, transportation and environmental remediation industries. He has successfully owned and operated a large development service business, acquiring experience in budgeting, corporate funding and project management, estimating and logistics systems. In growing a large multi-disciplined construction group, Mr. Zwierschke has directed his company through various and applicable projects directly related to the commercialization of Elementa Group Inc. with strengths in project design, project financing, bid tendering, general construction supervision, operations of mobile process equipment, and maintenance programs.

TAB D

**THIS IS EXHIBIT "D" REFERRED TO IN THE
AFFIDAVIT OF EDEN OLIVER
SWORN THE 27th DAY OF NOVEMBER, 2015.**

A handwritten signature in black ink, appearing to read 'E. Oliver', is written over a horizontal line.

A Commissioner for taking affidavits, etc.



3400 One First Canadian Place, PO Box 130
 Toronto, Ontario, Canada M5X 1A4
 Tel: 416.863.1200 Fax: 416.863.1716
 www.bennettjones.com

Edon M. Oliver
 Partner
 Direct Line: 416.777.7499
 e-mail: olivere@bennettjones.com

May 3, 2012

Mr. Jayson Zwierschke
 President & C.E.O.
 Elementa Group Inc,
 509 Glendale Ave. E., Suite 302
 Niagara-on-the-Lake, ON
 L0S 1J0

Dear Jay:

Re: Terms of Engagement

We are pleased to have the opportunity to assist Elementa Group Inc, ("Elementa") in further developing its business model and providing tax and other structuring advice. This letter describes the basis upon which we will represent Elementa and the terms of our engagement.

Client

This engagement does not create a lawyer-client relationship with any persons (including any entities who are related to Elementa, such as joint venturers, parents, subsidiaries, affiliates, employees, officers, directors, shareholders or partners) other than Elementa.

Scope of Engagement

We confirm that Elementa has retained us as legal counsel to assist Elementa in the development of its business model and providing tax, corporate and commercial advice ("Retainer").

We understand and agree that this is not an exclusive agreement, and Elementa is free at any time to retain any other law firm or legal advisors of Elementa's choosing. We recognize and agree that we will be disqualified from representing any other client with interests materially and directly adverse to Elementa: (i) in any particular matter which is substantially related to our representation of Elementa in respect of and during the term of this Retainer; and (ii) with respect to any matter where members of our firm hold confidential information about Elementa in connection with any specific and defined mandate or assignment that cannot be effectively and adequately "ethically walled" within our firm to prevent same from being used to Elementa's disadvantage. Except as stated above, Elementa agrees that: (i) we are otherwise free to represent other clients, including clients whose interests may conflict with, or be adverse to, Elementa's interests in litigation, business

May 3, 2012
Page Two

transactions, or other legal matters; and (ii) our representation of Elementa in respect of this Retainer will not prevent or disqualify us from representing clients whose interests are adverse to Elementa in other matters (for example, where our firm is retained by a buyer of goods or services who wishes to be a customer of Elementa), or where we may act for a party who may otherwise wish to do business directly with Elementa, and Elementa hereby consents in advance to our accepting such adverse representations.

Scope of Our Work

Elementa should have a clear understanding of our legal services pursuant to this Retainer, so we are pleased to promptly answer any questions that Elementa should have.

Any advice or other views we express concerning the outcome of Elementa's legal matters are based on our best professional judgment, but are not guarantees. Such advice and expressions are necessarily limited by our knowledge of the facts and are based on the state of the law at the time they are expressed.

It is our policy that the person or entity that we represent is the person or entity that is identified in our engagement letter, and absent an express agreement to the contrary does not include any other persons or entities. If Elementa believes this engagement includes additional entities or persons as our clients, Elementa should inform us immediately.

Disclosure

In order to enable us to render effectively the legal services contemplated, Elementa agrees to provide us with complete and accurate facts and to keep us informed of all issues, aspects and developments relating to this Retainer. We must necessarily rely on the accuracy and completeness of the facts and information that Elementa, and its agents, provide to us.

Providers of Legal Services

Customarily, each client of our firm is served by a principal lawyer contact, and Elementa has requested that one of our senior partners, Eden Oliver, assume that role for this Retainer. Elementa may request a change of principal lawyer at any time. Please feel free to contact the Chairman and CEO of our firm, Hugh MacKinnon, at any time in that regard. Subject to the supervisory role of Ms. Oliver as the principal lawyer, Elementa's work or parts of it may be performed by other legal professionals in our firm. Such delegation may be for the purpose of involving legal professionals with specialized expertise in a given area or for the purpose of providing services on the most efficient, cost-effective and timely basis. Whenever practicable, we will advise Elementa of the names of those lawyers and legal assistants who work on this Retainer.

Setting of Fees

Our time and expenses will be charged, as described in this letter and the attached standard Terms of Engagement. The basis for determining our fees will be the time spent on the matter. In

May 3, 2012
Page Three

determining the chargeable time for a matter, we include telephone calls, meetings, preparation time, sending correspondence, receiving and reviewing correspondence, drafting documents, travel time, reviewing documents and files, research, court appearances and generally all time spent in providing legal services to Elementa in the matter. Records of time and/or services rendered are kept, and where appropriate, will be included in the accounts sent to Elementa. We are prepared to modify our usual fee arrangements in the manner set out in the attached Terms of Engagement.

The time charges for a matter will depend on the hourly rate of the lawyer or lawyers who have been assigned to perform the subject legal work. Since our most senior lawyers rely heavily upon, and supervise, the appropriate work of our more junior lawyers, our resulting aggregate hourly billing rates to clients are blended depending on the mix of experience, expertise and professional judgment that is required for each assignment.

The current hourly rates of the lawyers who, at this time, have been identified to work on this engagement, are as follows (all figures are expressed in Canadian dollars):

Lawyers	Hourly Rate
Eden Oliver	\$800
Claire Kennedy	\$800
Michael Barrett	\$660

Our standard rates range for students, senior clerks and junior associates from \$200-\$450, for mid to senior level associates to more junior partners from \$460-\$650, and our more senior lawyers from \$675 and up.

Our hourly rates are subject to periodic reviews and adjustment, and we reserve the right to revise our hourly rates in accordance with such general reviews. The hourly rates noted for this engagement will not be adjusted prior to the end of this calendar year. We will work closely and very cooperatively with Elementa to ensure that fair and reasonable legal fees are reliably estimated by us for each milestone, stage and increment of any of the mandates assigned to us pursuant to this Retainer (as they are defined by Elementa). Elementa must appreciate that there are many variables related to our legal fees that are not under our control or influence, but (instead) are based on factors that are external to our firm.

Legal services will be assigned to the appropriate level of expertise and experience in order to minimize Elementa's legal fees. If Elementa has any questions about our rates, do not hesitate to ask them.

Interim monthly accounts will be rendered and based on the amount of time spent on the matter to the point in time the interim account is sent.

May 3, 2012
Page Four

Withdrawal or Termination

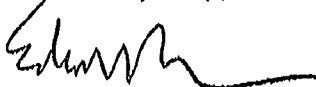
Our relationship is based upon mutual consent and Elementa may terminate our representation at any time, with or without cause, by notifying us. Elementa's termination of our services will not affect Elementa's responsibility for payment of fees for legal services rendered and of additional costs incurred before termination and in connection with an orderly transition of the matter.

We are subject to the rules of professional conduct for lawyers applicable in the jurisdictions in which we practice. These rules list several types of conduct or circumstances that require or permit us to withdraw from representing a client, including for example, nonpayment of fees or costs, misrepresentation or failure to disclose material facts, fundamental disagreement, and conflict of interest with another client. We will try to identify in advance and discuss with Elementa any situation that may lead to our withdrawal, and if withdrawal ever becomes necessary, we will give Elementa written notice of our withdrawal. If we are required or elect to withdraw for any reason, Elementa agrees that it will take all steps necessary to free us of any obligation to perform further professional services, including the execution of any documents necessary to complete our withdrawal, and we will be entitled to be paid for all services rendered and additional costs accrued on Elementa's behalf to the date of withdrawal.

This letter also incorporates our standard Terms of Engagement, a copy of which are attached.

If this letter reflects Elementa's understanding of the terms and conditions of our engagement, please so indicate by executing the enclosed copy of this letter in the space provided below and returning it to the undersigned.

Yours very truly,



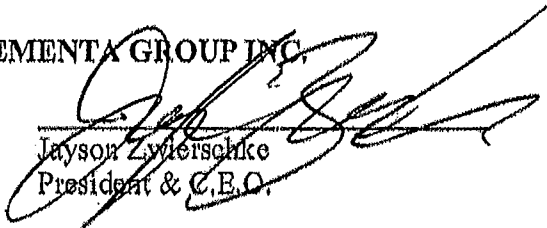
Eden M. Oliver

BMO/nm

ACCEPTED AND AGREED to effective as of the 4th day of May, 2012.

ELEMENTA GROUP INC.

Per:



Jayson Zyverschke
President & C.E.O.

BENNETT JONES LLP

*Terms of Engagement
for Legal Services*

This statement sets forth certain standard terms of our engagement as your counsel and is intended as a supplement to the engagement letter that we have entered into with you as our Client. Unless modified in writing by mutual agreement, these terms will be an integral part of our agreement with you as reflected in the engagement letter.

The Scope of Our Work

You should have a clear understanding of the legal services we will provide. Any questions that you have should be dealt with promptly.

We will at all times act on your behalf to the best of our ability. Any expressions on our part concerning the outcome of your legal matters are expressions of our best professional judgment, but are not guarantees. Such opinions are necessarily limited by our knowledge of the facts and are based on the state of the law at the time they are expressed.

It is our policy that the person or entity that we represent is the person or entity that is identified in our engagement letter, and absent an express agreement to the contrary does not include any affiliates of such person or entity (e.g., if you are a corporation or partnership, any parents, subsidiaries, employees, officers, directors, shareholders or partners of the corporation or partnership, or commonly owned corporations or partnerships; or, if you are a trade association, any members of the trade association). If you are a corporation, we are ultimately responsible to your board of directors. If you believe this engagement includes additional entities or persons as our clients you should inform us immediately.

It is also our policy that the solicitor-client relationship will be considered terminated upon our completion of any services that you have retained us to perform. If you later retain us to perform further or additional services, our solicitor-client relationship will be revived subject to the terms of engagement that we agree on at that time.

This engagement shall be subject to the rules and codes of professional conduct of those jurisdictions in which the work is performed.

Providers of Legal Services

Customarily, each client of our firm is served by a principal lawyer contact. The principal lawyer should be someone in whom you have confidence and with whom you enjoy working. You may request a change of principal lawyer at any time. Please feel free to contact the Managing Partner of any one of our offices or of the firm in that regard. Subject to the supervisory role of the principal lawyer, your work or parts of it may be performed by other lawyers and legal assistants in our firm. Such delegation may be for the purpose of involving lawyers or legal assistants with

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May 3, 2012
Page Two

special expertise in a given area or for the purpose of providing services on the most efficient and timely basis. Whenever practicable, we will advise you of the names of those lawyers and legal assistants who work on your matters.

Setting of Fees

Our fees are our charges for our services. To the extent that legal fees are subject to taxes, such taxes will be added to accounts. Fees for the Retainer will be determined as follows:

The basis for determining fees is the time spent on the matter. In determining the chargeable time for a matter, we include telephone calls, meetings, preparation time, sending correspondence, receiving and reviewing correspondence, drafting documents, travel time, reviewing documents and files, research, court appearances and generally all time spent in providing legal services to you in the matter. Records of time and/or services rendered are kept, and where appropriate, will be included in the accounts sent to you.

The time charges for a matter will depend on the hourly rate of the lawyer or lawyers doing the work.

Hourly rates may be changed from time to time. If you have any questions about our rates, do not hesitate to ask them.

Interim accounts will be based on the amount of time spent on the matter to the point in time the interim account is sent.

Other Charges

Under the applicable rules of professional conduct in those jurisdictions in which we practice, we are allowed to recover certain "Other Charges" for non-legal services. You will be charged for other charges relating to charges incurred on your behalf. Examples of Other Charges are on-line research charges, photocopy, FAX transmissions and long distance phone charges.

Disbursements

"Disbursements" are payments we make to third parties to carry your matter forward. Some examples of Disbursements are agents' fees, long distance charges for telephone calls and long distance FAX transmissions, courier charges, travel expenses, Land Titles Office fees, Corporate Registry fees, transcripts, court filing fees, process service fees, surveys, search and certificate fees and generally any other payments we must make to third parties on your behalf. You will be responsible for paying our Disbursements on your matter. You will also be responsible for paying taxes on the Disbursements, where applicable.

May 3, 2012
Page Three

Advance Payments

We may require a payment to cover the fees and disbursements for the next block of work to be done. This money will be kept in a trust account, will be used for the payment of Other Charges and Disbursements as they are incurred, and will be applied to payment of fees when an account is rendered. When an account is rendered, you may be asked to bring the advance back up to its previous level. Any unused portion of amounts advanced will be refundable at the conclusion of the Retainer.

Billing Arrangements and Terms

Our billing rates are based on the assumption of prompt payment. Consequently, unless other arrangements are made, fees for services and other charges will be billed monthly and are payable within 30 days of receipt. Accounts unpaid after 30 days will be subject to interest calculated on the outstanding balance until the account is paid in full at the rate of 12% per annum or at such lesser rate as may be prescribed from time to time by our governing bodies.

Client and Firm Documents

We will maintain any documents that you furnish to us in our client file or files for specific matters undertaken under the Retainer. At your request, we will return your documents to you at the conclusion of the specific matter or the Retainer. It is your obligation to tell us which, if any, of the documents that you furnish us that you want returned. We will return those documents to you promptly after our receipt of payment for outstanding fees, Other Charges and Disbursements. Our own files pertaining to each matter, including the work performed by our lawyers, will be retained by our firm. Any documents retained by the firm will be kept for a certain period of time, and ultimately we will destroy them in accordance with our record retention program then in effect.

In the event we are authorized or requested by you or on your behalf, or required by law as we may determine, or by any legal process, to produce any of (a) our files, (b) your files stored with us or (c) our personnel as formal or informal witnesses or information sources with respect to our engagement or potential engagements, you agree to pay or reimburse us for our professional time (at then applicable hourly rates for personnel who have hourly rates and on a reasonable basis otherwise) and ancillary services and expenses as incurred in preparing and implementing a response to such a request or requirement. As used in the preceding sentences, the term "files" includes all documents and data in any form, including but not limited to original documents, physical copies, images and computer media.

T A B E

**THIS IS EXHIBIT "E" REFERRED TO IN THE
AFFIDAVIT OF EDEN OLIVER
SWORN THE 27th DAY OF NOVEMBER, 2015.**



A Commissioner for taking affidavits, etc.



Bennett Jones LLP
3400 One First Canadian Place, PO Box 130
Toronto, Ontario, Canada M5X 1A4
Tel: 416.863.1200 Fax: 416.863.1716

Eden M. Oliver
Partner
Direct Line: 416.777.7499
e-mail: olivere@bennettjones.com
Our File No.: 69437.37

CONFIDENTIAL

May 14, 2015

The Board of Directors
Elementa Group Inc.
509 Glendale Ave. E.
Suite 302
Niagara-on-the-Lake, ON
L0S 1J0

Dear Sirs:

Re: Elementa Group Inc.

As you know Bennett Jones has been working with Elementa since early May 2012. We have sent our accounts on a regular monthly basis through December 2014. The list of accounts is attached and the total outstanding in fees and expenses alone before interest is approx \$ 1.74 million before interest.

While we have not sent you our accounts for work done since January 1, 2015, we have significant unbilled fees and expenses as work in process for our time and expenses in continuing to assist Elementa. As of May 5, 2015, they total approximately \$240,000. An itemized pre-bill as of May 5 is attached.

[REDACTED]

[REDACTED]

[REDACTED]

May 14, 2015
Page Two



We appreciate your urgent attention. We suggest a board meeting in person be convened as soon as is practicable next week.

Yours truly,

Eden M. Oliver

EMO/mn

c. Mr. John MacNeil

TAB F

**THIS IS EXHIBIT "F" REFERRED TO IN THE
AFFIDAVIT OF EDEN OLIVER
SWORN THE 27th DAY OF NOVEMBER, 2015.**



A Commissioner for taking affidavits, etc.

Matter ID	Mtr Description 1	Invoice#	Date	Total Balance	Days Outstanding	# days for Interest calc	Interest due to Nov 18, 2015
069437.00001	STRUCTURING	952166	22/08/2012	23,536.96	1183	1153	\$ 8,922.12
069437.00002	INDIA	952167	22/08/2012	12,913.36	1183	1153	\$ 4,895.05
069437.00001	STRUCTURING	960482	07/11/2012	8,893.38	1106	1076	\$ 3,146.06
069437.00002	INDIA	960483	07/11/2012	10,332.72	1106	1076	\$ 3,655.24
069437.00001	STRUCTURING	965806	13/12/2012	19,401.25	1070	1040	\$ 6,633.63
069437.00003	ATS. THOMAS HUGHES, O/A CREATIVE SOLUTIONS	965807	13/12/2012	1,394.70	1070	1040	\$ 476.87
069437.00001	STRUCTURING	972466	31/12/2012	46,501.48	1052	1022	\$ 15,624.50
069437.00003	ATS. THOMAS HUGHES, O/A CREATIVE SOLUTIONS	972467	31/12/2012	1,659.41	1052	1022	\$ 557.56
069437.00004	CN PATENT APPLN. 2006800002624.0	972108	31/12/2012	4,820.64	1052	1022	\$ 1,619.74
069437.00006	CA P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	972111	31/12/2012	3,234.06	1052	1022	\$ 1,086.64
069437.00001	STRUCTURING	974276	07/02/2013	38,629.90	1014	984	\$ 12,497.04
069437.00003	ATS. THOMAS HUGHES, O/A CREATIVE SOLUTIONS	974277	07/02/2013	6,737.96	1014	984	\$ 2,179.78
069437.00006	CA P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	979561	26/03/2013	463.96	967	937	\$ 142.93
069437.00007	BR P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	979562	26/03/2013	952.64	967	937	\$ 293.47
069437.00009	NZ P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	979564	26/03/2013	1,087.37	967	937	\$ 334.97
069437.00010	RU P METHOD FOTHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	979565	26/03/2013	710.72	967	937	\$ 218.94
069437.00011	ZA P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	979566	26/03/2013	748.61	967	937	\$ 230.61
069437.00013	SG P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	979567	26/03/2013	1,098.46	967	937	\$ 338.39
069437.00001	STRUCTURING	981559	11/04/2013	29,603.46	951	921	\$ 8,963.77
069437.00002	INDIA	981560	11/04/2013	45.29	951	921	\$ 13.71
069437.00003	ATS. THOMAS HUGHES, O/A CREATIVE SOLUTIONS	981561	11/04/2013	14,489.14	951	921	\$ 4,387.23
069437.00018	LJM ENTERPRISES INC.	981562	11/04/2013	607.66	951	921	\$ 184.00
069437.00013	SG P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	987153	06/06/2013	1,032.89	895	865	\$ 293.74
069437.00008	MX P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	987233	07/06/2013	1,018.56	894	864	\$ 289.33
069437.00015	EP P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	987252	07/06/2013	8,392.31	894	864	\$ 2,383.88
069437.00001	STRUCTURING	988539	14/06/2013	77,492.15	887	857	\$ 21,833.68
069437.00003	ATS. THOMAS HUGHES, O/A CREATIVE SOLUTIONS	988542	14/06/2013	2,512.56	887	857	\$ 707.92
069437.00018	LJM ENTERPRISES INC.	988543	14/06/2013	1,182.83	887	857	\$ 333.27
069437.00001	STRUCTURING	990783	10/07/2013	36,204.43	861	831	\$ 9,891.25
069437.00003	ATS. THOMAS HUGHES, O/A CREATIVE SOLUTIONS	990784	10/07/2013	28,259.32	861	831	\$ 7,720.60
069437.00006	CA P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	993954	25/07/2013	2,922.46	846	816	\$ 784.02
069437.00012	JP P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	993955	25/07/2013	1,288.77	846	816	\$ 345.74
069437.00001	STRUCTURING	997380	26/08/2013	32,985.23	814	784	\$ 8,502.06
069437.00003	ATS. THOMAS HUGHES, O/A CREATIVE SOLUTIONS	997381	26/08/2013	18,965.16	814	784	\$ 4,888.33
069437.00020	ALISON WISE	997382	26/08/2013	2,722.74	814	784	\$ 701.80
069437.00001	STRUCTURING	1000691	27/09/2013	23,789.98	782	752	\$ 5,881.67
069437.00003	ATS. THOMAS HUGHES, O/A CREATIVE SOLUTIONS	1000692	27/09/2013	10,546.01	782	752	\$ 2,607.32
069437.00020	ALISON WISE	1000693	27/09/2013	220.35	782	752	\$ 54.48
069437.00001	STRUCTURING	1007067	19/11/2013	44,578.64	729	699	\$ 10,244.54
069437.00003	ATS. THOMAS HUGHES, O/A CREATIVE SOLUTIONS	1007068	19/11/2013	4,516.07	729	699	\$ 1,037.83
069437.00020	ALISON WISE	1007072	19/11/2013	1,475.14	729	699	\$ 339.00
069437.00004	CN PATENT APPLN. 2006800002624.0	1008419	30/11/2013	9,852.78	718	688	\$ 2,228.62
069437.00005	US. PATENT APPLN. 12/881,057 METHOD FOR STEAM REFORMING	1008350	30/11/2013	7,223.59	718	688	\$ 1,633.92
069437.00007	BR P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1008420	30/11/2013	828.82	718	688	\$ 187.47
069437.00012	JP P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1008363	30/11/2013	13,087.22	718	688	\$ 2,960.22
069437.00014	KR P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1008364	30/11/2013	8,725.58	718	688	\$ 1,973.65
069437.00017	GENERAL PATENT MATTERS	1008383	30/11/2013	1,034.80	718	688	\$ 234.06
069437.00001	STRUCTURING	1010017	11/12/2013	88,805.48	707	677	\$ 19,765.91
069437.00003	ATS. THOMAS HUGHES, O/A CREATIVE SOLUTIONS	1010018	11/12/2013	1,039.32	707	677	\$ 231.33
069437.00001	STRUCTURING	1015572	31/12/2013	99,857.08	687	657	\$ 21,569.13
069437.00003	ATS. THOMAS HUGHES, O/A CREATIVE SOLUTIONS	1015573	31/12/2013	1,944.73	687	657	\$ 420.06
069437.00006	CA P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1017557	31/12/2013	543.53	687	657	\$ 117.40
069437.00014	KR P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1017689	31/12/2013	6,774.10	687	657	\$ 1,463.21
069437.00015	EP P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1017690	31/12/2013	26,912.48	687	657	\$ 5,813.10
069437.00020	ALISON WISE	1015574	31/12/2013	223.46	687	657	\$ 48.27
069437.00001	STRUCTURING	1019866	12/02/2014	231,270.89	644	614	\$ 46,685.04
069437.00003	ATS. THOMAS HUGHES, O/A CREATIVE SOLUTIONS	1019867	12/02/2014	1,917.61	644	614	\$ 387.09
069437.00018	LJM ENTERPRISES INC.	1019868	12/02/2014	681.39	644	614	\$ 137.55
069437.00020	ALISON WISE	1019869	12/02/2014	302.84	644	614	\$ 61.13
069437.00001	STRUCTURING	1022787	13/03/2014	113,314.87	615	585	\$ 21,793.71
069437.00003	ATS. THOMAS HUGHES, O/A CREATIVE SOLUTIONS	1022788	13/03/2014	1,641.89	615	585	\$ 315.78
069437.00018	LJM ENTERPRISES INC.	1022789	13/03/2014	75.71	615	585	\$ 14.56
069437.00004	CN PATENT APPLN. 2006800002624.0	1024915	03/04/2014	3,523.93	594	564	\$ 653.42
069437.00012	JP P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1024970	03/04/2014	5,632.77	594	564	\$ 1,044.45
069437.00019	KR P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1024935	03/04/2014	2,430.82	594	564	\$ 450.73
069437.00016	AU P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1025072	04/04/2014	923.93	593	563	\$ 171.02
069437.00001	STRUCTURING	1025972	11/04/2014	115,119.04	586	556	\$ 21,043.13
069437.00003	ATS. THOMAS HUGHES, O/A CREATIVE SOLUTIONS	1025973	11/04/2014	832.81	586	556	\$ 152.23
069437.00018	LJM ENTERPRISES INC.	1025974	11/04/2014	75.71	586	556	\$ 13.84
069437.00020	ALISON WISE	1025975	11/04/2014	379.68	586	556	\$ 69.40
069437.00001	STRUCTURING	1029298	09/05/2014	92,197.83	558	528	\$ 16,004.53
069437.00018	LJM ENTERPRISES INC.	1029299	09/05/2014	227.13	558	528	\$ 39.43
069437.00020	ALISON WISE	1029300	09/05/2014	24,348.79	558	528	\$ 4,226.68
069437.00013	SG P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1029786	14/05/2014	179.15	553	523	\$ 30.80
069437.00003	ATS. THOMAS HUGHES, O/A CREATIVE SOLUTIONS	1032997	11/06/2014	1,235.09	525	495	\$ 201.00
069437.00020	ALISON WISE	1032998	11/06/2014	3,917.15	525	495	\$ 637.48
069437.00001	STRUCTURING	1033631	16/06/2014	54,964.05	520	490	\$ 8,854.48
069437.00006	CA P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1035613	30/06/2014	2,852.69	506	476	\$ 446.43
069437.00008	MX P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1035634	30/06/2014	1,461.62	506	476	\$ 228.73
069437.00019	KR P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1035635	30/06/2014	962.11	506	476	\$ 150.56
069437.00021	JP DIV. P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1035734	03/07/2014	4,940.93	503	473	\$ 768.35
069437.00020	ALISON WISE	1042113	22/08/2014	9,785.62	453	423	\$ 1,360.87

Matter ID	Mtr Description 1	Invoice#	Date	Total Balance	Days Outstanding	# days for interest calc	Interest due to Nov 18, 2015
069437.00034	OSC (ONTARIO SECURITIES COMMISSION)	1046377	30/09/2014	3,749.52	414	384	\$ 473.36
069437.00035	FERRI/NORTHGUARD	1046378	30/09/2014	28,049.99	414	384	\$ 3,541.22
069437.00036	GOVERNANCE	1046379	30/09/2014	66,431.85	414	384	\$ 8,386.79
069437.00037	FINANCING	1046380	30/09/2014	24,513.64	414	384	\$ 3,094.76
069437.00003	ATS. THOMAS HUGHES, O/A CREATIVE SOLUTIONS	1052382	20/11/2014	2,548.25	363	333	\$ 278.98
069437.00020	ALISON WISE	1052383	20/11/2014	30,582.31	363	333	\$ 3,348.13
069437.00033	PROJECT ALGOMA	1052384	20/11/2014	18,578.64	363	333	\$ 2,033.98
069437.00034	OSC (ONTARIO SECURITIES COMMISSION)	1052385	20/11/2014	10,166.61	363	333	\$ 1,113.03
069437.00036	GOVERNANCE	1052386	20/11/2014	13,191.15	363	333	\$ 1,444.16
069437.00037	FINANCING	1052387	20/11/2014	49,330.72	363	333	\$ 5,400.70
069437.00005	US. PATENT APPLN. 12/881,057 METHOD FOR STEAM REFORMING	1056322	16/12/2014	7,355.13	337	307	\$ 742.36
069437.00004	CN PATENT APPLN. 2006800002624.0	1061180	31/12/2014	735.52	322	292	\$ 70.61
069437.00005	US. PATENT APPLN. 12/881,057 METHOD FOR STEAM REFORMING	1061181	31/12/2014	700.32	322	292	\$ 67.23
069437.00006	CA P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1061182	31/12/2014	600.03	322	292	\$ 57.60
069437.00007	BR P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1061183	31/12/2014	917.06	322	292	\$ 88.04
069437.00011	ZA P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1063056	31/12/2014	316.80	322	292	\$ 30.41
069437.00015	EP P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1061301	31/12/2014	1,347.12	322	292	\$ 129.32
069437.00020	ALISON WISE	1063293	13/01/2015	3,687.22	309	279	\$ 338.21
069437.00033	PROJECT ALGOMA	1063294	13/01/2015	563.76	309	279	\$ 51.71
069437.00036	GOVERNANCE	1063295	13/01/2015	203.40	309	279	\$ 18.66
069437.00037	FINANCING	1063296	13/01/2015	5,588.14	309	279	\$ 512.58
069437.00005	US. PATENT APPLN. 12/881,057 METHOD FOR STEAM REFORMING	1083096	14/07/2015	6,870.89	127	97	\$ 219.12
069437.00007	BR P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1083426	15/07/2015	6,433.98	126	96	\$ 203.07
069437.00005	US. PATENT APPLN. 12/881,057 METHOD FOR STEAM REFORMING	1089468	27/08/2015	1,886.92	83	53	\$ 32.88
069437.00006	CA P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1094881	09/10/2015	2,965.40	40	10	\$ 9.75
069437.00011	ZA P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1094882	09/10/2015	103.48	40	10	\$ 0.34
069437.00007	BR P METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL	1099961	17/11/2015	1,030.75	1	-29	\$ -
Total				1,758,466.35			\$ 371,518.48

ELEMENTA WIP REPORT
(January 5, 2015 through to November 6, 2015)

Matter ID	Matter Description	Date	Fees & Disbursements	GST Fees & Disbursements	Total Balance Owing
069437.00037	Financing	06/11/2015	\$572,269.32	\$74,378.89	\$646,648.21
069437.00020	Alison Wise	06/11/2015	\$ 55,660.00	\$ 7,235.81	\$ 62,895.81
069437.00001	Structuring	06/11/2015	\$48,911.50	\$ 6,344.46	\$ 55,255.96
069437.00034	OSC	06/11/2015	\$ 23,811.00	\$ 3,095.44	\$ 26,906.44
069437.00010	RU P Method Fothod for Steam Reforming Carbonaceous Material	06/11/2015	\$ 719.68	\$ 58.50	\$ 778.18
TOTAL			\$701,371.50	\$91,113.10	\$792,484.60

ELEMENTA GROUP INC.
509 GLENDALE AVE. E., SUITE 302
NIAGRA-ON-THE-LAKE, ONTARIO L0S 1J0
CANADA

Attention: JAYSON ZWIERSCHKE

Re: STRUCTURING
Our File Number: 069437.00001

Date: August 22, 2012
Invoice: 952166
GST/HST Number: 119346757

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	34,093.00
Other Charges		10.50
Total Due before GST/HST	\$	<u>34,103.50</u>
GST/HST	\$	4,433.46
TOTAL Due in CAD	\$	<u><u>38,536.96</u></u>

Kathy Voskopoulos

From: Kathy Voskopoulos
Sent: 28 August 2012 11:34 AM
To: 'jay@elementagroup.com'
Cc: Eden Oliver
Subject: Bennett Jones - Statements of Account
Attachments: Zwierschke LTR.PDF; August2012-952166.PDF; August2012-952167.PDF

Dear Mr. Zwierschke,

Attached please find our accounts for services rendered.

Thank you.

Kathy Voskopoulos
Resource Assistant



T 416 777 6247 / F 416 863 1716 / E voskopoulosk@bennettjones.com
Suite 3400, 1 First Canadian Place / P.O. Box 130 / Toronto, Ontario M5X 1A4



Bennett Jones LLP
3400 One First Canadian Place, PO Box 130
Toronto, Ontario, Canada M5X 1A4
Tel: 416.863.1200 Fax: 416.863.1716

Eden M. Oliver
Partner
Direct Line: 416.777.7499
e-mail: olivere@bennettjones.com
Our File No.: 69431.1

August 28, 2012

Via E-Mail

Mr. Jayson Zwierschke
President & C.E.O.
Elementa Group Inc.
509 Glendale Ave. E., Suite 302
Niagara-on-the-Lake, ON L0S 1J0

Dear Jay:

Re: Elementa Group Inc. – Statements of Account

Structuring File No. 69431.1

India – File No. 69431.2

Enclosed please find our Statements of Account for services rendered with respect to the above-noted matters.

We trust you will find the foregoing to be satisfactory; however, should you have any questions or concerns with respect to the enclosed accounts, please call me at your convenience.

Yours truly,

A handwritten signature in black ink, appearing to read 'Eden M. Oliver', written over a horizontal line.

Eden M. Oliver

EMO/kv
Enclosure

ELEMENTA GROUP INC.
509 GLENDALE AVE. E., SUITE 302
NIAGRA-ON-THE-LAKE, ONTARIO L0S 1J0
CANADA

Attention: JAYSON ZWIERSCHKE

Re: INDIA
Our File Number: 069437.00002

Date: August 22, 2012
Invoice: 952167
GST/HST Number: 119346757

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	11,361.00
Other Charges		66.75
Total Due before GST/HST	\$	<u>11,427.75</u>
GST/HST	\$	1,485.61
TOTAL Due in CAD	\$	<u><u>12,913.36</u></u>

Kathy Voskopoulos

From: Kathy Voskopoulos
Sent: 28 August 2012 11:34 AM
To: 'jay@elementagroup.com'
Cc: Eden Oliver
Subject: Bennett Jones - Statements of Account
Attachments: Zwierschke LTR.PDF; August2012-952166.PDF; August2012-952167.PDF

Dear Mr: Zwierschke,

Attached please find our accounts for services rendered.

Thank you.

Kathy Voskopoulos
Resource Assistant



T 416 777 6247 / F 416 863 1716 / E voskopoulosk@bennettjones.com
Suite 3400, 1 First Canadian Place / P.O. Box 130 / Toronto, Ontario M5X 1A4



Bennett Jones LLP
3400 One First Canadian Place, PO Box 130
Toronto, Ontario, Canada M5X 1A4
Tel: 416.863.1200 Fax: 416.863.1716

Eden M. Oliver
Partner
Direct Line: 416.777.7499
e-mail: olivere@bennettjones.com
Our File No.: 69431.1

August 28, 2012

Via E-Mail

Mr. Jayson Zwierschke
President & C.E.O.
Elementa Group Inc.
509 Glendale Ave. E., Suite 302
Niagara-on-the-Lake, ON L0S 1J0

Dear Jay:

**Re: Elementa Group Inc. – Statements of Account
Structuring – File No. 69431.1
India – File No. 69431.2**

Enclosed please find our Statements of Account for services rendered with respect to the above-noted matters.

We trust you will find the foregoing to be satisfactory; however, should you have any questions or concerns with respect to the enclosed accounts, please call me at your convenience.

Yours truly,

A handwritten signature in black ink, appearing to read 'Eden M. Oliver', written over a horizontal line.

Eden M. Oliver

EMO/kv
Enclosure

ELEMENTA GROUP INC.
509 GLENDALE AVE. E., SUITE 302
NIAGRA-ON-THE-LAKE, ONTARIO L0S 1J0
CANADA

Attention: JAYSON ZWIERSCHKE

Re: STRUCTURING
Our File Number: 069437.00001

Date: December 13, 2012
Invoice: 965806
GST/HST Number: 119346757

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	16,977.00
Other Charges		192.25
Total Due before GST/HST	\$	<u>17,169.25</u>
GST/HST	\$	2,232.00
TOTAL Due in CAD	\$	<u><u>19,401.25</u></u>

Kathy Voskopoulos


From: Eden Oliver
Sent: 17 December 2012 3:58 PM
To: Jayson Zwierschke; Garry Rawson
Subject: Bennett Jones LLP - Statements of Account
Attachments: Account Cover Ltr.pdf; Account 965806.pdf; Account 965807.pdf

Dear Jay and Garry,

Attached are our accounts for the month of November, which I trust are satisfactory. Please call me if you have any questions.

Best regards, Eden

Eden M. Oliver
Partner

 **Bennett
Jones** LLP
T 416 777 7499 / F 416 863 1716 / E olivere@bennettjones.com
Suite 3400, 1 First Canadian Place / P.O. Box 130 / Toronto, Ontario M5X 1A4

Eden M. Oliver
Partner
Direct Line: 416.777.7499
e-mail: olivere@bennettjones.com
Our File No.: 069437

December 17, 2012

Via E-Mail

Mr. Jayson Zwierschke
President & C.E.O.
Elementa Group Inc.
509 Glendale Ave. E., Suite 302
Niagara-on-the-Lake, ON L0S 1J0

Dear Jay:

**Re: Elementa Group Inc. – Statements of Account
Structuring – File No. 69437.1
ats. Thomas Hughes, o/a Creative Solutions – File No. 69437.3**

Enclosed please find our Statements of Account for services rendered with respect to the above-noted matters.

We trust you will find the foregoing to be satisfactory; however, should you have any questions or concerns with respect to the enclosed accounts, please call me at your convenience.

Yours truly,



Eden M. Oliver

EMO/kv
Enclosures

ELEMENTA GROUP INC.
509 GLENDALE AVE. E., SUITE 302
NIAGRA-ON-THE-LAKE, ONTARIO L0S 1J0
CANADA

Attention: **JAYSON ZWIERSCHKE**

Re: STRUCTURING
Our File Number: 069437.00001

Date: February 7, 2013
Invoice: 974276
GST/HST Number: 119346757

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	33,939.00
Other Charges		246.75
Total Due before GST/HST	\$	<u>34,185.75</u>
GST/HST	\$	4,444.15
TOTAL Due in CAD	\$	<u><u>38,629.90</u></u>

Kathy Voskopoulos

From: Kathy Voskopoulos
Sent: 11 February 2013 10:45 AM
To: 'jay@elementagroup.com'; 'Garry Rawson'
Cc: Eden Oliver
Subject: Bennett Jones LLP - Statements of Account
Attachments: Zwierschke Ltr.pdf; Invoice 974276.pdf; Invoice 974277.pdf

SENT ON BEHALF OF EDEN OLIVER

Dear Jay and Garry,

Attached are our accounts for the month of January 2013, which I trust are satisfactory. Please call me if you have any questions.

Best regards, Eden

Kathy Voskopoulos
Resource Assistant



T 416 777 6247 / F 416 863 1716 / E voskopulosk@bennettjones.com
Suite 3400, 1 First Canadian Place / P.O. Box 130 / Toronto, Ontario M5X 1A4

Eden M. Oliver
Partner
Direct Line: 416.777.7499
e-mail: olivere@bennettjones.com
Our File No.: 069437

February 8, 2013

Via E-Mail

Mr. Jayson Zwierschke
President & C.E.O.
Elementa Group Inc.
509 Glendale Ave. E., Suite 302
Niagara-on-the-Lake, ON L0S 1J0

Dear Jay:

**Re: Elementa Group Inc. – Statements of Account
Structuring – File No. 69437.1
ats. Thomas Hughes, o/a Creative Solutions – File No. 69437.3**

Enclosed please find our Statements of Account for services rendered with respect to the above-noted matters up to and including January 31, 2013.

We trust you will find the foregoing to be satisfactory; however, should you have any questions or concerns with respect to the enclosed accounts, please call me at your convenience.

Yours truly,



Eden M. Oliver

EMO/kv
Enclosures

ELEMENTA GROUP INC.
509 GLENDALE AVE. E., SUITE 302
NIAGRA-ON-THE-LAKE, ONTARIO L0S 1J0
CANADA

Attention: JAYSON ZWIERSCHKE

Re: STRUCTURING
Our File Number: 069437.00001

Date: December 31, 2013
Invoice: 1015572
GST/HST Number: 119346757

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	86,775.50
Other Charges		1,591.00
Disbursements Incurred As Your Agent (Non-taxable)		2.93
Total Due before GST/HST	\$	<u>88,369.43</u>
GST/HST	\$	11,487.65
TOTAL Due in CAD	\$	<u><u>99,857.08</u></u>

Marlene Navarro

From: Marlene Navarro
Sent: 07 January 2014 2:49 PM
To: 'Grawson@elementagroup.com'
Cc: 'jay@elementagroup.com'
Subject: Elementa Group Inc. Invoices
Attachments: Elementa - Structuring.pdf; Elementa - Wise.pdf; Elementa - Hughes.pdf

Good afternoon Mr. Rawson.

I am sending the attached statements of account to you at the request of Ms. Oliver.

Thank you.



Marlene Navarro
Corporate Assistant , Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. +1 416 777 6028 | F. +1 416 863 1716
E. navarrom@bennettjones.com



ELEMENTA GROUP INC.
509 GLENDALE AVE. E., SUITE 302
NIAGRA-ON-THE-LAKE, ONTARIO L0S 1J0
CANADA

Attention: JAYSON ZWIERSCHKE

Re: STRUCTURING
Our File Number: 069437.00001

Date: February 12, 2014
Invoice: 1019866
GST/HST Number: 119346757

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	202,155.00
Other Charges		2,509.50
Total Due before GST/HST	\$	<u>204,664.50</u>
GST/HST	\$	26,606.39
TOTAL Due in CAD	\$	<u><u>231,270.89</u></u>

Marlene Navarro

From: Marlene Navarro
Sent: 14 February 2014 12:09 PM
To: 'Garry Rawson'
Cc: 'jay@elementagroup.com'; Eden Oliver
Subject: Elementa Group Inc. Invoices
Attachments: (P) Elementa - LJM Invoice; (P) Elementa - Wise Invoice; (P) Elementa Structuring Invoice; (P) Elementa - Hughes Invoice

Good afternoon Mr. Rawson.

I am sending the attached statements of account to you at the request of Ms. Oliver.

Thank you.

Marlene Navarro

 Marlene Navarro
Corporate Assistant , Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6028 | F. 416 863 1716
E. navarrom@bennettjones.com



ELEMENTA GROUP INC.
509 GLENDALE AVE. E., SUITE 302
NIAGARA-ON-THE-LAKE, ONTARIO L0S 1J0
CANADA

Attention: JAYSON ZWIERSCHKE

Re: US. PATENT APPLN. 12/881,057 METHOD FOR STEAM
REFORMING CABONACEOUS MATERIAL
Our File Number: 069437.00005

Date: December 16, 2014
Invoice: 1056322
GST/HST Number: 119346757

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	4,525.00
Other Charges		59.50
Disbursements Incurred As Your Agent (Non-taxable)		2,174.64
Total Due before GST/HST	\$	<u>6,759.14</u>
GST/HST	\$	595.99
TOTAL Due in CAD	\$	<u><u>7,355.13</u></u>

ELEMENTA GROUP INC.
509 GLENDALE AVE. E., SUITE 302
NIAGARA-ON-THE-LAKE, ONTARIO L0S 1J0
CANADA

Attention: JAYSON ZWIERSCHKE

Re: CN PATENT APPLN. 2006800002624.0
Our File Number: 069437.00004

Date: December 31, 2014
Invoice: 1061180
GST/HST Number: 119346757

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Other Charges	4.25
Other Charges Incurred As Your Agent (Non-taxable)	35.00
Disbursements Incurred As Your Agent (Non-taxable)	695.72
Total Due before GST/HST	<u>\$ 734.97</u>
GST/HST	\$ 0.55
TOTAL Due in CAD	<u><u>\$ 735.52</u></u>

ELEMENTA GROUP INC.
509 GLENDALE AVE. E., SUITE 302
NIAGARA-ON-THE-LAKE, ONTARIO L0S 1J0
CANADA

Attention: **JAYSON ZWIERSCHKE**
PRESIDENT & CEO

Re: ALISON WISE
Our File Number: 069437.00020

Date: January 13, 2015
Invoice: 1063293
GST/HST Number: 119346757

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	3,259.00
Disbursements Incurred As Your Agent (Non-taxable)		4.55
Total Due before GST/HST	\$	<u>3,263.55</u>
GST/HST	\$	423.67
TOTAL Due in CAD	\$	<u><u>3,687.22</u></u>

Marlene Navarro


From: Marlene Navarro
Sent: 16 January 2015 11:27 AM
To: 'Garry Rawson'
Cc: 'jay@elementagroup.com'
Subject: Elementa Group Inc. - Statements of Accounts
Attachments: Elementa Cover Letter.pdf; Elementa - Project Algoma.pdf; Elementa - Governance.pdf; Elementa - Financing.pdf; Elementa - Wise.pdf

Good morning Mr. Rawson.

I am sending you the attached statements of account at the request of Ms. Oliver.

Thank you.

Marlene

 Marlene Navarro
Corporate Assistant , Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6028 | F. 416 863 1716
E. navarrom@bennettjones.com



ELEMENTA GROUP INC.
509 GLENDALE AVE. E., SUITE 302
NIAGARA-ON-THE-LAKE, ONTARIO L0S 1J0
CANADA

Attention: JAYSON ZWIERSCHKE

Re: US. PATENT APPLN. 12/881,057 METHOD FOR STEAM
REFORMING CABONACEOUS MATERIAL
Our File Number: 069437.00005

Date: July 14, 2015
Invoice: 1083096
GST/HST Number: 119346757

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	4,250.00
Other Charges		100.00
Disbursements Incurred As Your Agent (Non-taxable)		1,955.39
Total Due before GST/HST	\$	<u>6,305.39</u>
GST/HST	\$	565.50
TOTAL Due in CAD	\$	<u><u>6,870.89</u></u>

ELEMENTA GROUP INC.
509 GLENDALE AVE. E., SUITE 302
NIAGARA-ON-THE-LAKE, ONTARIO L0S 1J0
CANADA

Attention: JAYSON ZWIERSCHKE

Re: US. PATENT APPLN. 12/881,057 METHOD FOR STEAM
REFORMING CABONACEOUS MATERIAL
Our File Number: 069437.00005

Date: August 27, 2015
Invoice: 1089468
GST/HST Number: 119346757

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	1,091.00
Other Charges		5.00
Disbursements Incurred As Your Agent (Non-taxable)		648.44
Total Due before GST/HST	\$	<u>1,744.44</u>
GST/HST	\$	142.48
TOTAL Due in CAD	\$	<u><u>1,886.92</u></u>

ELEMENTA GROUP INC.
509 GLENDALE AVE. E., SUITE 302
NIAGARA-ON-THE-LAKE, ONTARIO L0S 1J0
CANADA

Attention: JAYSON ZWIERSCHKE

Re: CA P METHOD FOR STEAM REFORMING CARBONACEOUS
MATERIAL
Our File Number: 069437.00006

Date: October 9, 2015
Invoice: 1094881
GST/HST Number: 119346757

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	2,800.00
Other Charges		19.25
Disbursements		5.00
Disbursements Incurred As Your Agent (Non-taxable)		650.00
Total Due before GST/HST	\$	<u>3,474.25</u>
GST/HST	\$	367.15
Total	\$	3,841.40
Less Trust Applied		<u>(876.00)</u>
TOTAL Due in CAD	\$	<u><u>2,965.40</u></u>

ELEMENTA GROUP INC.
509 GLENDALE AVE. E., SUITE 302
NIAGARA-ON-THE-LAKE, ONTARIO L0S 1J0
CANADA

Attention: JAYSON ZWIERSCHKE

Re: BR P METHOD FOR STEAM REFORMING CARBONACEOUS
MATERIAL
Our File Number: 069437.00007

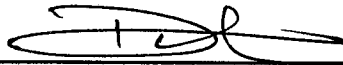
Date: November 17, 2015
Invoice: 1099961
GST/HST Number: 119346757

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Disbursements Incurred As Your Agent (Non-taxable)	1,030.75
TOTAL Due in CAD	<u>\$ 1,030.75</u>

TAB G

**THIS IS EXHIBIT "G" REFERRED TO IN THE
AFFIDAVIT OF EDEN OLIVER
SWORN THE 27th DAY OF NOVEMBER, 2015.**

A handwritten signature in black ink, appearing to be 'E. Oliver', written over a horizontal line.

A Commissioner for taking affidavits, etc.

GENERAL SECURITY AGREEMENT

THIS AGREEMENT made as of the 12th day of June, 2014

BETWEEN:

Elementa Group Inc.
with its principal place of business
located at 509 Glendale Ave, East, Suite 302,
Niagara-on-the-Lake, ON, L0S 1J0,

(the "**Debtor**")

and

Bennett Jones LLP
with its principal place of business in Ontario
located at 3400, One First Canadian Place, P.O. Box 130,
Toronto, ON, M5X 1A4,

(the "**Secured Party**")

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the Debtor agrees with the Secured Party as follows.

1. Security Interest in Collateral

The Debtor grants to the Secured Party a security interest in all of the assets, property and undertaking of the Debtor now owned or hereafter acquired including, without limitation, the following assets, property and undertaking (collectively, the "**Collateral**");

- (a) all goods comprising part of the inventory of the Debtor including, without limitation, goods now or hereafter held for sale or lease or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods;
- (b) all goods used or intended to be used in any business of the Debtor (and which are not inventory) including, without limitation, fixtures, equipment, machinery, vehicles and other tangible personal property;
- (c) all debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor, and all claims of any kind which the Debtor now has or may hereafter have including, without limitation, claims against the Crown and claims under insurance policies;
- (d) all chattel paper now or hereafter owned by the Debtor;

- (e) all warehouse receipts, bills of lading and other documents of title, whether negotiable or non-negotiable, now or hereafter owned by the Debtor;
- (f) with respect to the personal property described above in subparagraphs (c), (d) and (e), all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating thereto and all contracts, securities, instruments and other rights and benefits in respect thereof;
- (g) all financial assets, securities, securities accounts, futures accounts, security entitlements and all other investment property now or hereafter owned by the Debtor;
- (h) all rights in, arising out of, or associated with copyrights, industrial designs, patents, trade-marks, goodwill, inventions, trade secrets, and other intellectual property rights and intangibles, whether registered or not or the subject of a pending application for registration, that are now or hereafter owned by or licensed to the Debtor;
- (i) with respect to the personal property described above in subparagraphs (a) to (h) inclusive, all substitutions and replacements thereof, increases, additions and accessions thereto and any interest of the Debtor therein; and
- (j) with respect to the personal property described above in subparagraphs (a) to (i) inclusive, personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for such property destroyed or damaged.

In this Section 1, the words "accessions", "account", "chattel paper", "document of title", "equipment", "goods", "intangible", "instrument", "inventory", and "investment property", shall have the same meanings as their defined meanings in the *Personal Property Security Act* (Ontario) including all amendments thereto (the "PPSA"), and the words "financial asset", "futures contract", "securities account", "security" and "security entitlements" shall have the same meanings as their defined meanings in the *Securities Transfer Act, 2006* (Ontario) including all amendments thereto (the "STA"). In this Agreement, any reference to "Collateral" shall, unless the context otherwise requires, refer to "Collateral or any part thereof". In this Agreement, "Collateral" shall include the proceeds thereof.

2. Obligations Secured

The Debtor agrees that the security interest granted hereby secures payment to the Secured Party of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to the Secured Party or remaining unpaid by the Debtor to the Secured Party, whether arising from dealings between the Secured Party and the Debtor (including, without limitation, the provision of legal and ancillary services by the Secured Party to the Debtor) or from other dealings or proceedings by which the Secured Party may be or become in any manner whatever a creditor of the Debtor and wherever incurred, and in any currency, and whether incurred by the Debtor alone or with another or others and

whether as principal or surety, including expenses under Section 5 of this Agreement and all interest, commissions, legal and other costs, charges and expenses (all of the foregoing being herein called, and included in, the "**Obligations**"),

3. Representations and Warranties

The Debtor represents and warrants as follows:

- (a) the Debtor is, or is to become, the beneficial owner of the Collateral;
- (b) the Debtor has, or will have when the Collateral is acquired, the right to create mortgages and charges of, and grant a security interest in, the Collateral in favour of the Secured Party;
- (c) the Collateral is, or will be when acquired, free and clear of all security interests, mortgages, hypothecs, charges, liens, encumbrances, taxes and assessments; and
- (d) this Agreement has been duly and properly authorized by all necessary action and constitutes a legal, valid and binding obligation of the Debtor.

4. Covenants

The Debtor hereby agrees that:

- (a) Maintain, Use, etc. - the Debtor shall diligently maintain, use and operate the Collateral and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- (b) Insurance - the Debtor shall cause all of the Collateral which is of a character usually insured by businesses operating Collateral of a similar nature to be properly insured and kept insured with reputable insurers against loss or damage by fire or other hazards of the nature of and to the extent that such Collateral is usually insured by businesses operating or using Collateral of a similar nature in the same or similar localities and shall maintain such insurance with loss, if any, payable to the Secured Party and shall deliver to the Secured Party evidence of such insurance satisfactory to the Secured Party;
- (c) Rent, Taxes, Etc. - the Debtor shall pay all rents, taxes, rates levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Secured Party, when required, the receipts and vouchers establishing such payments;
- (d) Observe Law - the Debtor shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;

- (e) Books and Records - the Debtor shall keep proper books of accounts in accordance with sound accounting practice and the Debtor shall furnish to the Secured Party such financial information and statements relating to its business and the Collateral as the Secured Party may from time to time require and the Debtor shall permit the Secured Party or its authorized agent at any time at the expense of the Debtor to examine the Collateral and to examine the books of accounts and other financial records and reports of the Debtor including, without limitation, books of accounts and other financial records, and reports relating to the Collateral and to make copies thereof and take extracts therefrom;
- (f) Information - the Debtor shall furnish to the Secured Party such information with respect to the Collateral and the insurance thereon as the Secured Party may from time to time require and the Debtor shall give written notice to the Secured Party of all litigation before any court, administrative board or other tribunal affecting the Debtor or the Collateral;
- (g) Other Encumbrances - the Debtor shall not, without the prior consent in writing of the Secured Party, create any security interest, mortgage, hypothec, charge, lien or other encumbrance upon the Collateral or any part thereof;
- (h) Defend Title - the Debtor shall defend the title to the Collateral against all persons and shall, upon demand by the Secured Party furnish further assurance of title and further security for the Obligations and execute any written instruments or do any other acts necessary, to make effective the purposes and provisions of this Agreement;
- (i) Change of Name - the Debtor shall not change its name or sell, exchange, assign or lease or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Secured Party except that until an event of default as described in Section 6 hereof occurs, the Debtor may sell or lease inventory in the ordinary course of its business;
- (j) Delivery -- the Borrower shall deliver to the Secured Party promptly upon the Secured Party's request any chattel paper, instruments, certificated securities and documents of title, and upon such delivery, where applicable, duly endorse the same for transfer in blank or as the Secured Party may direct; and
- (k) Control -- the Secured Party may, in its discretion, require the Debtor to do all such acts and things that are necessary or desirable for the Secured Party to receive delivery of, or obtain control of, any Collateral that is investment property.

5. Immediate Possession

Upon failure by the Debtor to perform any of the agreements described in Section 4 hereof, the Secured Party is authorized and has the option to take possession of the Collateral and, whether it has taken possession or not, to perform any of the agreements in any manner deemed proper by the Secured Party, without waiving any rights to enforce this Agreement. The

reasonable expenses (including the cost of any insurance and payment of taxes or other charges and reasonable solicitors' costs and legal expenses) incurred by the Secured Party in respect of the custody, preservation, use or operation of the Collateral shall be deemed advanced to the Debtor by the Secured Party, shall bear interest at the rate of 12% per annum and shall be secured by this Agreement.

6. Events of Default

At the option of the Secured Party, the Obligations shall immediately become due and payable in full upon the happening of any of the following events:

- (a) If the Debtor shall fail to pay any amount when due or perform any Obligation hereunder;
- (b) If the Debtor shall fail to perform any other provision of this Agreement or of any other agreement to which the Debtor and the Secured Party are parties;
- (c) If any of the representations and warranties herein is or becomes incorrect in any respect at any time;
- (d) If the Debtor or any guarantor of any of the Obligations ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent, is placed into bankruptcy, makes an assignment or bulk sale of its assets, or proposes a compromise or arrangement to its creditors;
- (e) If the Debtor or any guarantor of the Obligations files for protection under Part II or Part III of the *Bankruptcy and Insolvency Act*, obtains an order under the *Companies' Creditors Arrangement Act*, takes any proceeding with respect to any compromise or arrangement with its creditors, if a receiver is appointed in respect of the Debtor or any guarantor of the Obligations, or if any encumbrancer takes possession of any part of the Collateral;
- (f) If any writ of execution, sequestration or extent or any other process of any court becomes enforceable against the Debtor or any guarantor of the Obligations or if any distress or analogous process is levied upon the Collateral or any part thereof; and
- (g) If the Secured Party in good faith believes that the prospect of payment or performance of any of the Obligations is impaired.

7. Remedies

- (a) If the Secured Party declares that the Obligations shall immediately become due and payable in full pursuant to Section 6 hereof, the Debtor and the Secured Party shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PPSA, the STA and those provided by this Agreement.

- (b) The Secured Party may take immediate possession of the Collateral and enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law and may require the Debtor to assemble and deliver the Collateral or make the Collateral available to the Secured Party at a reasonably convenient place designated by the Secured Party.
- (c) The Secured Party may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of the Collateral or of any part thereof or may by instrument in writing appoint any person to be a receiver of the Collateral or of any part thereof and may remove any receiver so appointed by the Secured Party and appoint another in its place; and any such receiver appointed by instrument in writing shall have power (i) to take possession of the Collateral or any part thereof, (ii) to carry on the business of the Debtor, (iii) to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or for the carrying on of the business of the Debtor on the security of the Collateral in priority to the security interest created under this Agreement, and (iv) to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine; provided that any such receiver shall be deemed the agent of the Debtor, and the Secured Party shall not be in any way responsible for any misconduct or negligence of any such receiver.

8. Expenses

Any proceeds of any disposition of any of the Collateral may be applied by the Secured Party to the payment of expenses incurred in connection with the retaking, holding, repairing, processing, preparing for disposition and disposing of the Collateral (including reasonable solicitors' fees and legal expenses and any other reasonable expenses), and any balance of such proceeds may be applied by the Secured Party towards the payment of the Obligations in such order of application as the Secured Party may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under Section 7 hereof shall bear interest at 12% per annum and shall be Obligations under this Agreement. If the disposition of the Collateral fails to satisfy the Obligations and the expenses incurred by the Secured Party, the Debtor shall remain liable to pay for any deficiency on demand.

9. Miscellaneous

The Debtor further agrees with the Secured Party that:

- (a) the Debtor shall not be discharged by any extension of time, additional advances, renewals and extensions, the taking of additional security, releasing security, extinguishment of the security interest as to all or any part of the Collateral, or any other act except a release or discharge of the security interest upon the payment in full of the Obligations including charges, expenses, fees, costs and interest;

-7-

- (b) any failure by the Secured Party to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment in full of the Obligations secured by this Agreement;
- (c) all rights of the Secured Party hereunder shall be assignable, and in any action brought by an assignee to enforce such rights, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or may hereafter have against the Secured Party;
- (d) all rights of the Secured Party hereunder shall enure to the benefit of its successors and assigns and all obligations of the Debtor hereunder shall bind the Debtor, his or her heirs, executors, administrators, successors and assigns, or its successors and assigns as the case may be;
- (e) If more than one person executes this Agreement as Debtor, their obligations under this Agreement shall be joint and several;
- (f) this Agreement shall be governed in all respects by the laws of the Province of Ontario and the federal laws of Canada applicable herein;
- (g) any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction;
- (h) this Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument;
- (i) any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by facsimile or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as follows:
 - (i) If to the Debtor:
509 Glendale Ave, East
Suite 302
Niagara-on-the-Lake, ON
L0S 1J0
Attention: Chief Executive Officer and Vice-President, Finance
Fax No.: 905 687 1909
 - (ii) If to the Secured Party:
Bennett Jones LLP
3400, One First Canadian Place
P.O. Box 130

-8-

Toronto, ON
M5X 1A4
Attention: Eden M. Oliver
Fax No.: 416 863 1716


any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a business day, on the next following business day) or, if mailed, on the third (3rd) business day following the date of mailing; provided, however, that if at the time of mailing or within three (3) business days thereafter there is or occurs a labour dispute or other event that might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Any party may at any time change its address for service from time to time by giving notice to the other parties in accordance with this Section;

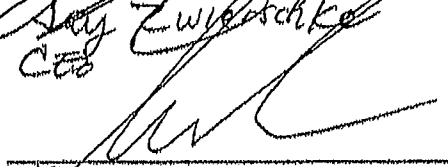
- (j) the Debtor shall at all times do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and shall provide such further documents or instruments required by the Secured Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the security interest granted hereby and the priority accorded to them by applicable law or under this Agreement;
- (k) the Secured Party is authorized, at its option, to make such registrations, filings, confirmations or recordings, or such re-registrations, re-filings, re-confirmations or re-recordings (including, for greater certainty, with the Canadian Intellectual Property Office, the personal property security registration system of any province or territory, and any similar registry elsewhere) against the Debtor or as it may deem necessary or appropriate to perfect, maintain or protect the security interest created under this Agreement;
- (l) this Agreement may be executed and delivered by facsimile transmission and each of the parties may rely on such facsimile signature as though that facsimile signature were an original hand-written signature;
- (m) this Agreement shall become effective when it is signed by the Debtor; and
- (n) the Debtor hereby acknowledges receipt of an executed copy of this Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Debtor has duly executed this Agreement.

ELEMENTA GROUP INC.

By: 
Name: Jay Zwiroschke
Title: CEO

By: 
Name: Garry Rawson
Title: CFO

TAB H

**THIS IS EXHIBIT "H" REFERRED TO IN THE
AFFIDAVIT OF EDEN OLIVER
SWORN THE 27th DAY OF NOVEMBER, 2015.**

A handwritten signature in black ink, appearing to be 'T. Oliver', written over a horizontal line.

A Commissioner for taking affidavits, etc.

NOTICE OF SECURITY INTEREST IN INTELLECTUAL PROPERTY

WHEREAS, Elementa Group Inc. (the "**Debtor**") is the owner of the intellectual property set forth in Exhibit A hereto, the registrations and applications for the intellectual property identified therein and any underlying goodwill associated with such intellectual property (collectively, the "**Intellectual Property**");

WHEREAS, the Debtor has executed and delivered a general security agreement pursuant to which the Debtor has granted a security interest in and to, among other things, the Intellectual Property, in favour of Bennett Jones LLP (the "**Secured Party**");

NOW THEREFORE, the Debtor does hereby advise that the Intellectual Property are subject to a security interest granted by the Debtor in favour of the Secured Party, and that any and all dealings therewith shall be, and remain, subject to the interest of the Secured Party therein.

Dated this 28 day of September, 2015.

ELEMENTA GROUP INC.

Per: _____

Name: JOHN ASHBOURNE

Title: CHAIRMAN

**EXHIBIT A
INTELLECTUAL PROPERTY**

Canadian Patents

Registration Number	Application Number	Owner	Patent
CA 2581288	2581288	Elementa Group Inc.	METHOD FOR STEAM REFORMING CARBONACEOUS MATERIAL

Canadian Trade-Marks

Registration Number	Application Number	Owner	Trade-Mark
TMA 835361	1416609	Elementa Group Inc.	ELEMENTA

U.S. Patents

Issue Number	Application Number	Owner	Patent
7,794,689	11/718,597	Elementa Group Inc.	Method for steam reforming carbonaceous material
	12/881,057	Elementa Group Inc.	Method for steam reforming carbonaceous material





Office de la propriété
intellectuelle
du Canada

Un organisme
d'Industrie Canada

Canadian
Intellectual Property
Office

An Agency of
Industry Canada

88

BENNETT JONES LLP
Suite 3400, One First Canadian Place
P.O. Box 130
TORONTO Ontario
M5X 1A4

Date : 2015/10/13

Votre référence/Your Reference :
69437-0006/WBV

ENREGISTREMENT/REGISTRATION 05680700

CONTRAT DE GARANTIE
SECURITY AGREEMENT

DE/FROM ELEMENTA GROUP INC.

A/TO BENNETT JONES LLP

Un document a été enregistré au Bureau des brevets, visant le ou les numéros de brevet(s) et/ou de demande(s) de brevet, apparaissant ci-dessous.

A document has been registered in the Patent Office, against the following patent(s) and/or application(s) for patent.

DEMANDE(S)/APPLICATION(S)

2,581,288

T. DUFF

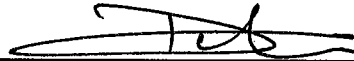
Commis aux cessions de brevets/Patent Assignment Clerk

Canada

OPIC  CIPO

TAB I

**THIS IS EXHIBIT "I" REFERRED TO IN THE
AFFIDAVIT OF EDEN OLIVER
SWORN THE 27th DAY OF NOVEMBER, 2015.**

A handwritten signature in black ink, appearing to be 'J. O.', written over a horizontal line.

A Commissioner for taking affidavits, etc.



PERSONAL PROPERTY SECURITY
REGISTRATION SYSTEM (ONTARIO)
ENQUIRY RESULTS

Prepared for :	BENNETT JONES LLP-D AFROZ
Reference :	38600.684
Docket :	D AFROZ
Search ID :	605150
Date Processed :	11/19/2015 9:47:18 AM
Report Type :	PPSA Electronic Response
Search Conducted on :	ELEMENTA GROUP INC.
Search Type :	Business Debtor

DISCLAIMER :

This report has been generated using data provided by the Personal Property Registration Branch, Ministry of Government Services, Government of Ontario. No liability is undertaken regarding its correctness, completeness, or the interpretation and use that are made of it.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: ELEMENTA GROUP INC.

FILE CURRENCY: November 18, 2015

RESPONSE CONTAINS: APPROXIMATELY 5 FAMILIES and 8 PAGES.

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS
WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME
IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE
OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT
ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
 CONDUCTED ON: ELEMENTA GROUP INC.
 FILE CURRENCY: November 18, 2015

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 5 ENQUIRY PAGE : 1 OF 8

SEARCH : BD : ELEMENTA GROUP INC.

00 FILE NUMBER : 696812553 EXPIRY DATE : 05JUN 2019 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 002 MV SCHEDULE ATTACHED :
 REG NUM : 20140605 0927 1862 3349 REG TYP: P PPSA REG PERIOD: 5
 02 IND DOB : IND NAME:
 03 BUS NAME: ELEMENTA GROUP INC.
 OCN :
 04 ADDRESS : 509 GLENDALE AVE. EAST SUITE 302
 CITY : NIAGARA-ON-THE-LAKE PROV: ON POSTAL CODE: L0S 1J0
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

BENNETT JONES LLP

09 ADDRESS : 3400 ONE FIRST CANADIAN PLACE, P.O. BOX

CITY : TORONTO PROV: ON POSTAL CODE: M5X 1A4

CONS. MV DATE OF OR NO FIXED

GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

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YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: BENNETT JONES LLP [SG/DS]

17 ADDRESS : 3400 1 FIRST CANADIAN PLACE P.O. BOX 130

CITY : TORONTO PROV: ONT POSTAL CODE: M5X 1A4

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
 CONDUCTED ON: ELEMENTA GROUP INC.
 FILE CURRENCY: November 18, 2015

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 5 ENQUIRY PAGE : 2 OF 8

SEARCH : BD : ELEMENTA GROUP INC.

00 FILE NUMBER : 696812553 EXPIRY DATE : 05JUN 2019 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 002 MV SCHEDULE ATTACHED :
 REG NUM : 20140605 0927 1862 3349 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
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 04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS : 130
 CITY : PROV: POSTAL CODE:
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 16 AGENT:
 17 ADDRESS :
 CITY : PROV: POSTAL CODE:

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
 CONDUCTED ON: ELEMENTA GROUP INC.
 FILE CURRENCY: November 18, 2015

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 5 ENQUIRY PAGE : 3 OF 8

SEARCH : BD : ELEMENTA GROUP INC.

00 FILE NUMBER : 698096322 EXPIRY DATE : 17JUL 2019 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 001 MV SCHEDULE ATTACHED :
 REG NUM : 20140717 1127 1031 4420 REG TYP: P PPSA REG PERIOD: 05
 02 IND DOB : IND NAME:
 03 BUS NAME: ELEMENTA GROUP INC.
 OCN :
 04 ADDRESS : 509 GLENDALE AVE UNIT 302
 CITY : NIAGARA ON THE LAKE PROV: ON POSTAL CODE: L0S 1J0
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 HER MAJESTY IN RIGHT OF ONTARIO REPRESENTED BY THE MINISTER OF FINANCE
 09 ADDRESS : 400-130 DUFFERIN AVENUE,
 CITY : LONDON PROV: ON POSTAL CODE: N6A 6G8
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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: MINISTRY OF FINANCE, AM & COLLECTIONS BRANCH, EHT BN#899366603 248/746

17 ADDRESS : 400-130 DUFFERIN AVENUE,
 CITY : LONDON PROV: ON POSTAL CODE: N6A 6G8

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
 CONDUCTED ON: ELEMENTA GROUP INC.
 FILE CURRENCY: November 18, 2015

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 5 ENQUIRY PAGE : 4 OF 8

SEARCH : BD : ELEMENTA GROUP INC.

00 FILE NUMBER : 700609284 EXPIRY DATE : 10OCT 2019 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20141010 1024 1590 1821 REG TYP: P PPSA REG PERIOD: 5
 02 IND DOB : IND NAME:
 03 BUS NAME: ELEMENTA GROUP INC.
 OCN : 002021929
 04 ADDRESS : 509 GLENDALE EAST
 CITY : NIAGARA-ON-THE-LAKE PROV: ON POSTAL CODE: L0S 1J0
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 2124732 ONTARIO INC.
 09 ADDRESS : 37 PINE RIDGE AVENUE
 CITY : WOODBRIDGE PROV: ON POSTAL CODE: L4L 2H8
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 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: LOOPSTRA NIXON LLP / REXLAW

17 ADDRESS : 600 - 135 QUEENS PLATE DRIVE

CITY : ETOBICOKE PROV: ON POSTAL CODE: M9W 6V7

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
 CONDUCTED ON: ELEMENTA GROUP INC.
 FILE CURRENCY: November 18, 2015

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 5 ENQUIRY PAGE : 5 OF 8

SEARCH : BD : ELEMENTA GROUP INC.

00 FILE NUMBER : 700609284 EXPIRY DATE : 10OCT 2019 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20141010 1024 1590 1821 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME;
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 04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 GARY BLOKHUIS

09 ADDRESS : 37 PINE RIDGE AVENUE

CITY : WOODBRIDGE

PROV: ON

POSTAL CODE: L4L 2H8

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CITY :

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CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
 CONDUCTED ON: ELEMENTA GROUP INC.
 FILE CURRENCY: November 18, 2015

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 5 ENQUIRY PAGE : 6 OF 8

SEARCH : BD : ELEMENTA GROUP INC.

00 FILE NUMBER : 700609284 EXPIRY DATE : 10OCT 2019 STATUS :
 01 CAUTION FILING : PAGE : 003 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20141010 1024 1590 1821 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME:
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 04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 GARY BLOKHUIS D.B.A BLOKHUIS HOLDINGS
 09 ADDRESS : 37 PINE RIDGE AVENUE
 CITY : WOODBRIDGE PROV: ON POSTAL CODE: L4L 2H8
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
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16 AGENT:

17 ADDRESS :
 CITY :

PROV: POSTAL CODE:

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
 CONDUCTED ON: ELEMENTA GROUP INC.
 FILE CURRENCY: November 18, 2015

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 4 OF 5 ENQUIRY PAGE : 7 OF 8

SEARCH : BD : ELEMENTA GROUP INC.

00 FILE NUMBER : 702487854 EXPIRY DATE : 19DEC 2019 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
 REG NUM : 20141219 1427 6083 0289 REG TYP: P PPSA REG PERIOD: 5
 02 IND DOB : IND NAME:
 03 BUS NAME: ELEMENTA GROUP INC.
 OCN : 2021929
 04 ADDRESS : 509 GLENDALE AVENUE
 CITY : NIAGARA ON THE LAKE PROV: ON POSTAL CODE: LOS 1J0
 05 IND DOB : IND NAME:
 06 BUS NAME: ENQUEST POWER CORPORATION
 OCN : 2021929
 07 ADDRESS : 509 GLENDALE AVENUE
 CITY : NIAGARA ON THE LAKE PROV: ON POSTAL CODE: LOS 1J0

08 SECURED PARTY/LIEN CLAIMANT :

SHARON D'AMICO

09 ADDRESS : 7 PICKWICK PLACE

CITY : FONTHILL

PROV: ON

POSTAL CODE: LOS 1E0

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: ESC CORPORATE SERVICES LTD.

17 ADDRESS : 445 KING STREET WEST, 4TH FL

CITY : TORONTO

PROV: ON

POSTAL CODE: M5V 1K4

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
 CONDUCTED ON: ELEMENTA GROUP INC.
 FILE CURRENCY: November 18, 2015

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 5 ENQUIRY PAGE : 8 OF 8

SEARCH : BD : ELEMENTA GROUP INC.

00 FILE NUMBER : 702487881 EXPIRY DATE : 19DEC 2019 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
 REG NUM : 20141219 1429 6083 0290 REG TYP: P PPSA REG PERIOD: 5
 02 IND DOB : IND NAME:
 03 BUS NAME: ELEMENTA GROUP INC.
 OCN : 2021929
 04 ADDRESS : 509 GLENDALE AVENUE
 CITY : NIAGARA ON THE LAKE PROV: ON POSTAL CODE: L0S 1J0
 05 IND DOB : IND NAME:
 06 BUS NAME: ENQUEST POWER CORPORATION
 OCN : 2021929
 07 ADDRESS : 509 GLENDALE AVENUE
 CITY : NIAGARA ON THE LAKE PROV: ON POSTAL CODE: L0S 1J0

08 SECURED PARTY/LIEN CLAIMANT :

DAVID D'AMICO

09 ADDRESS : 7 PICKWICK PLACE

CITY : FONTHILL

PROV: ON

POSTAL CODE: L0S 1E0

CONS.

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DATE OF OR NO FIXED

GOODS INVTRY, EQUIP ACCTS OTHER INCL

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: ESC CORPORATE SERVICES LTD.

17 ADDRESS : 445 KING STREET WEST, 4TH FL

CITY : TORONTO

PROV: ON

POSTAL CODE: M5V 1K4

LAST SCREEN

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***



PERSONAL PROPERTY SECURITY
REGISTRATION SYSTEM (ONTARIO)
ENQUIRY RESULTS

Prepared for : BENNETT JONES LLP-D AFROZ
Reference : 38600.684
Docket : D AFROZ
Search ID : 605151
Date Processed : 11/19/2015 9:47:29 AM
Report Type : PPSA Electronic Response
Search Conducted on : ELEMENTA ALGOMA INC.
Search Type : Business Debtor

DISCLAIMER :

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MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: ELEMENTA ALGOMA INC.

FILE CURRENCY: November 18, 2015

ENQUIRY CONTAINS 0 PAGES, 0 FAMILY[IES].

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.



PERSONAL PROPERTY SECURITY
REGISTRATION SYSTEM (ONTARIO)
ENQUIRY RESULTS

Prepared for :	BENNETT JONES LLP-D AFROZ
Reference :	38600.684
Docket :	D AFROZ
Search ID :	605152
Date Processed :	11/19/2015 9:47:43 AM
Report Type :	PPSA Electronic Response
Search Conducted on :	ELEMENTA ALGOMA LP
Search Type :	Business Debtor

DISCLAIMER :

This report has been generated using data provided by the Personal Property Registration Branch, Ministry of Government Services, Government of Ontario. No liability is undertaken regarding its correctness, completeness, or the interpretation and use that are made of it.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: ELEMENTA ALGOMA LP

FILE CURRENCY: November 18, 2015

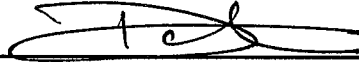
ENQUIRY CONTAINS 0 PAGES, 0 FAMILY[IES].

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

TAB J

**THIS IS EXHIBIT "J" REFERRED TO IN THE
AFFIDAVIT OF EDEN OLIVER
SWORN THE 27th DAY OF NOVEMBER, 2015.**

A handwritten signature in black ink, appearing to be 'J. Oliver', written over a horizontal line.

A Commissioner for taking affidavits, etc.



Bennett Jones LLP
3400 One First Canadian Place, PO Box 130
Toronto, Ontario, Canada M5X 1A4
Tel: 416.863.1200 Fax: 416.863.1716

Eden M. Oliver
Direct Line: 416.777.7499
e-mail: olivere@bennettjones.com

November 18, 2015

VIA EMAIL AND FACSIMILE

Elementa Group Inc.
509 Glendale Ave. E.
Suite 302
Niagara-on-the-Lake, ON
L0S 1J0

Attention: Mr. John A. Ashbourne, Chairman

Dear Sirs:

RE: Elementa Group Inc. ("Elementa" or the "Company")

Bennett Jones LLP was engaged to act for Elementa pursuant to our engagement letter dated May 3, 2012. Pursuant to the terms of our engagement letter and on instructions from Elementa, we have provided extensive services to the Company in a broad variety of matters, including negotiating and drafting project documents and tax structuring for Elementa's planned Sault Ste. Marie energy from waste project, protecting the Company's technology, financing efforts, addressing securities regulatory matters, governance matters, and litigation matters of the Company. We have sent our accounts on a regular monthly basis through December 2014 and further accounts since that date. The accounts that we have rendered to date for our services have contained detailed descriptions of our services and the Company has never disputed any element of these accounts and has acknowledged that all such amounts are due and owing.

Elementa currently has outstanding accounts owing to Bennett Jones LLP in the amount of \$2,922,329, including fees, disbursements, interest and taxes (the "**Indebtedness**"). The Company has acknowledged that the Indebtedness is due and owing.

As security for the Indebtedness, Elementa granted Bennett Jones LP a General Security Agreement dated June 12, 2014 that was registered against Elementa pursuant to the *Personal Property Security Act (Ontario)* as registration no. 20140605 0927 1862 3349. (the "**Security**").

Elementa is in default under the engagement letter. We hereby (1) notify Elementa that the Indebtedness is immediately due and payable, and (2) demand immediate payment of the Indebtedness. Payment is to be made within ten (10) days of the date of this letter to Bennett Jones LLP, Suite 3400, One First Canadian Place, Toronto, Ontario, M5X 1A4 to the attention of Ms. Eden M. Oliver.

Failing payment within ten (10) days of the date herewith, we intend to take such steps as are necessary or appropriate, including enforcement of the Security and/or the institution of legal proceedings, to recover payment of the Indebtedness (plus accruing interest on the outstanding accounts and all costs incurred by us in this matter) in full without further notice. We enclose a copy of a Notice of Intention to Enforce Security issued pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*.

We also enclose a form of Acknowledgment, Consent and Waiver which we would ask you to sign and return to us as soon as possible.

Yours truly,

BENNETT JONES LLP



Eden M. Oliver

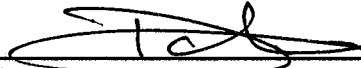
EMO:mn

Encl.

C: M. Laugesen, *Bennett Jones LLP*
G. Finlayson, *Bennett Jones LLP*

TAB K

**THIS IS EXHIBIT "K" REFERRED TO IN THE
AFFIDAVIT OF EDEN OLIVER
SWORN THE 27th DAY OF NOVEMBER, 2015.**

A handwritten signature in black ink, appearing to be "J. A. B.", written over a horizontal line.

A Commissioner for taking affidavits, etc.

NOTICE OF INTENTION TO ENFORCE SECURITY

TO: **Elementa Group Inc. ("Elementa"), an insolvent person**

TAKE NOTICE THAT:

1. Bennett Jones LLP ("BJ"), a secured creditor of Elementa, intends to enforce its security on any and all of the property, assets, and undertaking of Elementa (including, without limitation, all intellectual property, inventory, equipment, accounts receivable, motor vehicles, and other assets of Elementa), all as more particularly described in the General Security Agreement dated June 12, 2014 (the "**Security**")
2. As at November 18, 2015, the total amount of the indebtedness secured by the Security is CAD\$2,922,329, exclusive of costs.
3. BJ will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless Elementa consents to an earlier enforcement.

DATED at Toronto, Ontario, this 18th day of November, 2015.

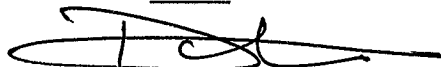
BENNETT JONES LLP



1 First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario M5X 1A4
Attention: Ms. Edem M. Oliver

TAB L

**THIS IS EXHIBIT "L" REFERRED TO IN THE
AFFIDAVIT OF EDEN OLIVER
SWORN THE 27th DAY OF NOVEMBER, 2015.**

A handwritten signature in black ink, appearing to be 'J. L. ...', written over a horizontal line.

A Commissioner for taking affidavits, etc.

ACKNOWLEDGEMENT, CONSENT, AND WAIVER

Elementa Group Inc. ("**EGI**" or "**Company**") hereby acknowledges: (a) receipt of a letter of demand for payment, dated 18 November 2015, issued by Bennett Jones LLP ("**Bennett Jones**") (the "**Demand**"); (b) receipt of a Notice of Intention to Enforce Security (the "**BIA Notice**"), dated 18 November 2015, issued by Bennett Jones pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"); (c) that it is indebted to Bennett Jones in the amount of \$2,922,329 inclusive of legal fees, disbursements and interest as set out in the Demand and the BIA Notice (the "**Indebtedness**"); (d) that the Indebtedness to Bennett Jones is due and owing; (e) that the Indebtedness to Bennett Jones is secured by certain security given to Bennett Jones pursuant to a General Security Agreement dated June 12, 2014 (the "**Security**") as set out in the Demand and the BIA Notice; and (f) that, as at the date hereof, Bennett Jones has the right to, *inter alia*, take immediate possession of the collateral and take steps to recover payment of the Indebtedness.

In addition, EGI hereby:

1. irrevocably waives its right to reasonable notice for payment of the amount demanded in the Demand;
2. irrevocably waives its right to any notice period provided for in the BIA Notice and/or under the BIA;
3. irrevocably waives its right to any notice or notice period otherwise provided for under Part V of the *Personal Property Security Act* (Ontario) or the personal property security legislation of any other Canadian province or territory;
4. irrevocably consents to the immediately enforcement of the Security by way of the immediate appointment of Richter Advisory Group Inc. (the "**Receiver**") as receiver of the collateral charged under the Security and consents to the Receiver taking such necessary ancillary actions in connection therewith.

The undersigned has the authority to execute this document on behalf of the Company, and has had the opportunity to seek legal advice regarding its contents.

DATED at _____, Ontario, this _____ day of November, 2015.

Elementa Group Inc.

Per: _____
 I have the authority to bind the Company
 Name:
 Title:

TAB M

**THIS IS EXHIBIT "M" REFERRED TO IN THE
AFFIDAVIT OF EDEN OLIVER
SWORN THE 27th DAY OF NOVEMBER, 2015.**

A handwritten signature in black ink, appearing to be 'J. L.', written over a horizontal line.

A Commissioner for taking affidavits, etc.



Bennett Jones LLP
 3400 One First Canadian Place, PO Box 130
 Toronto, Ontario, Canada M5X 1A4
 Tel: 416.863.1200 Fax: 416.863.1716

Eden M. Oliver
 Partner
 Direct Line: 416.777.7499
 e-mail: olivere@bennettjones.com

November 25, 2015

Mr. David Thompson
 Scarfone Hawkins LLP
 1 James St. South
 14th Floor
 Hamilton, ON
 L8P 4R5

Dear Mr. Thompson,

Further to our conversation Friday November 20, we understand that you represent Jayson Zwierschke and his brother Leonard Zwierschke. As you are aware, Bennett Jones LLP has ceased to act for Elementa Group Inc. ("Elementa" or the "Company") and is pursuing its rights and interests as a secured creditor of the Company holding a first ranking security interest in all of the assets, property and undertaking of the Company (the "Collateral").

Indebtedness to Bennett Jones, Demand and Section 244 Notice

By letter dated November 18, 2015, Bennett Jones LLP issued to the Company a written demand for payment of indebtedness owed to Bennett Jones by the Company in the amount of \$2,922,329 (the "Indebtedness"), which is secured by a general security agreement dated June 12, 2014 (the "GSA"), along with a notice of intention to enforce our security pursuant to Section 244 of the *Bankruptcy & Insolvency Act* (the "Notice"). A copy of the Demand and Notice are enclosed for your reference, although we note that during our phone conversation on Friday you advised that you were aware of it.

To date, we have not received payment of the Indebtedness nor any indication that the Company will pay the Indebtedness or has any realistic prospect of so doing.

Concerns re Security of Assets and Fiduciary Duties Owed

We are very concerned about the security of the assets of the Company and that they not be dissipated or impaired. We have received reports of your clients' recent efforts, without Board authority, to arrange for the removal of the Company's kiln and related equipment from the premises of W.S. Nicholls. We have also received information that police reports have been made in connection with (i) approximately \$26,000 of Company funds that are unaccounted for as a result of

withdrawals made by your clients, (ii) blank cheques that were removed when card access to the bank accounts for your clients was revoked around the time of termination of their employment, (iii) an unauthorized cheque written on the Company's bank account; and (iv) that various physical altercations have occurred at the Company that have been initiated by your clients. We understand the foregoing to be the subjects of ongoing police investigations. We have also been advised by members of the Board of serious governance matters as a result of the behavior of your clients.

In short, we have no confidence that your clients will fulfill their fiduciary duties, prioritize the interests of stakeholders above their personal interests, and protect and safeguard the Collateral.

Caution and Undertakings

In our capacity as first ranking secured creditor, and having made demand and given notice of our intention to proceed to enforce our security (from which we do not resile), we put your clients on notice that they have ongoing fiduciary duties and obligations to the Company and stakeholders, which we expect them to fulfill. We further put your clients on notice that if they take steps to dissipate, damage or impair the Collateral, they will attract personal liability.

We therefore request immediate written undertakings from your clients that:

1. They will not directly or indirectly sell, transfer, convey, lease, license, grant permissions, assign, grant security in or otherwise dispose of the Collateral or any part thereof, including its project entities, or enter into any agreement to do the same without our prior consent as first ranking secured creditor;
2. They will maintain and protect the confidentiality of all confidential and proprietary information and intellectual property of the Company in their possession or control;
3. They will protect from harm, preserve and not alter, erase, destroy any of the books, documents, securities, contracts, orders, corporate, intellectual property, and accounting records and any other papers, records and information of any kind, its computers, servers, software, stored data and chips, discs, and physical facilities relating thereto, related to the business or affairs of the Company;
4. They will not damage any premises or other property leased to the Company; and
5. They will not damage the prospects of the Company to realize the best available market value of the Collateral.

November 25, 2015
Page Three

Please be advised that this letter is not an offer of forbearance and does not serve to alter, abridge or amend any of the rights of Bennett Jones LLP pursuant to the GSA, the Demand and the Notice, or otherwise.

For further certainty, nothing in this letter shall constitute or be deemed to be a waiver by Bennett Jones of its right to payment of the Indebtedness and Bennett Jones specifically reserves all of its rights and remedies under the GSA, the Demand and Notice. No failure on the part of Bennett Jones to exercise, and no delay in exercising, any right under GSA, the Demand and Notice shall operate as a waiver thereof.

I look forward to your prompt response to this letter and provision of your clients' undertakings.

Yours truly,

BENNETT JONES LLP



Eden M. Oliver

Enclosures

- c. G. Finlayson, *Bennett Jones LLP*
M. Laugesen, *Bennett Jones LLP*

TAB N

**THIS IS EXHIBIT "N" REFERRED TO IN THE
AFFIDAVIT OF EDEN OLIVER
SWORN THE 27th DAY OF NOVEMBER, 2015.**



A Commissioner for taking affidavits, etc.

Gavin Finlayson

From: Brent Marshall [bmarshall@shlaw.ca]
Sent: 26 November 2015 5:39 PM
To: Eden Oliver; David Thompson
Cc: Gavin Finlayson; Danish Afroz; Ashlee White
Subject: RE: Jayson and Leonard Zwierschke 15L152

Eden,

Thank you for your correspondence of yesterday.

We have had the opportunity to discuss your letter with the new directors of the corporation.

We have been instructed to indicate to you that the concerns of Bennet Jones, as laid out in your letter, will be addressed substantially in the manner that you have requested.

If you have a specific format that you would like the undertakings to follow please forward to us for review.

One issue that has cropped up is that one of the former directors has possession of the corporate file dealing with your outstanding accounts. Despite a request to do so he has not seen fit to provide it to the current Board. The current members of the Board of Directors have not been given access to this file for a considerable period of time and as such do not have detailed knowledge of the extent of your outstanding fees and disbursements. In order to assist in resolving your receivable we would ask that you forward to us copies of your accounts that have been rendered and a statement of outstanding amounts.

The above information will be a key element to any attempts to resolve the current financial situation of the corporation and as such we would appreciate it being provided as soon as possible.

Regards,

Brent Marshall, B.Soc.Sc., LL.B. | Associate



S C A R F O N E H A W K I N S LLP

Lawyers and Trade-mark Agents

One James Street South, 14th Floor | Hamilton, Ontario L8P 4R5

shlaw.ca | classactionlaw.ca

☎: Direct: 905.526.4396 | Cell: 905.515.7544 | 📠: 905.523.5878 | ✉: bmarshall@shlaw.ca


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WARNING: From time to time, our spam filters may eliminate legitimate emails from clients. If your email contains important instructions, please ensure that we acknowledge receipt of those instructions.

From: Eden Oliver [<mailto:OliverE@bennettjones.com>]
Sent: Wednesday, November 25, 2015 11:04 AM
To: David Thompson

Cc: Brent Marshall; Gavin Finlayson; Danish Afroz
Subject: Jayson and Leonard Zwierschke

David,
Please see the attached letter for your attention.
Regards, Eden Oliver

 Eden M. Oliver
Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 7499 | F. 416 863 1716
E. olivere@bennettjones.com



Plug into [Bennett Jones](#)



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TAB 0

**THIS IS EXHIBIT "O" REFERRED TO IN THE
AFFIDAVIT OF EDEN OLIVER
SWORN THE 27th DAY OF NOVEMBER, 2015.**

A handwritten signature in black ink, appearing to be 'T. J. Oliver', written over a horizontal line.

A Commissioner for taking affidavits, etc.

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

BENNETT JONES LLP

Applicant

- and -

ELEMENTA GROUP INC

Respondent

**APPLICATION UNDER 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. C.43, AS AMENDED**

CONSENT TO ACT AS RECEIVER

Richter Advisory Group Inc. hereby consents to act 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. C.43, as amended of Elementa Group Inc.

Dated this 23rd day of November, 2015.

RICHTER ADVISORY GROUP INC.

By:  _____

Name: Paul van Eyk
Title: Senior Vice President

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE) MONDAY, THE 30th DAY
 JUSTICE) OF NOVEMBER, 2015

B E T W E E N:

BENNETT JONES LLP

Applicant

-and-

ELEMENTA GROUP INC.

Respondent

ORDER
(appointing Receiver)

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Richter Advisory Group Inc. ("**Richter**") as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Elementa Group Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Eden Oliver sworn November 27, 2015 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no one appearing for the Respondent although duly served as appears from the affidavit of service of Donna Hall sworn November 27, 2015 and on reading the consent of Richter to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS AND DECLARES that pursuant to section 243(1) of the BIA and section 101 of the CJA, Richter is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceedings thereof (the “**Property**”).

RECEIVER’S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the

foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due

to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "**eligible financial contract**" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current

telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to

whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order

shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge in an amount not exceeding \$200,000 (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$200,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and


is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any

other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by

the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "**Receiver**") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 20___ (the "**Order**") made in an action having Court file number ___-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

33. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

34. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

35. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

36. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

37. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

38. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

[RECEIVER'S NAME], solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

TAB 4

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE

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WEEKDAY MONDAY, T

JUSTICE

)

OF NOVEMBER, 2015

JUSTICE

)

)

DAY C

PLAINTIFF¹

Plaintiff

BETWEEN:

BENNETT JONES LLP

Applicant

- and -

DEFENDANT

Defendant

ELEMENTA GROUP INC.

Respondent

ORDER
(appointing Receiver)

¹ The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership is commenced by way of an action.

THIS MOTION made by the Plaintiff² Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~ Richter Advisory Group Inc. ("Richter") as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ Elementa Group Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~ Eden Oliver sworn ~~[DATE]~~ November 27, 2015 and the Exhibits thereto and on hearing the submissions of counsel for ~~[NAMES]~~ the Applicant, no one appearing for ~~[NAME]~~ the Respondent although duly served as appears from the affidavit of service of ~~[NAME]~~ Donna Hall sworn ~~[DATE]~~ November 27, 2015 and on reading the consent of ~~[RECEIVER'S NAME]~~ Richter to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated³ so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS AND DECLARES that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~ Richter is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceedings thereof (the "Property").

² Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

³ If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such

monies, including, without limitation, to enforce any security held by the Debtor;

- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$,100,000, provided that the aggregate consideration for all such transactions does not exceed \$ 500,000; and

⁴ ~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,]⁵ shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

⁵ ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with

leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "**eligible financial contract**" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such

other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information

provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the

Receiver shall be entitled to and are hereby granted a charge in an amount not exceeding \$200,000 (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$~~_____~~200,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in

⁶ Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".

favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>'.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the

records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



SCHEDULE "A"

Schedule "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "**Receiver**") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 20__ (the "**Order**") made in an action having Court file number ___-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

33. ~~2-~~The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

34. ~~3-~~Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

35. ~~4-~~All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

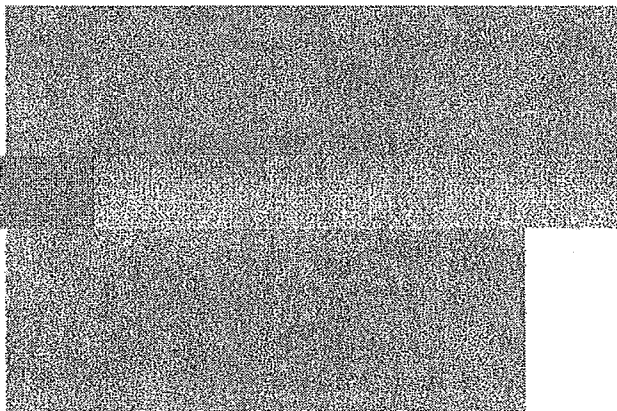
36. ~~5-~~Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

37. 6-The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

38. 7-The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.



[RECEIVER'S NAME], solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:

Name:

Name:

Title:

BENNETT JONES LLP
Applicant

-and- ELEMENTA GROUP INC.
Respondent

Court File No. CV-15-11198-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
TORONTO

**APPLICATION RECORD
(RETURNABLE NOVEMBER 30, 2015)**

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