

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

IN THE MATTER OF THE RECEIVERSHIP OF
ELEMENTA GROUP INC.

**MOTION RECORD OF THE MOVING PARTY BENNETT JONES LLP
(Motion directing the Receiver to file an assignment in Bankruptcy of EGI,
returnable June 7, 2016)**

May 20, 2016

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

Jason M. Berall (LSUC #68011F)
Email: berallj@bennettjones.com

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

Lawyers for the Applicant, Bennett Jones
LLP

TO: THE SERVICE LIST

INDEX

INDEX

TAB NO.	DOCUMENT	PAGE NO.
1.	Notice of Motion	1-6
2.	Affidavit of Eden M. Oliver, sworn May 20, 2016	7-12
	a) Exhibit "A" - Endorsement of Justice Hainey, transcript of same and Order of Justice Hainey dated November 30, 2015	13-21
	b) Exhibit "B" - Receivership Order of Justice Hainey dated December 21, 2016	22-38
	c) Exhibit "C" - Affidavit of Eden M. Oliver dated November 27, 2015 (without exhibits)	39-51
	d) Exhibit "D" - Order of Justice Conway dated February 19, 2016	52-68
	e) Exhibit "E" - Affidavit of Eden M. Oliver dated March 25, 2016 (without exhibits)	69-81
	f) Exhibit "F" - Order of Justice Conway dated April 5, 2015	82-85
	g) Exhibit "G" - Approval and Vesting Order of Justice Swinton dated April 15, 2016	86-105
	h) Exhibit "H" - Affidavit of S. Fay Sulley sworn May 5, 2016 (without exhibits)	106-110
	i) Exhibit "I" - Order of Justice Newbould dated May 13, 2016	111-134
3.	Draft Order	135-136
4.	The Service List	137-139

TAB 1

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

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

IN THE MATTER OF THE RECEIVERSHIP OF
ELEMENTA GROUP INC.

**NOTICE OF MOTION
(Directing Receiver to File an Assignment in Bankruptcy of EGI, Returnable June 7, 2016)**

The moving party, Bennett Jones LLP ("**Bennett Jones**"), will make a motion to a Judge presiding over the Commercial List on June 7, 2016 at 10:00 a.m., or as soon after that time as the motion can be heard at the court house, 330 University Avenue, 8th Floor, Toronto, Ontario, M5G 1R7.

PROPOSED METHOD OF HEARING: The motion is to be heard:

in writing under subrule 37.12.1(1);

in writing as an opposed motion under subrule 37.12.1(4);

orally.

1. THE MOTION IS FOR:

- (a) an Order authorizing and directing Richter Advisory Group Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of all the undertaking, property, and assets (the "**Property**") of Elementa Group Inc. ("**EGI**"), to file an assignment in bankruptcy of EGI; and
- (b) such further and other relief as to this Honourable Court may seem just.

2. THE GROUNDS FOR THE MOTION ARE:

The Receivership Proceedings

- (c) Bennett Jones is the senior ranking secured creditor of EGI and the only party with an economic interest in the transactions described herein.
- (d) On November 30, 2015, Bennett Jones brought an application to have the Receiver appointed which Order was granted by the Honourable Mr. Justice Hainey on December 21, 2015 appointing the Receiver (the "**Receivership Order**").
- (e) On February 12, 2016, the Receiver and Bradam Canada Inc. (the "**Purchaser**") entered into an Agreement of Purchase and Sale for the Property, for an aggregate purchase price of \$1,500,000 (the "**Purchase and Sale Agreement**").
- (f) On February 16, 2016, the Honourable Madam Justice Conway granted an Order approving a stalking horse agreement of purchase and sale (*i.e.* the Purchase and Sale Agreement) and related bidding procedures to sell substantially all of the Property (the "**Sales Process**").

- (g) On March 9, 2016, Andrew Ferri ("**Ferri**"), an unsecured creditor of EGI, sent an email to the service list disclosing an agreement alleged to have been made on April 30, 2013 (the "**Ferri Agreement**") that, among other things, purported to transfer the most valuable component of the Property or grant a security interest in such Property to Ferri or companies within Ferri's control.
- (h) On April 5, 2015, the Honourable Madam Justice Conway granted an Order that the Ferri Agreement is an agreement to which the *Personal Property Security Act* applies and that the Property may be vested free and clear of the interests of any nature and kind created by the Ferri Agreement.
- (i) On April 15, 2016, the Honourable Madam Justice Swinton granted an Order approving the Purchase and Sale Agreement as the winning bid under the Sales Process (the "**Approval and Vesting Order**").
- (j) On May 13, 2016, as a result of financing issues experienced by the Purchaser, the Honourable Mr. Justice Newbould granted an Order amending and restating the Approval and Vesting Order to permit the Receiver to accept a portion of the purchase price payable under the Purchase and Sale Agreement in the form of a secured interest bearing promissory note in the principal amount of \$275,000.

The Proposed Assignment of EGI into Bankruptcy

- (k) Even after distributions of the net proceeds of sale to Bennett Jones, EGI will remain indebted to Bennett Jones for in excess of \$1,000,000 which amounts are

unsecured. As is apparent from the circumstances, EGI is insolvent and is unable to pay its debts generally, including those owing to Bennett Jones.

- (l) Accordingly, Bennett Jones is seeking an assignment of EGI into bankruptcy which will place some element of finality on the proceeding as it relates to the interests of unsecured creditors as well as crystallizing any claims that may be extant.
- (m) The Receiver has consented to act as Trustee in bankruptcy and the Receiver is not precluded from so acting pursuant to the provisions of the Receivership Order.
- (n) Rules 1.04, 1.05, 37, and 39 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194.
- (o) Such further and other grounds as the lawyers may advise.

3. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

- (a) the affidavit of Eden M. Oliver, sworn May 20, 2016, and the exhibits thereto; and
- (b) such further and other evidence as the lawyers may advise and this Honourable Court may permit.

May 20, 2016

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

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

Jason M. Berall (#68011F)
Email: berallj@bennettjones.com

Telephone: (416) 863-1200
Facsimile: (416) 863-1716

Lawyers for the applicant

TO: **THE SERVICE LIST**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

(Directing Receiver to File an Assignment in Bankruptcy of
EGI, Returnable June 7, 2016)

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

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

Jason M. Berall (#68011F)
Email: berallj@bennettjones.com

Telephone: (416) 863-1200
Facsimile: (416) 863-1716

Lawyers for the applicant

TAB 2

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

IN THE MATTER OF THE RECEIVERSHIP OF
ELEMENTA GROUP INC.

**AFFIDAVIT OF EDEN M. OLIVER
(Sworn May 20, 2016)**

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 Bennett Jones LLP ("**Bennett Jones**"), the first registered secured creditor of Elementa Group Inc. ("**EGI**"). As such, I am familiar with the security arrangements between Bennett Jones and EGI and the conduct of the receivership to date. The facts set forth herein are within my personal knowledge, or determined from the face of the documents attached as exhibits, or arise from information and advice provided to me by others. 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 connection with Bennett Jones' motion for an order authorizing and directing the Receiver (defined below) to file an assignment in bankruptcy of EGI.
3. 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.

A. BENNETT JONES' SECURITY INTEREST AND THE RECEIVERSHIP

4. EGI was an early stage technology development company that owned and controlled intellectual property rights to a steam reformation method of reforming carbonaceous municipal waste into synthesis gas (the "**Technology**"). As a non-operating and non-revenue generating technology development company, EGI's value consisted almost entirely of the Technology.

5. 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. Over the following years, significant work was completed for EGI by Bennett Jones for which Bennett Jones has never been paid totalling in excess of \$2.9 million. Bennett Jones is the first ranking secured creditor of EGI and the only party with an economic interest in the transactions described herein.

6. EGI granted a general security agreement dated June 12, 2014 (the "**GSA**") as security for the Indebtedness in favour of Bennett Jones.

7. As a result of, *inter alia*, EGI's inability to obtain further financing and the failure of EGI to make any payment to Bennett Jones in respect of the Indebtedness, Bennett Jones ceased to act as legal counsel to EGI.

8. On November 30, 2015, Bennett Jones brought an application to have Richter Advisory Group Inc. (the "**Receiver**") appointed as Receiver over the undertaking, property, and assets of EGI (the "**Property**").

9. The receivership application was adjourned until December 21, 2015 at the request of Jayson Zwierschke ("**Zwierschke**"), who is the former President and CEO of EGI, and also a director, shareholder, co-founder and unsecured creditor of EGI.

10. The adjournment was granted by the Honourable Mr. Justice Hainey to allow Zwierschke to file materials in opposition (ostensibly on behalf of EGI) and to seek financing to satisfy the secured indebtedness of Bennett Jones. As a term of the adjournment, the Receiver was authorized to take interim possession of the computer server of EGI containing the computer code for the Technology and certain boxes of associated documents. A copy of the endorsement, a transcript of same, and the Order of Justice Hainey is attached as **Exhibit A**.

11. Ultimately, on December 21st Zwierschke did not oppose the receivership application and the receivership Order was granted (the "**Receivership Order**"). A copy of the Order of Justice Hainey is attached as **Exhibit B**.

12. Further background on EGI and circumstances surrounding the GSA and the necessity of the receivership is contained in my affidavit dated November 27, 2015 sworn in support of the receivership application, a copy of which is attached (without exhibits) as **Exhibit C**.

B. THE SALES PROCESS

13. On February 12, 2016, the Receiver and Bradam Canada Inc. (the "**Purchaser**") entered into an Agreement of Purchase and Sale for the Property, including the Technology, for an aggregate purchase price of \$1,500,000 (the "**Purchase and Sale Agreement**").

14. On February 19, 2016, the Honourable Madam Justice Conway granted an Order approving a stalking horse agreement of purchase and sale (*i.e.* the Purchase and Sale Agreement) and related bidding procedures to sell substantially all of the Property (the "**Sales Process**"). A copy of the Order of Justice Conway is attached as **Exhibit D**.

C. LITIGATION REGARDING THE FERRI AGREEMENT

15. On March 9, 2016, Andrew Ferri ("**Ferri**"), an unsecured creditor of EGI, sent an email to the service list disclosing an agreement alleged to have been made on April 30, 2013 (the "**Ferri Agreement**") that, among other things, purported to transfer the Technology or grant a security interest in the Technology to Ferri or companies within Ferri's control.

16. The Receiver then brought a motion for advice and directions concerning the nature and effect of the Ferri Agreement. Further information regarding the Ferri Agreement is contained in my affidavit dated March 25, 2016 sworn in connection with the Receiver's motion for advice and directions, a copy of which is attached (without exhibits) as **Exhibit E**.

17. On April 5, 2015, the Honourable Madam Justice Conway granted an Order determining that the Ferri Agreement is an agreement to which the *Personal Property Security Act* applies and that the Property (which includes the Technology) may be vested free and clear of the interests of any nature and kind created by the Ferri Agreement. A copy of the Order of Justice Conway is attached as **Exhibit F**.

D. THE APPROVAL AND VESTING PROCEEDINGS

18. On April 15, 2016, the Honourable Madam Justice Swinton granted an Order approving the Purchase and Sale Agreement as the winning bid under the Sales Process (the "**Approval and Vesting Order**"). A copy of the Approval and Vesting Order of Justice Swinton is attached as **Exhibit G**.

19. Due to the Purchaser's issues in obtaining all of the financing required to satisfy the purchase price, the Purchaser requested, and Bennett Jones agreed, to provide the Purchaser with an additional 90 days from the closing of the transaction to pay the \$275,000 balance of the

purchase price secured by an interest bearing, secured promissory note. Further details are contained in the Affidavit of S. Fay Sulley, counsel to the Purchaser, sworn May 5, 2016, and attached as **Exhibit H** (without exhibits).

20. On May 13, 2016, the Honourable Mr. Justice Newbould granted an Order amending and restating the Approval and Vesting Order to permit the Receiver to accept the \$275,000 balance of the purchase price payable under the Purchase and Sale Agreement in the form of an interest bearing, secured promissory note. A copy of the Order of Justice Newbould is attached as **Exhibit I**.

21. The transaction pursuant to the Purchase and Sale Agreement closed on Monday, May 16, 2016.

E. THE PROPOSED ASSIGNMENT OF EGI INTO BANKRUPTCY


22. Even after distributions of the net proceeds of sale to Bennett Jones, EGI will remain indebted to Bennett Jones for in excess of \$1,000,000, which amounts are unsecured. As is apparent from the circumstances, EGI is insolvent and is unable to pay its debts generally, including those debts owing to Bennett Jones.

23. Accordingly, Bennett Jones is seeking an assignment of EGI into bankruptcy, which will place some element of finality on the proceeding as it relates to the interests of unsecured creditors as well as crystallizing any claims that may be extant.

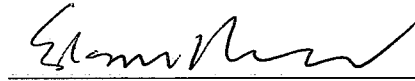
24. The Receiver has consented to act as Trustee in bankruptcy and is not precluded from doing so pursuant to the Receivership Order or for any other reason of which I am aware.

25. I swear this affidavit in connection with Bennett Jones' motion for an order authorizing and directing the Receiver to file an assignment in bankruptcy of EGI and for no other or improper purpose.

SWORN BEFORE ME at the City of)
Toronto, in the Province of Ontario,)
this 20th day of May, 2016.)



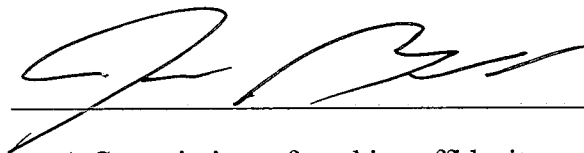
A Commissioner, Etc.)
Jason Berall)



EDEN M. OLIVER

TAB A

This is Exhibit A
Referred to in the
Affidavit of Eden M. Oliver
Sworn May 20, 2016

A handwritten signature in black ink, consisting of a large, stylized initial 'E' followed by several loops and a long horizontal stroke extending to the right. The signature is written above a solid horizontal line.

A Commissioner for taking affidavits

Court File Number: CV-15-11198-00C

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

BENNETT JONES LLP
Plaintiff(s)

AND

ELEMENTA GROUP INC.
Defendant(s)

Case Management Yes No by Judge: _____

Counsel	Telephone No:	Facsimile No:

- Order Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- Adjourned to: _____
- Time Table approved (as follows):

① This application & appoint a receiver is adjourned & December 21/15 at 9 AM before the Fed. Ct. Hall. The parties are also to appear before me on December 10, 2015 at 9:30 AM for 10 minutes & give me a progress

Date

Judge's Signature

Additional Pages _____

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

report

(2) In the interim the proposed Receiver, Rights Adversary Group Inc ("Rights") is to take interim possession of the Respondant's ~~assets~~ ^{SECRET} ~~assets~~ in the possession of John Ashbourne who is to cooperate in providing interim possession to Rights of the securities.

(3) Further, Rights is to take possession of certain boxes containing notes and

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

records referred to the
data on the ~~hand~~ ^{SECRET}
an an interim basis
for Ashwood is to
cooperate in process
public court process
of the books.

(4) The adjournment is
being granted at the
request of Mr
Marshall who
represent the
two Zwickel
brothers to enable
them to respond to
the application to
appoint a receiver.
I have made it
clear to Mr Marshall

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

That their response is
not to amount to
an amendment of
Bennett Jones' legal
account.

(5) Rehta is set
as an interim
custodian of the
server and the
possession of documents
until further order
of the Court.

(6) Responding Materials
to be served by
December 10/2015

Page 4 of _____

Judges Initials _____

Haining J.
November 30/15

TRANSCRIPTION

Court File Number: CV-15-11198-00CL

Superior Court of Justice
Commercial List

FILE/DIRECTION ORDER

BENNETT JONES LLP

Plaintiff

AND

Elementa Group Inc.

Defendant

1. This application to appoint a Receiver is adjourned to December 21, 2015 at 9:00 a.m. before me for one hour. The parties are also to appear before me on December 10, 2015 at 9:30 a.m. for 10 minutes to give me a progress report.
2. In the interim, the proposed Receiver, Richter Advisory Group Inc. ("Richter"), is to take interim possession of the Respondent's server currently in the possession of John Ashbourne who is to co-operate in providing interim possession to Richter of the servers.
3. Richter is to take possession of certain boxes containing notes and records referable to the data on the server on an interim basis. Mr. Ashbourne is to co-operate in providing Richter with possession of these boxes.
4. The adjournment is being granted at the request of Mr. Marshall who represents the two Zwierschke brothers to enable them to respond to the application to appoint a receiver. I have made it clear to Mr. Marshall that their response is not to amount to an assessment of Bennett Jones' legal accounts.
5. Richter is to act as an interim custodian of the server and the boxes of documents until further order of the Court.
6. Responding materials to be served by December 10, 2015.

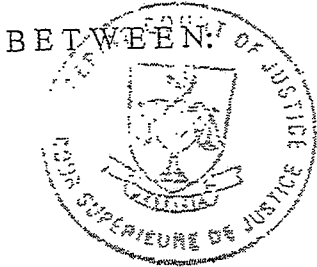
Hainey, J.

November 30, 2015

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.) MONDAY, THE 30TH DAY
JUSTICE HAINEY) OF NOVEMBER, 2015



BENNETT JONES LLP

Applicant

-and-

ELEMENTA GROUP INC.

Respondent

ORDER

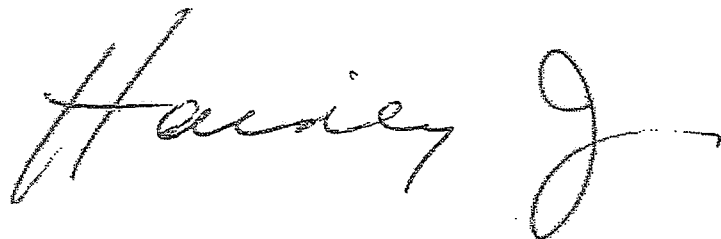
THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Richter Advisory Group Inc. ("Richter") 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, counsel for Leonard Zwierschke and Jayson Zwierschke (together, the "Respondents"), counsel for John Ashbourne, and counsel for Richter,

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that the Application is hereby adjourned to December 21, 2015 at 9:00 a.m. for one hour, to be heard by Justice Hainey in order to enable the Respondents to respond to the merits of the Application to appoint the Receiver which response is not to be an assessment of Bennett Jones' legal accounts.
3. THIS COURT ORDERS that responding materials to the Application are to be served by December 10, 2015 and that the parties are to appear before Justice Hainey on December 10, 2015 at 9:30 a.m. for 10 minutes, to provide a progress report on the matter.
4. THIS COURT FURTHER ORDERS that Richter is to take possession of the server and certain boxes containing notes and records referable to the data on the server on an interim basis, (the "Property") as interim custodian until further order of this Court, and that Mr. John Ashbourne, the Chairman of the Board of Directors of the Debtor, shall cooperate in providing Richter with possession of the Property.
5. THIS COURT ORDERS that Richter shall incur no liability or obligation as a result of carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

DEC 21 2015



BENNETT JONES LLP
Applicant/Plaintiff

— and —

ELEMENTA GROUP INC.
Respondent/Defendant

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at TORONTO

ORDER

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

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

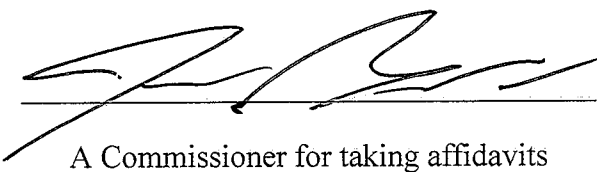
Danish Afroz (#65786B)
Email: afrozd@bennettjones.com

Tel. 416 863 1200
Fax 416 863 1716

Lawyers for the Applicant
Bennett Jones LLP

TAB B

This is Exhibit B
Referred to in the
Affidavit of Eden M. Oliver
Sworn May 20, 2016



A Commissioner for taking affidavits

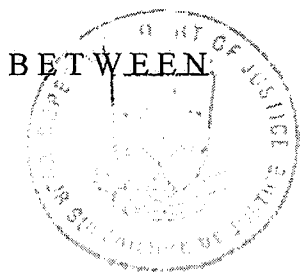
Court File No. CV-15-11198-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE MR. JUSTICE
GLENN A. HAINEY

Monday, THE *21st* DAY
)
) OF DECEMBER, 2015

JUSTICE



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, the affidavit of Jayson Zwierschke sworn December 9, 2015 and on hearing the submissions of counsel for the Applicant and the Respondent 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.


THE HONOURABLE MR. JUSTICE GLENN A. HAINEY

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

 DEC 21 2015

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:

BENNETT JONES LLP – and – ELEMENTA GROUP INC.

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

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

Proceeding commenced at TORONTO

**ORDER
(appointing Receiver)**

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

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

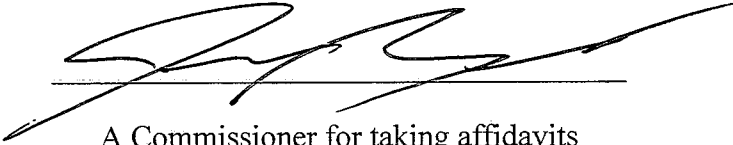
Danish Afroz (#65786B)
Email: afroz@bennettjones.com

Tel. 416 863 1200
Fax 416 863 1716

Lawyers for the Applicant
Bennett Jones LLP

TAB C

This is Exhibit C
Referred to in the
Affidavit of Eden M. Oliver
Sworn May 20, 2016



A Commissioner for taking affidavits

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

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.

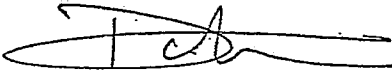
42. As set out above, EGI had earlier discussions with Richter. EGI has released Richter to act as Receiver. It is proposed that Richter be appointed as Receiver as it is familiar with the


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.

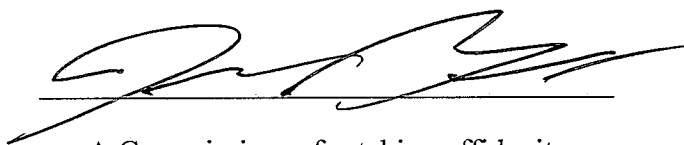
SWORN BEFORE ME at the City of)
Toronto, in the Province of Ontario,)
this 27th day of November, 2015.)
)
)
)
)
_____)
A Commissioner, Etc.)
)



EDEN M. OLIVER

TAB D

This is Exhibit D
Referred to in the
Affidavit of Eden M. Oliver
Sworn May 20, 2016

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

A Commissioner for taking affidavits

Commercial List File No. CV-15-11198-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE *Madam*) FRIDAY, THE 19TH
JUSTICE *CONWAY*) DAY OF FEBRUARY, 2016

IN THE MATTER OF THE RECEIVERSHIP OF
ELEMENTA GROUP INC.

ORDER

THIS MOTION, made by Richter Advisory Group Inc. ("**Richter**") in its capacity as the Court-appointed Receiver (in such capacity, the **Receiver**"), without security, of all the assets, undertakings and properties (collectively, the **Property**) of Elementa Group Inc. ("**Elementa**") for an order substantially in the form included in the Receiver's Motion Record, amongst other things, approving a stalking horse agreement of purchase and sale and related bidding procedures and approving the First Report of the Receiver dated February 16, 2016 (the "**First Report**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report and appendices thereto, and on hearing the submissions of counsel for the Receiver, and Bradam Canada Inc. (the "**Stalking Horse Bidder**"), no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Sanja Sopic sworn February 17, 2016, filed.

1. **THIS COURT ORDERS** that the time for service and filing of the Receiver's Notice of Motion and the Motion Record is hereby abridged and service thereof is hereby validated so that this motion is properly returnable today and further service thereof is hereby dispensed with.

- 2 -

2. **THIS COURT ORDERS** that all capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them in the Stalking Horse Agreement or the Bidding Procedures (as such terms are defined below), as the case may be.

3. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to enter into an agreement to sell substantially all of the assets, property and undertakings of Elementa (collectively, the "**Purchased Assets**") to the Stalking Horse Bidder, substantially in the form of the agreement attached as Appendix "D " to the First Report (the "**Stalking Horse Bid**" or "**Stalking Horse Agreement**"), and such agreement, subject to the terms of this Order, is hereby approved and accepted for the purpose of conducting the Stalking Horse Sales Process (as such term is defined below) in accordance with this Order and the Bidding Procedures (as such term is defined below).

4. **THIS COURT ORDERS** that the sales and bidding procedures described in the First Report and attached hereto as **Schedule "A"** (the "**Bidding Procedures**") and the sales process and auction described therein (collectively, the "**Stalking Horse Sales Process**") be and are hereby approved and the Receiver is hereby authorized and directed to conduct the Stalking Horse Sales Process.

5. **THIS COURT ORDERS** that to qualify as a Qualified Bid, a bid must be received on or before 5:00 p.m. (Toronto time) on March 21, 2016 (the "**Bid Deadline**") and must be considered by the Receiver, in its sole discretion, to be a Qualified Bid, as defined in the Bidding Procedures. The Stalking Horse Bid shall be considered a Qualified Bid.

6. **THIS COURT ORDERS** that in addition to the Bidding Procedures, the following Stalking Horse Sales Process with respect to the Property be and is hereby approved as follows:

- (a) the Receiver shall solicit potential purchasers to submit bids by:
 - (i) sending out an official offering summary (the "**Teaser Letter**") to parties who may be interested in purchasing the Property as identified by the Receiver (the "**Potential Bidders**"), to notify them of the existence of the Stalking Horse Sales Process and invite the Potential Bidders to make an

- 3 -

- offer to acquire all or any part of the Property as soon as reasonably practicable after issuance of this Order;
- (ii) sending a form of confidentiality agreement (the “**Confidentiality Agreement**”) to Potential Bidders as identified by the Receiver, along with the Teaser Letter;
 - (iii) providing to any Potential Bidders who execute the Confidentiality Agreement on terms satisfactory to the Receiver: (1) access to an electronic data room established by the Receiver containing relevant information relating to Elementa and its Property, and (2) an electronic copy of the Stalking Horse Bid;
- (b) any interested purchaser shall submit a formal offer to purchase the Property in the form of the Stalking Horse Agreement (with a copy blacklined against the Stalking Horse Agreement), and an aggregate purchase price at least equal to the Stalking Horse Bid, plus an additional sum of \$150,000.00, and a deposit equal to at least 10% of the aggregate purchase price under the subject bid by way of Certified Cheque, Bank Draft or Wire Transfer payable to the Receiver in trust on or before the Bid Deadline;
 - (c) the Receiver shall review any bids received by the Bid Deadline and determine if there are one or more Qualified Bids;
 - (d) if there is no Qualified Bid other than the Stalking Horse Bid, the Receiver shall bring a motion as soon as reasonably possible after the Bid Deadline for approval of the Stalking Horse Agreement and an order to vest the right, title and interest of Elementa in the Purchased Assets in the Stalking Horse Bidder and proceed with closing the transaction forthwith;
 - (e) if there are one or more Qualified Bids apart from the Stalking Horse Bid, the Receiver shall send out invitations on or before 3:00 p.m. (Toronto time) on March 23, 2016, or as reasonably practicable, to all persons who have submitted Qualified Bids and to the Stalking Horse Bidder (the “**Auction Notice**”), inviting

- 4 -

them to attend an auction (the “**Auction**”) to be conducted by the Receiver at 10:00 a.m. (Toronto time) on March 25, 2016, at the offices of the Receiver, or otherwise as may be determined by the Receiver, in its sole discretion. The Auction Notice shall include, amongst other things: (a) the date, time and location of the Auction; (b) a copy of the most favourable Qualified Bid (the “**Opening Bid**”) as determined in accordance with the Bidding Procedures; and (c) the procedures pursuant to which the Auction is to be conducted;

- (f) if the bidder of a Qualified Bid intends to participate in the Auction, it must advise the Receiver of such intention in writing at least one (1) Business Day prior to the Auction (a “**Participation Notice**”). If at least two (2) Participation Notices are received, the Auction will take place and shall be conducted in accordance with the procedures set out in the Bidding Procedures;
- (g) the Receiver may establish such timelines and protocols for the Auction as it considers appropriate, in its discretion, which will not be inconsistent with the terms of this Order or the Bidding Procedures; and
- (h) the “**Winning Bidder**” shall be: (1) if there are no bids at the Auction, the bidder with the Opening Bid; or (2) the bidder with the highest bid received at the Auction as determined in accordance with the Bidding Procedures (the “**Winning Bid**”).

7. **THIS COURT ORDERS** that upon acceptance of the Winning Bid, there shall be a binding agreement of purchase and sale between the Winning Bidder and the Receiver in accordance with the Bidding Procedures, and the following shall take place:

- (a) within seven (7) Business Days after the completion of the Auction, the Receiver shall make a motion to this Court for an order to approve the Winning Bid and to vest the right, title and interest of Elementa in the Property in the Winning Bidder, and proceed with closing the transaction forthwith; and
- (b) if the Winning Bidder fails to comply with the terms and conditions of the Winning Bid, or any of them, all deposits shall be forfeited to the Receiver on

- 5 -

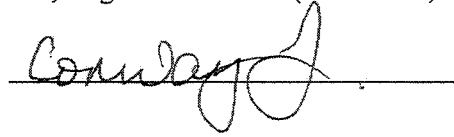
account of liquidated damages, without prejudice to all other rights and remedies the Receiver may have under the Winning Bid or at law or in equity as a result of such failure to comply, and the Property subject to the Winning Bid may be resold by the Receiver. In that event, the Receiver may in its sole discretion accept the Back-Up Bid, as defined in the Bidding Procedures. Upon acceptance of the Back-Up Bid, there shall be a binding agreement of purchase and sale between the bidder of the Back-Up Bid and the Receiver in accordance with the Bidding Procedures, and if necessary the Receiver may in its sole discretion in such acceptance extend the Closing Date to a date no later than April 30, 2016. The Receiver shall make a motion to this Court, within seven (7) Business Days after its acceptance of the Back-Up Bid, for an order to approve the Back-Up Bid and to vest the right, title and interest of Elementa in the Property in the purchaser thereunder, and proceed with closing the transaction forthwith.

8. **THIS COURT ORDERS** that in connection with the Stalking Horse Sales Process and pursuant to clause 7(3) (c) of the *Personal Information Protection and Documents Act* (Canada), the Receiver may disclose personal information of identifiable individuals to Potential Bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete a sale of such assets. Each Potential Bidder to whom any 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 said assets and related business, and if it does not complete a purchase thereof, shall return all such information to the Receiver or in the alternative shall destroy all such information and certify such destruction to the Receiver. 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 Elementa, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.


9. **THIS COURT ORDERS** that the Receiver and its counsel be and they hereby are authorized to serve or send, or cause to be served or sent, this Order (including any of the materials referred to in this Order and other materials relating to the Stalking Horse Sales Process), any other materials and orders in these proceedings, and any notices or correspondence,

- 6 -

by commercial electronic messages to electronic addresses, attaching true copies thereof, of Elementa's creditors and other interested parties (including prospective purchasers or bidders to the extent necessary or desirable to provide information and material with respect to the Stalking Horse Sales Process), and their advisers. For greater certainty, any such service or sending shall be deemed to be in satisfaction of a legal or judicial obligation, or the provision of notice of an existing or pending right, legal or juridical obligation or court order, within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DOS).

A handwritten signature in cursive script, appearing to read "Conway", is written over a horizontal line.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

 FEB 19 2016

SCHEDULE "A"

BIDDING PROCEDURES

Background

On December 21, 2015, the Ontario Superior Court of Justice (Commercial List) (the "Court") made an order (the "Appointment Order") appointing Richter Advisory Group Inc. ("Richter") receiver (the "Receiver") over the assets, undertakings and properties (the "Property") of Elementa Group Inc. ("Elementa" or the "Company") acquired for, or used in relation to the business carried on by Elementa, including all proceeds thereof.

On or about February 19, 2016, the Receiver will bring a motion for an order (the "Sales Process Order") with the Court seeking, among other things, approval of:

- (i) the Receiver's execution of an agreement of purchase and sale of substantially all assets of the Company (the "Purchased Assets") between the Receiver and Bradam Canada Inc. (the "Stalking Horse Bidder") dated February 12, 2016 (the "Stalking Horse Agreement") for total consideration of \$1,500,000.00 (the "Stalking Horse Bid") so as to set a minimum floor price in respect of the sale process for the Purchased Assets; and
- (ii) the process for the solicitation of offers or proposals for the acquisition of the Property or any parts thereof (each a "Bid", and each party who submits a Bid, a "Bidder"), including approval of the bidding procedures detailed herein (the "Bidding Procedures").

Accordingly, these Bidding Procedures shall govern the solicitation by the Receiver of Bids that are superior to that contemplated by the Stalking Horse Agreement and the proposed sale of the Purchased Assets.

Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

Bidding Procedures

These Bidding Procedures provide for one phase of bidding in which to solicit binding offers to purchase all or part of the Property. In the event that the Receiver determines that the results of any Bids received satisfy the conditions for an auction, as set out below, the Receiver shall conduct an auction in accordance with the procedures set out in Section 9 below.

1. Assets for Sale

The Receiver is soliciting Bids for the Property, or any parts thereof, that are superior to that contemplated by the Stalking Horse Agreement. For the purposes of the Bidding Procedures, the Property shall collectively include substantially all of the assets, undertakings and properties of Elementa, which for clarity includes the shares of Elementa Algoma LP, Elementa Algoma Inc. and Elementa Holdings Ltd., acquired for or used in relation to Elementa's business.

2. Solicitation

The Receiver has prepared: (a) a list of potential bidders for the Assets (the "Potential Bidders"),

- 8 -

including both strategic and financial parties who may be interested in acquiring the Property; (b) an initial offering summary (the "**Teaser Letter**") to notify Potential Bidders of the existence of this solicitation process and invite the Potential Bidders to make an offer to acquire all or any part of the Property; and (c) a form of confidentiality agreement (the "**Confidentiality Agreement**").

The Receiver shall commence the solicitation process as soon as practical upon receipt of the Sales Process Order, by sending the Teaser Letter and the Confidentiality Agreement to the Potential Bidders.

3. Access to Due Diligence Materials

Interested parties that execute and deliver to the Receiver the Confidentiality Agreement shall receive access to an electronic data room established by the Receiver to provide Potential Bidders with relevant information relating to the Company and its Property, and a copy of the Stalking Horse Agreement (the "**Due Diligence Access**"). Each party's Due Diligence Access shall terminate upon the earliest of the following events to occur:

- (i) Such party does not submit a Bid by the Bid Deadline (as defined below);
- (ii) Such party submits a Bid by the Bid Deadline but the Receiver determines that such party does not constitute a Qualified Bidder (as defined below);
- (iii) Such party does not participate in the Auction (as defined below); or
- (iv) At the conclusion of the Auction.

Notwithstanding that a party's Due Diligence Access may continue until the end of the Auction, the Receiver shall not be obligated to furnish any additional due diligence information after the Bid Deadline.

The Receiver will designate a representative to coordinate all reasonable requests for Due Diligence Access for all parties eligible to receive such access in accordance with Section 3. The Receiver is not responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the Property and does not make any representations or warranties as to the information or materials provided, except to the extent of any representations or warranties provided for in the relevant agreement(s) with the Winning Bidder(s) (as defined below).

4. Due Diligence from Bidders

Each Bidder shall comply with all reasonable requests for additional information by the Receiver regarding such Bidder and its contemplated transaction. Failure by a Bidder to comply with requests for additional information could be the basis for the Receiver to determine that a Bidder is not a Qualified Bidder (as defined below).

5. As is, where is

Any sale of the Property will be completed on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Receiver or the Company or their respective agents, professionals, advisors, or otherwise, except to the extent set forth in the relevant agreement(s) with the Winning Bidder(s).

6. Bidding Deadlines

All Bids must be submitted in accordance with the terms of these Bidding Procedures so that they are received by the Receiver no later than 12pm EST on March 21, 2016 (the “**Bid Deadline**”). A Bid received by the Receiver after the Bid Deadline shall not constitute a Qualified Bid (as defined below).

Written copies of the Bids shall be delivered via e-mail or by personal delivery to the Receiver at:

Richter Advisory Group Inc.
181 Bay St., Suite 3320
Bay Wellington Tower
Toronto, ON M5J 2T3

Attention: Adam Sherman
E-mail: asherman@richter.ca

with a copy to the Receiver’s counsel at:

Goldman Sloan Nash & Haber LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2

Attention: Mario Forte
E-mail: forte@gsnh.com

7. Bid Requirements

To participate in the process detailed by these Bidding Procedures and to otherwise be considered for any purpose hereunder, a Bidder must deliver a Bid to the Receiver by the Bid Deadline which satisfies each of the following conditions:

- (i) Identification: The Bid must identify the Bidder and representatives thereof who are authorized to appear and act on behalf of the Bidder for all purposes regarding the contemplated transaction;
- (ii) Form and Content: The Bid must be in the form of the Stalking Horse Agreement and executed by the Bidder (each, a “**Proposed Purchase Agreement**”). Any changes and modifications to the Stalking Horse Agreement are to be indicated on a blackline to the Stalking Horse Agreement (including, if applicable, any modifications made to reflect the Property or parts thereof sought to be purchased), which is to be submitted along with the executed version;
- (iii) Minimum Consideration: The aggregate consideration of a Bid that includes all of the Purchased Assets must provide a cash purchase price of at least \$1,650,000.00 (the “**Minimum Purchase Price**”). The Minimum Purchase Price is the aggregate of: (a) the Stalking Horse Bid; (b) the Break- Up Fee (as defined in the Stalking Horse Agreement) of \$50,000.00; and (c) \$100,000.00. In the event that the Bid is for less than all of the Purchased Assets, such Bid shall not be subject to the Minimum Purchase Price; provided, however, that such Bid must be

- capable of being paired by the Receiver with one or more other Bids which in the aggregate provide for a cash purchase price of at least the Minimum Purchase Price;
- (iv) Good-Faith Deposit. The Bid must be accompanied by a cash deposit equal to at least ten percent (10%) of the total cash purchase price contemplated by the Bid (the “**Good Faith Deposit**”), and the Good Faith Deposit shall be paid to the Receiver, to be held by the Receiver in trust in accordance with these Bidding Procedures;
 - (v) Financial Wherewithal. The Bid must include evidence satisfactory to the Receiver of the Bidder’s financial ability to close by the Closing Date (as defined below);
 - (vi) Closing Date. The Bid must contain a binding commitment by the Bidder to close on the terms and conditions set forth in the Proposed Purchase Agreement as soon as practicable after satisfaction or waiver of all conditions; provided that such closing must take place by no later than April 30, 2016 (the “**Closing Date**”);
 - (vii) Irrevocable. The Bid must be accompanied by a letter which confirms that the Bid may be accepted by the Receiver, by the Receiver countersigning the Proposed Purchase Agreement, and is irrevocable and capable of acceptance until the earlier of: (a) the day on which the Bidder is notified that the Bid is not a Qualified Bid (as defined below); (b) the day on which a Winning Bid or Winning Bids are selected, if the Bid is neither a Winning Bid nor a Back-Up Bid (as defined below) selected on such day; (c) if the Bid is the Back-Up Bid, then the day on which the Winning Bid(s) closes; and (d) April 30, 2016 (the “**Termination Date**”);
 - (viii) No Representations and Warranties. A Bid shall include an “as is, where is” clause substantially on the same terms as the “as is, where is” clause set out in the Stalking Horse Agreement;
 - (ix) Contingencies. The Bid may not be conditional on obtaining financing, or obtaining assignments on any leases or contracts of the Company or its affiliates, or any internal approval, or on the outcome or review of due diligence. Any other contingencies associated with the Bid may not, in the opinion of the Receiver, in the aggregate, be more burdensome or conditional than those set forth in the Stalking Horse Agreement;
 - (x) No Fees Payable to Bidder. The Bid may not request or entitle the Bidder to any break-up fee, expense reimbursement, termination or similar type of fee or payment. Further, by submitting a Bid, a Bidder shall be deemed to irrevocably waive any right to pursue a claim in any way related to the submission of its Bid or these Bidding Procedures; and
 - (xi) Other Information. A Bid shall contain such other information reasonably requested by the Receiver.

8. Designation as Qualified Bidder

The Receiver may discuss, negotiate or seek clarification of any Bid. A Bidder may not modify, amend or withdraw its Bid without the written consent of the Receiver. Any such modification, amendment or withdrawal of a Bid by a Bidder without the written consent of the Receiver shall result in a forfeiture of such Bidder’s Good-Faith Deposit.

- 11 -

After any clarifying discussions or negotiations, the Receiver shall review all Bids and other documentation and information submitted by the Bidders, and shall determine, in its sole discretion, those Bidders, if any, that are qualified to participate in an auction (the “**Qualified Bidders**” and the Bid of each Qualified Bidder, a “**Qualified Bid**”). All Bids will be considered, but the Receiver reserves the right to reject any and all Bids.

Notwithstanding anything else in the Bidding Procedures, the Stalking Horse Bidder is deemed to be a Qualified Bidder and the Stalking Horse Bid is deemed to be a Qualified Bid for all purposes and at all times.

9. Auction

If the Receiver determines that there are no Qualified Bids (other than the Stalking Horse Agreement), then:

- (i) there will be no auction;
- (ii) the Stalking Horse Agreement shall be declared the Winning Bid (as defined below) for the Purchased Assets; and
- (iii) the Receiver shall seek approval of, and authority to consummate, the Stalking Horse Agreement and the transactions provided for therein at the Sale Motion (as defined below).

If the Receiver determines that there is at least one Qualified Bid for all of the Purchased Assets (other than the Stalking Horse Bid) or a combination of non-overlapping Qualified Bids for less than all of the Purchased Assets (an “**Aggregated Bid**”), and such Qualified Bid or Aggregated Bid provides the Minimum Purchase Price, the Receiver shall conduct an auction to determine the highest and/or best Qualified Bid or Aggregated Bid (the “**Auction**”).

If the Auction is to take place, then within two (2) business days after the Bid Deadline, the Receiver shall send written notice to all Qualified Bidders with respect to whether such Bidder is a Qualified Bidder and invite the Qualified Bidder to participate in the Auction (the “**Auction Notice**”). The Auction Notice shall include, amongst other things: (a) the date, time and location of the Auction; (b) a copy of the Opening Bid (as defined below); and (c) the procedures pursuant to which the Auction is to be conducted.

In all cases, the Receiver shall post notice of such facts on its website established in connection with the receivership of the Company, at: <http://www.richter.ca/en/folder/insolvency-cases/e/elementa-group-inc>

If a Qualified Bidder intends to participate in the Auction, it must advise the Receiver of such intention in writing at least one (1) business day prior to the Auction (a “**Participation Notice**”). If at least two (2) Participation Notices are received, the Auction will take place and shall be conducted in accordance with the following procedures:

- (i) Participation at the Auction. The Receiver and its professionals shall direct and preside over the Auction. Only Qualified Bidders are eligible to participate in the Auction. Each Qualified Bidder must have present or available, the individual or individuals with the necessary decision making authority to submit Overbids (as defined below) and to make such necessary and ancillary

- 12 -

decisions as may be required during the Auction. Only the authorized representatives, including counsel and other advisors, of each of the Qualified Bidders and the Receiver shall be permitted to attend the Auction;

- (ii) Rounds. Bidding at the Auction shall be conducted in rounds. The Qualified Bid or Aggregated Bid with the highest and/or best value shall constitute the opening bid (the “**Opening Bid**”) for the first round of bidding. The highest Overbid (as defined below) at the end of each round shall constitute the “Opening Bid” for the following round. The Receiver, in its sole discretion, shall determine what constitutes the Opening Bid for each round. An Aggregated Bid may be an Opening Bid in the first round. A combination of non-overlapping Overbids (an “**Aggregated Overbid**”) may also be an Opening Bid in any subsequent round, if such Aggregated Overbid is determined by the Receiver, in its sole discretion, to be the highest and/or best Overbid. In each round, a Qualified Bidder may submit no more than one Overbid. The Receiver reserves the right to impose time limits for the submission of Overbids. For clarity, the Stalking Horse Bid or any Overbid made by the Stalking Horse Bidder may form part of an Aggregated Bid or Aggregated Overbid;
- (iii) Failure to Submit an Overbid. If, at the end of any round of bidding, a Qualified Bidder or Aggregated Bidder (other than the Qualified Bidder or Aggregated Bidder that submitted the Opening Bid for such round) fails to submit an Overbid, then such Qualified Bidder may not participate in the next round of bidding at the Auction. Any Qualified Bidder or Aggregated Bidder that submits an Overbid or Aggregated Overbid during a round (including the Qualified Bidder or Aggregated Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction;
- (iv) Overbids. All Bids made during the Auction shall be “Overbids”. Overbids will be submitted in a form to be determined by the Receiver, in its sole discretion, including further revised and executed Proposed Purchase Agreements. The identity of each Qualified Bidder and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders participating in the Auction. The Receiver shall maintain a transcript of the Opening Bid and all Overbids made and announced at the Auction, including the Winning Bid(s) (as defined below) and the Back-Up Bid(s) (as defined below). To be considered an “Overbid”, a Bid made during the Auction must satisfy the following criteria:
 - (a) Minimum Consideration. The amount of purchase price consideration of any Overbid shall not be less than the purchase price consideration of the Opening Bid of the applicable round of bidding plus \$100,000.00 or such lower or higher amount as the Receiver may determine in advance of such round of bidding in order to facilitate the Auction (the “**Minimum Overbid Increment**”); provided, however, that if an Overbid relates to less than all of the Purchased Assets then the purchase price consideration of such Overbid need only be the purchase price consideration of such Bidder’s prior Bid plus \$100,000.00 or such lower or higher amount as the Receiver may determine in advance of such round of bidding in order to facilitate the Auction; and
 - (b) Remaining terms are the same as for Qualified Bids. Except as modified herein, an Overbid must comply with the conditions for a Bid set forth in Section 7 above; provided, however, that the Bid Deadline shall not apply and Overbids need not be accompanied by additional cash deposits (subject to subsection (vii) hereof). To the extent not previously

- 13 -

provided (which shall be determined by the Receiver), a Qualified Bidder submitting an Overbid must submit, as part of its Overbid, evidence acceptable to the Receiver demonstrating such Qualified Bidder's ability (including financial ability) to close the transaction contemplated by its Overbid;

- (v) Announcing Highest Overbids. At the end of each round of bidding, the Receiver, with the assistance of its advisors, shall: (a) immediately review each Overbid made in such round; (b) identify the highest and/or best Overbid or Aggregated Overbid; and (c) announce the terms of such highest and/or best Overbid or Aggregated Overbid to all Qualified Bidders entitled to participate in the next round of bidding. Such highest and/or best Overbid or Aggregated Overbid shall be the Opening Bid for the next round of the Auction;
- (vi) Adjournments. The Receiver reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction to, among other things: (a) facilitate discussions between the Receiver and individual Qualified Bidders, including any discussion, negotiation or clarification of any Overbid; (b) allow individual Qualified Bidders to consider how they wish to proceed; (c) consider and determine the current highest and/or best Overbid or Aggregated Overbid at any given time during the Auction; (d) give Qualified Bidders the opportunity to provide the Receiver with such additional evidence as it may require, in its reasonable business judgment, that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed transaction at the Overbid amount; and (e) subject to such rules and guidelines as the Receiver may consider appropriate, facilitate any appropriate consultation by the Receiver and/or Qualified Bidders with third party stakeholders;
- (vii) Closing the Auction. If, in any round of bidding, no Overbid or Aggregated Overbid is made, the Auction shall be closed and the Receiver shall, with the assistance of its advisors: (a) declare the last Opening Bid as the winning Bid(s) (the "**Winning Bid(s)**") and the party or parties submitting such Winning Bid(s), the "**Winning Bidder(s)**"; (b) immediately review the other Overbids or Aggregated Overbids made in the previous round (or the Qualified Bids and Aggregated Bids if no Overbids were made at the Auction) and identify and record the next highest and/or best Overbid or Aggregated Overbid (or Qualified Bid or Aggregated Bid) (the "**Back-Up Bid(s)**") and the party or parties submitting such Back-Up Bid(s), the "**Back-Up Bidder(s)**"; and (c) advise the Winning Bidder(s) and the Back-Up Bidder(s) of such determinations and all other Qualified Bidders that they are not a Winning Bidder or a Back-Up Bidder.

To the extent not already provided, the Winning Bidder(s) and the Back-Up Bidder(s) shall each, within two (2) business days of the conclusion of the Auction, provide the Receiver with an additional cash deposit to increase its original Good Faith Deposit to equal at least ten percent (10%) of the total cash purchase price contemplated by its Winning Bid or Back-Up Bid, as applicable, to be held by the Receiver in trust as such party's "Good Faith Deposit" in accordance with these Bidding Procedures. For greater certainty, the preceding sentence applies equally to the Stalking Horse Bidder if the Stalking Horse Bidder submits an Overbid which is determined to be a Winning Bid or Back-Up Bid;

- (viii) Consent to Jurisdiction as Condition to Bid. All Qualified Bidders shall be deemed to have consented to the exclusive jurisdiction of the Court and waived any right to a jury trial in

connection with any disputes relating to the Auction, and the construction and enforcement of the Qualified Bidder's transaction documents, as applicable;

- (ix) Break-Up Fee. In the event that the Stalking Horse Bidder is not the Winning Bidder, the Break-Up Fee of \$50,000.00 shall be payable to the Stalking Horse Bidder in accordance with the terms of the Stalking Horse Agreement from the proceeds received upon closing the Winning Bid or Back-Up Bid, as applicable; and
- (x) No Collusion. Each Qualified Bidder shall be required to confirm that it has not engaged in any discussions or any other collusive behaviour with respect to the submissions of Overbids. The Receiver may permit discussions between Qualified Bidders at the Auction, subject to such rules and guidelines as the Receiver considers appropriate.

10. Receiver's Reservation of Rights

In addition to the other reservations of rights set out herein, the Receiver reserves the right in its reasonable discretion to: (a) waive strict compliance with any one or more of the Bid requirements specified herein, and deem such non-compliant Bids to be Qualified Bids; provided that such non-compliance is not material in nature; (b) reject any or all Bids if, in the Receiver's reasonable business judgment, no Bid is for fair and adequate consideration; and (c) adopt such ancillary and procedural rules not otherwise set out herein for these Bidding Procedures (including rules that may depart from those set forth herein) that in its reasonable business judgment will better promote the goals of these Bidding Procedures and facilitate the Auction, provided that the adoption of any rule that materially deviates from these Bidding Procedures shall require an order of the Court.

11. Sale Motion

The Receiver shall, within seven (7) business days of the conclusion of the Auction, or if there is no Auction, within seven (7) business days of the Bid Deadline, serve notice of a motion seeking approval of the Winning Bidder(s) and the sale of the applicable Property to the Winning Bidder(s) free and clear of all liens and encumbrances, other than those liens and encumbrances expressly to be assumed by the Winning Bidder(s) (the "**Sale Motion**"). At the Sale Motion, the Receiver may also seek, in its sole discretion, conditional approval of the Back-Up Bid(s) authorizing the Receiver to close the Back-Up Bid(s) if the Winning Bid(s) is/are not closed by the Closing Date.

12. Closing the Winning Bid

The Receiver and the Winning Bidder(s) shall take all reasonable steps to complete the sale transaction contemplated by the Winning Bid(s) as soon as possible after the Winning Bid(s) are approved by the Court. Notwithstanding the foregoing, in the event that there is more than one Winning Bid, the Receiver reserves the right to impose a condition in each Winning Bid that the obligation of the Receiver to complete the sale transaction contemplated by each Winning Bid is conditional upon the completion of the transaction(s) contemplated by each other Winning Bid. The Receiver will be deemed to have accepted the Winning Bid(s) only when the Winning Bid(s) has/have been approved by the Court. If the transaction(s) contemplated by the Winning Bid(s) has/have not closed by the Closing Date or the Winning Bid(s) is/are terminated for any reason prior to the Closing Date, the Receiver may elect, in its sole discretion to seek to complete the transaction(s) contemplated by the Back-Up Bid(s), and upon making such election, the Receiver will seek Court approval of the Back-Up Bid(s) (if such approval has

not already been obtained) and promptly seek to close the transaction(s) contemplated by the Back-Up Bid(s) after such Court approval. The Back-Up Bid(s) will be deemed to be the Winning Bid(s) and the Receiver will be deemed to have accepted the Back-Up Bid(s) only when the Back-Up Bid(s) has/have been approved by the Court and the Receiver has made such election.

13. Return of Good Faith Deposit

- (i) All Good Faith Deposits shall be held in an interest-bearing account until returned to the applicable Bidder or otherwise dealt with in accordance with this Section 13;
- (ii) Good Faith Deposits of all Bidders who are determined not to be Qualified Bidders shall be returned to such Bidders two (2) business days after the day on which the Bidder is notified that it is not a Qualified Bidder;
- (iii) Good Faith Deposits of all Qualified Bidders other than the Winning Bidder(s) and the Back-Up Bidder(s) shall be returned to such Qualified Bidders two (2) business days after the day on which one or more Winning Bidders is selected;
- (iv) The Good Faith Deposit(s) of the Winning Bidder(s) shall be applied to the purchase price of such transaction(s) at closing. If the Winning Bid(s) fail(s) to close by the Termination Date because of a breach or failure to perform on the part of the Winning Bidder(s), the Receiver shall be entitled to retain the Good Faith Deposit of the applicable Winning Bidder(s) as part of its damages resulting from the breach or failure to perform by the applicable Winning Bidder(s). The Good Faith Deposit of the Winning Bidder(s) shall otherwise be returned to the Winning Bidder(s) in accordance with the terms of the Winning Bid(s);
- (v) If the Back-Up Bid(s) has/have not been deemed to be a Winning Bid(s), the Good Faith Deposit(s) of the Back-Up Bidder(s) shall be returned to the Back-Up Bidder(s) as soon as practicable after the earlier of: (a) the closing of the transaction(s) contemplated by the Winning Bid(s); (b) the date on which the Receiver provides written notice to the Back-Up Bidder(s) that the Receiver will not elect to complete the transaction(s) contemplated by the Back-Up Bid(s); and (c) the Termination Date; and
- (vi) If a Back-Up Bid is deemed to be a Winning Bid, the Good Faith Deposit of such Back-Up Bidder shall be applied to the purchase price of such transaction at closing. If a Back-Up Bid fails to close by the Termination Date because of a breach or failure to perform on the part of such Back-Up Bidder, the Receiver shall be entitled to retain the Good Faith Deposit of such Back-Up Bidder as part of its damages resulting from the breach or failure to perform by such Back-Up Bidder. The Good Faith Deposit of a Back-Up Bidder shall otherwise be returned to the applicable Back-Up Bidder in accordance with the terms of its Back-Up Bid.

**IN THE MATTER OF THE RECEIVERSHIP OF
ELEMENTA GROUP INC.**

Commercial List File No. CV-15-11198-00CL

ONTARIO

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

Proceedings commenced at
Toronto

ORDER

(Stalking Horse and Sales Process)

GOLDMAN SLOAN NASH & HABER LLP

480 University Avenue, Suite 1600

TORONTO, ON M5G 1V2

Fax: 416-597-3370

Mario Forte (LSUC #: 27293F)

Tel: 416-597-6477

Email: forte@gsnh.com

Sanja Sopic (LSUC #: 66487P)

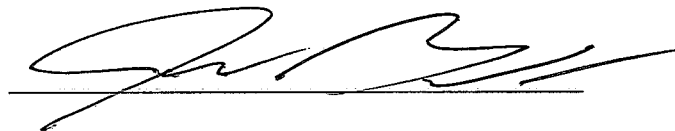
Tel: 416-597-7876

Email: sopic@gsnh.com

Lawyers for Richter Advisory Group Inc., in its capacity as
the Court appointed Receiver of Elementa Group Inc.

T A B L E

This is Exhibit E
Referred to in the
Affidavit of Eden M. Oliver
Sworn May 20, 2016

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a solid horizontal line.

A Commissioner for taking affidavits

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

**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 March 25, 2016)**

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 Bennett Jones LLP ("**Bennett Jones**"), former legal counsel to the Respondent, Elementa Group Inc. ("**EGI**"). I have over 30 years of legal experience in corporate and commercial law. As such, I am familiar with the security arrangements between Bennett Jones and EGI and the operations of EGI during the relevant period. The facts set forth herein are within my personal knowledge, or determined from the face of the documents attached as exhibits, or arise from information and advice provided to me from others, including former 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 connection with the motion for advice and directions made by the court appointed Receiver of EGI concerning the nature and effect of a purported agreement between EGI, Andrew Ferri ("**Ferri**"), Northguard Capital Corp. ("**Northguard**") (a company owned and controlled by Ferri), and Elementa SSM Inc. ("**SSM**") that is alleged to have been made on April 30, 2013 (the "**Ferri Agreement**").

3. I am swearing this affidavit as a representative of Bennett Jones, the first registered secured creditor of EGI, which is seeking to enforce its security interest. In swearing this affidavit, I have not disclosed any confidential information of EGI, except that necessary to provide information in light of the recent disclosure of the Ferri Agreement and the apparent assertion by Ferri and Northguard that the Ferri Agreement, among other things, effects or contains an agreement to effect, a sale or transfer of all or substantially all of the valuable assets (being the Technology, as defined below) of EGI to SSM.

A. OVERVIEW

4. EGI is an early stage technology development company that owns and controls intellectual property rights to a steam reformation method of reforming carbonaceous municipal waste into synthesis gas (the "**Technology**"). As a non-operating and non-revenue generating technology development company, EGI's value consists almost entirely of the Technology.

5. On November 30, 2015, Bennett Jones brought an application to have Richter Advisory Group Inc. (the "**Receiver**") appointed as Receiver over the assets of EGI. Further background on EGI is contained in my affidavit dated November 27, 2015 sworn in support of the receivership application (the "**Receivership Affidavit**"), which is attached (without exhibits) as **Exhibit A**.

6. The receivership application was adjourned until December 21, 2015 at the request of Jayson Zwierschke ("**Zwierschke**"), who is the former President and CEO of EGI, and also a director, shareholder, co-founder and unsecured creditor of EGI.

7. The adjournment was granted by the Honourable Mr. Justice Haaney to allow Zwierschke to file materials in opposition (ostensibly on behalf of EGI) and to seek financing to satisfy the secured indebtedness of Bennett Jones. As a term of the adjournment, the Receiver was

authorized to take interim possession of the computer server of EGI containing the computer code for the Technology and certain boxes of associated documents. A copy of the endorsement, a transcript of same, and Order of Justice Hainey is attached as **Exhibit B**.

8. On December 9, 2015, Zwierschke filed an affidavit premised on EGI owning and controlling the Technology (attached as **Exhibit C**). As discussed further herein, that affidavit nowhere mentions the Ferri Agreement, despite Zwierschke allegedly having executed the Ferri Agreement on behalf of EGI.

9. Ultimately, on December 21st Zwierschke did not oppose the receivership application and the Receivership Order was granted. Ferri and Northguard were served with the Receivership Order and filed a Notice of Appearance on February 5, 2016.

10. On February 16, 2016, the Honourable Madam Justice Conway granted an Order approving a stalking horse agreement of purchase and sale and related bidding procedures to sell substantially all of the assets, property and undertakings of EGI (the "**Sales Process**").

11. The Ferri Agreement was not disclosed to Bennett Jones until Ferri sent it by email to the service list on March 9, 2016 (Bennett Jones having first received a copy from the Receiver's counsel on February 29, 2016, who had received it from Ferri's counsel). This was after Bennett Jones had provided substantial services to EGI on credit, taken and registered security in the Technology, initiated and financially backstopped the within receivership, and after this Court had approved the Sales Process for the assets of EGI and specifically the Technology. At all times it was understood by Bennett Jones that EGI exclusively owned and controlled the Technology.

12. The Ferri Agreement was never disclosed to or approved by the Board of EGI, or disclosed to or approved by its shareholders. Further, the Ferri Agreement was not disclosed to the other secured and unsecured creditors of EGI who subsequently advanced funds and credit to EGI, to new equity participants in EGI, or to the counterparties to various project development contracts entered into by EGI that are premised on EGI owning and controlling the Technology. All of these parties also understood at all times that EGI exclusively owned and controlled the Technology. In fact, EGI has premised the entirety of its business operations on that basis.

13. Ferri was not acting at arm's length with Zwierschke. Among other things, Zwierschke granted a personal guarantee to Northguard of certain amounts owed by EGI to Northguard. SSM (the party to whom the Ferri Agreement purports to transfer the Technology) shares the same registered address as EGI and Zwierschke is its sole director. Ferri is stated to be its President.

14. Ferri was not acting in good faith in his dealings with EGI and the Board. Ferri was responsible for unresolved uncertainty about the capital structure of EGI that precluded further financing and materially contributed to the necessity of the receivership. It is my information and belief that Ferri and Northguard were aware that Zwierschke was not authorized to bind EGI to the Ferri Agreement because the transactions contemplated by the Ferri Agreement required disclosure to and approval by the Board and EGI's shareholders.

15. I believe that the timing of the disclosure of the Ferri Agreement should be a matter of concern to the Court. The eleventh hour revelation of a "secret agreement" that purports to effect a sale or transfer of the Technology for the benefit of Ferri and Northguard on its face raises suspicions about the authenticity of the document. Assuming that the Ferri Agreement is authentic, then there are serious questions about the nature and enforceability of the Ferri Agreement, particularly against third party creditors with registered security interests. Moreover, the revelation of the Ferri Agreement 22 days into the Sales Process has increased the costs of the receivership and may have had a detrimental effect on the Sales Process.

B. BENNETT JONES' SECURITY INTEREST

16. 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 (the "**Engagement Letter**"). An executed copy of the Engagement Letter is attached as **Exhibit D**.

17. Pursuant to the terms of the Engagement Letter, and on instructions from EGI, Bennett Jones provided extensive legal services to EGI on a broad variety of matters until approximately November 2015.

18. EGI initially engaged Bennett Jones to assist with the development of EGI's planned energy from waste facility to be built at Sault Ste. Marie (the "**Sault Ste. Marie Project**"),

including to negotiate an energy from waste contract dated December 18, 2013 with the Ontario Power Authority (the "**OPA Contract**"). At the time Bennett Jones was retained, EGI had already built and successfully operated EGI's pilot plant that had proved various aspects of the Technology, including that the patented process worked and that emissions were within Ministry of Environment prescribed limits. EGI had also already entered into a municipal waste and reformation agreement with The Corporation of the City of Sault Ste. Marie.

19. It was always Bennett Jones' understanding that EGI exclusively owned and controlled the Technology, and that EGI would be capable of exploiting the Technology once it obtained financing, which would allow EGI to settle certain debt obligations, including Bennett Jones' outstanding accounts. Bennett Jones advanced credit in the form of legal services on this understanding.

20. As of April 30, 2013, the alleged date of the Ferri Agreement, EGI was indebted to Bennett Jones for accounts totalling \$227,863 (including taxes and disbursements, and excluding interest).

21. Over the following year, significant work was completed for EGI by Bennett Jones, including completing the OPA Contract and responding to an investigation into EGI by the Ontario Securities Commission, which began in October 2013. All of the work performed was documented in detailed accounts provided to EGI on a regular basis.

22. As of June 30, 2014, EGI was indebted to Bennett Jones for accounts totalling approximately \$1,482,791 (including taxes, disbursements and interest) (the "**Indebtedness**").

23. As I had been concerned for some time about the mounting accounts receivable of Bennett Jones owed by EGI and the impact on EGI of withdrawing our services given the significant issues faced by EGI and its directors and officers, I requested that security be granted to Bennett Jones so that Bennett Jones could continue to provide legal services to EGI.

24. In or about June 2014, I requested that a *Personal Property Security Act* (Ontario) ("**PPSA**") search be conducted. The results showed that there were no registered security instruments against EGI that would be registered prior to Bennett Jones' registration. While providing legal services to EGI, I had also previously ordered PPSA searches to ascertain

whether there were any secured creditors of EGI and had reviewed such registrations in detail with Zwierschke and Mr. Garry Rawson ("**Rawson**"), EGI's then Vice President, Finance and Business Development. This information was necessary to satisfy financing requirements and corporate representations.

25. To the best of my knowledge, none of Ferri, Northguard and SSM ever registered or perfected any security interest in EGI or its assets. Attached as **Exhibit E** is a copy of search results conducted in the Personal Property Security Registry against EGI under the PPSA with a file currency of March 23, 2016. None of Ferri, Northguard and SSM are listed as secured parties in those search results.

26. EGI granted a general security agreement dated June 12, 2014 (the "**GSA**") as security for the Indebtedness in favour of Bennett Jones. Pursuant to the GSA, the collateral over which EGI granted a security interest to Bennett Jones includes all rights in, arising out of, or associated with intellectual property rights (i.e., the Technology), whether registered or not, that were then or thereafter owned by EGI. A copy of the GSA is attached as **Exhibit F**.

27. Bennett Jones accepted the GSA and continued to provide services to EGI on the premise that EGI owned the Technology and that Bennett Jones was therefore being granted a security interest in the Technology. The Technology forms the most substantial and valuable component of the collateral in which Bennett Jones obtained and registered its security interest.

28. Bennett Jones registered a financing statement to perfect the security interests memorialized by the GSA as registration no. 20140605 0927 1862 3349.

29. On September 28, 2015, by a notice of security interest in intellectual property, Bennett Jones advised the Canadian Intellectual Property Office that the Technology is subject to a security interest granted by EGI in favour of Bennett Jones. A copy of the CIPO notice is attached as **Exhibit G**. Similar registrations have been made with the U.S. Patent Office.

30. As of November 18, 2015, the Indebtedness owed to Bennett Jones by EGI had increased to approximately \$2,922,329 (including taxes on billed amounts, disbursements and interest), an increase since April 30, 2013 of approximately \$2,694,466.

31. As a result of EGI's inability to obtain further financing, including because of the actions of Ferri and Northguard, discussed below, and other reasons including the failure of EGI to make any payment to Bennett Jones in respect of the Indebtedness, Bennett Jones ceased to act as legal counsel to EGI and brought the receivership application.

C. NO DISCLOSURE OR APPROVAL OF THE FERRI AGREEMENT

32. Had the Ferri Agreement been disclosed to Bennett Jones, had Bennett Jones been notified that EGI did not own or had agreed to transfer or license the Technology, or had Bennett Jones been advised that Ferri or Northguard had a security interest or other interest in the Technology that stood in priority to the security that Bennett Jones intended to take, then Bennett Jones would have ceased to act as legal counsel to EGI much earlier and would not have continued to advance credit to EGI in the form of legal services.

33. I have reviewed the EGI minute books, including the minutes of Board and shareholder meetings and resolutions. The Directors' Resolution passed at the meetings of the Board held on February 1, 2011 and February 2, 2011, attached as **Exhibit H**, reflects the requirement that Board approval is required for:

Any transaction involving the transfer of any of the Corporation's assets including rolling stock, plant and equipment, office furniture, computer equipment, intellectual property in any form including patents filed in any Country, or any other assets requiring board approval before the transaction is initiated.

34. The minute books also reflect that the Ferri Agreement was never disclosed to or approved by the Board or EGI's shareholders. It appears the Ferri Agreement was never disclosed to the Board or EGI's shareholders or creditors prior to March 9, 2016.

35. As an experienced lawyer, it is my view that, had the Ferri Agreement been disclosed to the Board, the Board would have needed to consider that the Ferri Agreement: (a) would render EGI not financeable; (b) would give rise to great uncertainty and risk; and (c) would have made it impossible for EGI to enter into the Sault Ste. Marie Project and related contracts, including the OPA Contract, as those were premised on EGI owning and controlling the Technology and required the counterparties' consent to assignment and change of control.

36. Based on my legal experience, an agreement to transfer all or substantially all of a corporation's valuable property requires approval by the corporation's board of directors, shareholders, and potentially its creditors. I do not believe that EGI's Board at April 2013 would have approved the Ferri Agreement or recommended it to EGI's shareholders for approval.

37. Among other things, had EGI transferred or agreed to transfer the Technology to SSM as the Ferri Agreement purports to do, EGI would not have been in a position to raise capital, enter into contracts with third parties, or issue equity on the basis that it owned or controlled the Technology. EGI would have been entirely captive to Ferri and Northguard for a relatively small percentage of the total combined debt and equity of EGI. However, subsequent to April 30, 2013, EGI did borrow money, raise equity, seek further financing and enter into new contracts with third parties. In fact, EGI marketed the Sault Ste. Marie Project and related contracts as assets when it sought to obtain further financing and to raise new equity. With the applicable required board approvals, EGI also transferred the municipal waste and reformation agreement (with the agreement of The Corporation of the City of Sault Ste. Marie) to Elementa Algoma LP, EGI's wholly owned project entity, and caused Elementa Algoma LP, by its general partner, to enter into the OPA Contract.

38. Moreover, from November 2013 onwards, EGI made representations at various times in the aforementioned Ontario Securities Commission investigation that EGI exclusively owned and controlled the Technology.

D. THE FERRI IMPEDIMENTS TO FINANCING

39. Starting in 2008, and without informing the Board or obtaining Board approval, Zwierschke purported to grant to Ferri c/o Northguard options to purchase shares in the capital of EGI pursuant to a series of letters dated August 14, 2008, August 19, 2011, March 30, 2012, May 25, 2012, June 29, 2012, and December 13, 2012 (the "**Ferri Option Letters**"). Attached as **Exhibit I** are copies of the Ferri Option Letters.

40. Based on one interpretation, such option grants could have permitted Ferri to convert his existing unsecured debt into a substantial majority position in EGI, thereby greatly diluting existing or future shareholders. This is so because, among other things, the time allotted to

exercise such purported rights is open-ended and the strike price is uncertain and therefore the number of shares subject to the options is uncertain.

41. The corporate records I have reviewed indicate that Zwierschke did not disclose to or obtain approval of the Board to grant options in the capital of EGI, nor did Zwierschke reveal that he had purportedly granted the options on behalf of EGI until shortly before a Board meeting that took place on October 25, 2013. The Board minutes of October 25, 2013 reflect that Zwierschke agreed that the Ferri options would be satisfied solely from Zwierschke's shareholdings, meaning that there would not be any general shareholder dilution. The minutes also reflect that Zwierschke agreed to provide legal certification that there were no other arrangements having to do with EGI that were unknown to the Board. Attached as **Exhibit J** is a copy of the October 25, 2013 Board minutes.

42. I was advised by Glen Kayll, a General Partner of Kyudoka Capital Corporation, the financial advisors to EGI in 2015, that the Ferri Option Letters and the uncertainty they caused had a direct negative impact on EGI's ability to raise capital and that the capital table of EGI had to be stabilized before financing could be obtained.

43. Considerable efforts were made by members of the Board, as well as EGI's financial advisors in consultation with Zwierschke and the Board, to resolve the issues with the Ferri Option Letters and to negotiate terms with Ferri and Northguard that would allow financing to be obtained from third parties. No such terms could be agreed. I am advised by Mr. John Ashbourne ("**Ashbourne**"), who was Chairman of the Board from June 5, 2015, Rawson, and EGI's financial advisors, and I believe that Ferri tried to evade directly dealing with these issues and directly dealing with the Board and EGI's financial advisors. Potential further financing from Ferri and Northguard in relation to the Sault Ste. Marie Project was also discussed by Ferri and Northguard through Zwierschke at various times, but to my knowledge, no concrete proposal was ever made by Ferri or Northguard.

44. In fact, Ferri sent a letter to EGI, dated February 7, 2014, attached as **Exhibit K**, giving notice that he and Northguard declined to finance the Sault Ste. Marie Project and would not be moving ahead with it, referring to the August 25, 2011 license agreement discussed at paragraph

31 of the Receiver's second report and contained at Appendix "N" to that report. It is notable that Ferri did not refer to or reveal the existence of the Ferri Agreement in the letter (or at all).

45. It should be noted that on August 14, 2008, Zwierschke personally guaranteed a promissory note granted by EGI (then known as Enquest Power Corporation) in favour of Northguard, also dated August 14, 2008. That personal guarantee is attached to the Receiver's second report as Appendix "I". In addition, Zwierschke provided a limited guarantee for the loans made by 2124732 Ontario Inc. to Elementa Algoma LP, as well as for certain loans made by Gary Blokhuis (carrying on business as Blokhuis Holdings) to EGI, and also pledged his common shares in EGI to 2124732 Ontario Inc. as security. 2124732 Ontario Inc. also purchased and granted to Elementa Algoma LP a lease of the site for the Project.

46. To further complicate matters, Zwierschke communicated to Ashbourne by email dated September 28, 2015 that Zwierschke had pledged his shares to Ferri. Attached as **Exhibit L** is a copy of an email exchange including this email.

47. As a result, based on the documents I have reviewed and Zwierschke's assertion in the September 28, 2015 email, it appears that Zwierschke's common shares in EGI were subject to at least two separate and competing pledges, one being to Ferri and one being to 2124732 Ontario Inc. This ambiguity and the resulting potential for litigation was a further obstacle to EGI's ability to obtain further investment, which in turn contributed to the necessity of the receivership because EGI could not raise financing.

48. Both Zwierschke and his brother Len were terminated as employees of EGI for cause by the Board on October 6, 2015, although they remained directors of EGI. Among other reasons, Zwierschke was terminated for breach of fiduciary duties and breach of trust as a result of his unauthorized dealings with Ferri. Copies of the termination letters are attached as **Exhibit M**.

E. FERRI WAS NOT OPERATING AT ARM'S LENGTH AND FERRI AND ZWIERSCHKE APPEAR TO BOTH HAVE AN INTEREST IN SSM

49. As noted above, on March 9, 2016, Ferri sent an email to the service list attaching the Ferri Agreement. A copy of Ferri's email and a copy of the Ferri Agreement are attached as

Exhibit N. Except for receiving a copy from the Receiver's counsel on February 29, 2016, this was the first time that the Ferri Agreement had been disclosed to Bennett Jones.

50. In his March 9, 2016 email, Ferri states that SSM was incorporated at his behest in 2012 to facilitate the Sault Ste. Marie Project. Similarly, it is stated in the Ferri Agreement that "Ferri had his lawyer incorporate Elementa SSM Inc. [to] facilitate the Sault Ste. Marie Project." On the signature pages of the Ferri Agreement, Ferri is listed as the President of SSM.

51. A copy of SSM's corporation profile report dated March 10, 2016 is attached as **Exhibit O.** SSM was incorporated on July 18, 2012 and its registered office is located at the same address as that of EGI. Zwierschke is listed on the report as SSM's sole director as of its incorporation date.

52. It is not clear from the face of the Ferri Agreement or SSM's corporation profile report what the capital structure of SSM is or who owns or controls SSM. Ferri and Northguard had staff and offices in the leased premises of EGI on a rent free basis. SSM's registered address is the same address as EGI and Zwierschke is its sole listed director.

F. THE TIMING OF DISCLOSURE OF THE FERRI AGREEMENT

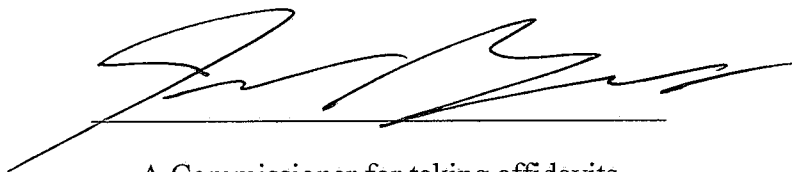
53. I believe that the timing and manner of the revelation of the Ferri Agreement should be of concern to the Court. To the best of my knowledge, Ferri never disclosed the existence of the Ferri Agreement to EGI's Board, creditors, or shareholders other than Zwierschke until March 9, 2016. As far as I am aware, Zwierschke has never disclosed its existence to any party either.

54. As set out above, Zwierschke was served with the receivership application. Zwierschke retained counsel and sought and obtained an adjournment of the receivership application to allow him to file opposing material and seek financing to satisfy the Indebtedness to Bennett Jones.

55. On December 9, 2015, Zwierschke swore an affidavit in opposition to the receivership application, a copy of which is attached as **Exhibit C.** His affidavit is grounded entirely on the premise that EGI owns the Technology. In particular, Zwierschke states at paragraph 15 of his affidavit that:

TAB F

This is Exhibit F
Referred to in the
Affidavit of Eden M. Oliver
Sworn May 20, 2016

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

A Commissioner for taking affidavits

Commercial List File No. CV-15-11198-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE

)

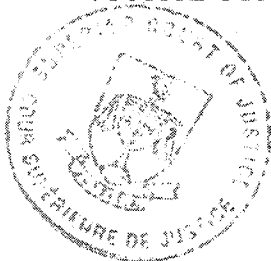
TUESDAY, THE 5th ^{bc}

JUSTICE CONWAY

)

DAY OF

APRIL , 2016



IN THE MATTER OF THE RECEIVERSHIP OF
ELEMENTA GROUP INC.

ORDER

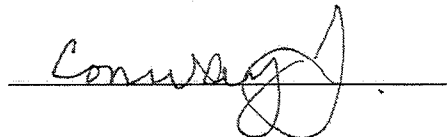
THIS MOTION, made by Richter Advisory Group Inc. ("**Richter**") in its capacity as the Court-appointed Receiver (in such capacity, the **Receiver**"), without security, of all the assets, undertakings and properties (collectively, the **Property**) of Elementa Group Inc. ("**Elementa**") for advice and directions of this Honourable Court as to the nature and effect of a certain agreement among Elementa, Northguard Capital Corp. ("**Northguard**"), Elementa SSM Inc. ("**SSM**"), and Andrew Ferri ("**Ferri**") made April 30, 2013 purporting to effect certain transactions in respect of the assets of Elementa (the "**April 2013 Agreement**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report of the Receiver and appendices thereto and the Factum and Authorities of the Receiver, and on hearing the submissions of counsel for the Receiver, counsel for Ferri and counsel for Bennett Jones LLP, David Elmaleh appearing for the Independent Electricity System Operator (the "**IESO**"), no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Sanja Sopic sworn March 30, 2016, filed.

1. **THIS COURT ORDERS** that the time for service and filing of the Receiver's Notice of Motion and the Motion Record is hereby abridged and service thereof is hereby validated so that this motion is properly returnable today and further service thereof is hereby dispensed with.

- 2 -

2. **THIS COURT ORDERS AND DECLARES** that the April 2013 Agreement is an agreement to which the *Personal Property Security Act*, R.S.O. 1990, c. P.10 (the "PPSA") applies.
3. **THIS COURT ORDERS** that the Property of Elementa may be vested free and clear of the interests of any nature and kind created by the April 2013 Agreement (the "Interests").
4. **THIS COURT FURTHER ORDERS** that the Receiver is entitled to seek a vesting order to give effect to and to complete its pending sale of Elementa to Bradam Canada Inc. free and clear of the Interests.
5. **THIS COURT ORDERS** that the parties reserve their rights to provide written argument as to their respective entitlement, if any, to costs on this motion to a later time.



Conway

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

APR 05 2016

PER / PAR:



ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings commenced at
Toronto

ORDER
(Motion for Advice and Directions)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
TORONTO, ON M5G 1V2
Fax: 416-597-3370

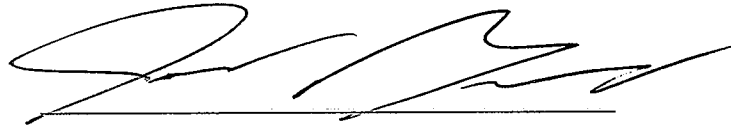
Mario Forte (LSUC #: 27293F)
Tel: 416-597-6477
Email: forte@gsnh.com

Sanja Sopic (LSUC #: 66487P)
Tel: 416-597-7876
Email: sopic@gsnh.com

Lawyers for Richter Advisory Group Inc., in its capacity as
the Court appointed Receiver of Elementa Group Inc.

TAB G

This is Exhibit G
Referred to in the
Affidavit of Eden M. Oliver
Sworn May 20, 2016

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

A Commissioner for taking affidavits

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

ONTARIO
 SUPERIOR COURT OF JUSTICE
 (COMMERCIAL LIST)

THE HONOURABLE <i>Madam</i>)	FRIDAY, THE 15 TH
)	
JUSTICE <i>Swinton</i>)	DAY OF APRIL, 2016



IN THE MATTER OF THE RECEIVERSHIP OF
 ELEMENTA GROUP INC.

APPROVAL AND VESTING ORDER

THIS MOTION, made by Richter Advisory Group Inc. ("Richter") in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Elementa Group Inc. ("Elementa") approving the designation of the agreement of purchase and sale between the Receiver and Bradam Canada Inc. (the "Purchaser") dated February 12 2016 appended to the Third Report of the Receiver dated April 8, 2016 (the "Report"), (the "Sale Agreement") as a Winning Bid pursuant to the order of Madam Justice Conway made February 19, 2016 (the "Sale Process Order"), and vesting Elementa's and its affiliates' right, title and interest in and to the assets described in the Sale Agreement as designated by the Purchaser (the "Purchased Assets") in the Purchaser, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, counsel for Bennett Jones LLP, counsel for the Independent Electricity System Operator, no one appearing for any other person on the service list, although properly served as appears from the

- 2 -

affidavit of Sanja Sopic sworn April 8, 2016 filed, and upon being advised that the Purchaser has designated Bradam Group LLC to be the beneficiary of the vesting ("BradamCo");

1. THIS COURT ORDERS that the time for service and filing of the Receiver's Notice of Motion and the Motion Record is hereby abridged and service thereof is hereby validated so that this motion is properly returnable today and further service thereof is hereby dispensed with.

2. THIS COURT ORDERS that the Sale Agreement and its designation as the Winning Bid pursuant to the terms of the Sale Process Order be and are hereby approved and the Receiver is hereby authorised and directed to execute such documents, transfers and conveyances necessary to complete the transactions contemplated in the Sale Agreement and to properly convey the Purchased Assets to BradamCo in accordance with the Sale Agreement, including the transfer and conveyance of such units and shares in Elementa Holdings Ltd ("EHL"), Elementa Algoma Inc. ("EAI") and Elementa Algoma LP ("LP") as designated by the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of Elementa's and LP's, EHL's and EAI's right, title and interest, respectively in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in BradamCo, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise contractual rights, licences or similar contractual entitlements of any nature or kind (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated December 21, 2015; and, (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) on Schedule B hereto or any other personal property registry system; (collectively referred to as the "Encumbrances"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead

- 3 -

of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to BradamCo all human resources and payroll information in the Company's records pertaining to Elementa's past and current employees. The Purchaser and BradamCo shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Elementa.

7. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Elementa and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of Elementa;

the vesting of the Purchased Assets in BradamCo pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Elementa and shall not be void or voidable by creditors of Elementa, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or

- 4 -

provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

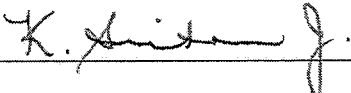
8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. THIS COURT ORDERS that, notwithstanding the provisions of Section 171(3) of the *Business Corporations Act* (Ontario) (the "OBCA"), the Receiver be and is hereby authorized and directed to complete, execute and file articles of amendment for and on behalf of Elementa and any officer and director of Elementa (such articles of amendment to be deemed to have been signed by a director or an officer of Elementa and executed in accordance with the OBCA when so signed by the Receiver as directed by this Court) for the sole purpose of changing the corporate name of Elementa to a corporate name that does not include the word "Elementa" (and such amendment shall be deemed to have been duly authorized by Section 168 and 170 of the OBCA (as applicable) without shareholder or director resolution approving such amendment being required) and this Court hereby directs the Director (as defined in the OBCA) to endorse thereon a certificate of amendment upon being in receipt from the Receiver of two duplicate originals of such articles of amendment together with the prescribed fees and any other required documents under the OBCA (which the Receiver be and is hereby also authorized and directed to complete, execute and file for and on behalf of Elementa and any officer and director of Elementa if and as required) except for any such documents as have been dispensed or otherwise dealt with pursuant to the deeming provisions contained herein.

10. 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.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

APR 15 2016



Schedule A – Form of Receiver’s Certificate

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST****IN THE MATTER OF THE RECEIVERSHIP OF
ELEMENTA GROUP INC.****RECEIVER’S CERTIFICATE****RECITALS**

A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the "Court") made December 21, 2015, Richter Advisory Group Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of Elementa Group Inc. ("Elementa").

B. Pursuant to an Order of the Court dated April 15, 2016, the Court approved the designation of the agreement of purchase and sale made as of February 12, 2016 (the "Sale Agreement") between the Receiver and Bradam Canada Inc. (the "Purchaser") as the Winning Bid and provided for the vesting in the Purchaser of Elementa’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 6 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- 2 -

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 6 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at Toronto on April _____, 2016.

**RICHTER ADVISORY GROUP INC., in its
capacity as Receiver of the undertaking,
property and assets of Elementa Group Inc.,
and not in its personal capacity**

Per: _____

Name:

Title:

Schedule B – PPSA Registrations

PSSME19 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
TIP73511 RESPONSE SUMMARY/HIGH VOLUME 08:08:05
ACCOUNT : 009313-0001
FILE CURRENCY : 13APR 2016
SEARCH : BD : ELEMENTA GROUP INC.

RESPONSE CONTAINS : APPROXIMATELY 5 FAMILIES 8 PAGES

- FOR VERBAL RESPONSE, ENTER "V" IN RESPONSE TYPE.
- TO REQUEST A PRINT-OUT, ENTER "P" IN RESPONSE TYPE AND FILL IN THE MISSING INFORMATION.
- TO TERMINATE THE ENQUIRY, ENTER "CANCEL" IN THE NAME LINE.

RESPONSE TYPE : V RESPONSE LANGUAGE (E,F) : E PICK-UP CODE : _____

RESPONSE MAILING ADDRESS

NAME : _____

ADDRESS : _____

CITY : _____ PROV : _____

POSTAL CODE : _____

PRINT RESPONSE LOCALLY (Y/N) : N

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
 TIP73511 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:06
 ACCOUNT : 009313-0001 FAMILY : 1 OF 5 ENQUIRY PAGE : 1 OF 8
 FILE CURRENCY : 13APR 2016
 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
 10 X X X X X
 YEAR MAKE MODEL V.I.N.

11
 12
 GENERAL COLLATERAL DESCRIPTION

13
 14
 15
 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

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
TIP73511 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:09
ACCOUNT : 009313-0001 FAMILY : 1 OF 5 ENQUIRY PAGE : 2 OF 8
FILE CURRENCY : 13APR 2016
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:
03 BUS NAME: OCN :

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:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

11
12 GENERAL COLLATERAL DESCRIPTION

13
14
15
16 AGENT:

17 ADDRESS :
CITY : PROV: POSTAL CODE:

=====

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
TIP73511 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:11
ACCOUNT : 009313-0001 FAMILY : 2 OF 5 ENQUIRY PAGE : 3 OF 8
FILE CURRENCY : 13APR 2016
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.

04 ADDRESS : 509 GLENDALE AVE UNIT 302 OCN :
CITY : NIAGARA ON THE LAKE PROV: ON POSTAL CODE: LOS 1J0
05 IND DOB : IND NAME:
06 BUS NAME:

07 ADDRESS : OCN :
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
CONS. MV DATE OF OR NO FIXED

GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X 31497
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION

13
14
15
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

=====

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
TIP73511 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:14
ACCOUNT : 009313-0001 FAMILY : 3 OF 5 ENQUIRY PAGE : 4 OF 8
FILE CURRENCY : 13APR 2016
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
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15

16 AGENT: LOOPSTRA NIXON LLP / REXLAW
17 ADDRESS : 600 - 135 QUEENS PLATE DRIVE
CITY : ETOBICOKE PROV: ON POSTAL CODE: M9W 6V7

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
TIP73511 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:16
ACCOUNT : 009313-0001 FAMILY : 3 OF 5 ENQUIRY PAGE : 5 OF 8
FILE CURRENCY : 13APR 2016
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: OCN :

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 PROV: ON POSTAL CODE: L4L 2H8
CITY : WOODBRIDGE MV DATE OF OR NO FIXED
CONS. MATURITY MAT DATE
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT

10 YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

13
14
15

16 AGENT:

17 ADDRESS :
CITY : PROV: POSTAL CODE:

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
TIP73511 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:18
ACCOUNT : 009313-0001 FAMILY : 3 OF 5 ENQUIRY PAGE : 6 OF 8
FILE CURRENCY : 13APR 2016
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:

04 ADDRESS : OCN :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:

07 ADDRESS : OCN :
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

10 YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION

13
14
15
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

=====

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
TIP73511 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:21
ACCOUNT : 009313-0001 FAMILY : 4 OF 5 ENQUIRY PAGE : 7 OF 8
FILE CURRENCY : 13APR 2016
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: 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 :
SHARON D'AMICO

09 ADDRESS : 7 PICKWICK PLACE
CITY : FONTHILL PROV: ON POSTAL CODE: L0S 1E0
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X 50000 18DEC2019
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15

16 AGENT: ESC CORPORATE SERVICES LTD.
17 ADDRESS : 445 KING STREET WEST, 4TH FL
CITY : TORONTO PROV: ON POSTAL CODE: M5V 1K4

=====

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
TIP73511 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:23
ACCOUNT : 009313-0001 FAMILY : 5 OF 5 ENQUIRY PAGE : 8 OF 8
FILE CURRENCY : 13APR 2016
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: 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 :
DAVID D'AMICO

09 ADDRESS : 7 PICKWICK PLACE
CITY : FONTHILL PROV: ON POSTAL CODE: LOS 1E0
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X 50000 18DEC2019
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION

13
14
15
16 AGENT: ESC CORPORATE SERVICES LTD.

17 ADDRESS : 445 KING STREET WEST, 4TH FL
CITY : TORONTO PROV: ON POSTAL CODE: M5V 1K4

LAST SCREEN

PSSME01 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
TIP73511 ENQUIRY REQUEST 08:08:26

FILE CURRENCY . 13APR 2016
CHANGE ACCOUNT (Y/N) : ACCOUNT NUMBER : 009313 0001 ACCOUNT CODE : ESCVFDE

SEARCH TYPE (BD,IN,IS,MV) :
SEARCH CRITERIA :

SUB-SEARCH

RETRIEVE REGISTRATIONS RECORDED SINCE (DDMMYYYY) :
RESPONSE TYPE (V,P) : V RESPONSE LANGUAGE (E,F) : E PICK-UP CODE :
RESPONSE MAILING ADDRESS

NAME :
:
ADDRESS :
CITY : PROV :
POSTAL CODE :

PRINT RESPONSE LOCALLY (Y/N) : N
ENQUIRY FOR "ELEMENTA GROUP INC." ENDED

**IN THE MATTER OF THE RECEIVERSHIP OF
ELEMENTA GROUP INC.**

Commercial List File No. CV-15-11198-00CL

ONTARIO

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

Proceedings commenced at
Toronto

APPROVAL AND VESTING ORDER

GOLDMAN SLOAN NASH & HABER LLP

480 University Avenue, Suite 1600
TORONTO, ON M5G 1V2
Fax: 416-597-3370

Mario Forte (LSUC #: 27293F)

Tel: 416-597-6477

Email: forte@gsnh.com

Sanja Sopic (LSUC #: 66487P)

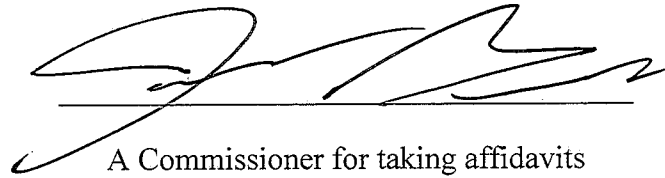
Tel: 416-597-7876

Email: sopic@gsnh.com

Lawyers for Richter Advisory Group Inc., in its capacity as
the Court appointed Receiver of Elementa Group Inc.

TAB H

This is Exhibit H
Referred to in the
Affidavit of Eden M. Oliver
Sworn May 20, 2016



A Commissioner for taking affidavits

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE RECEIVERSHIP OF
ELEMENTA GROUP INC.

AFFIDAVIT OF S. FAY SULLEY
(Sworn May 5, 2016)

I, S. Fay Sulley, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a lawyer with the law firm of TORKIN MANES LLP, the lawyers for Bradam Canada Inc. (the "**Purchaser**"), and, as such, have knowledge of the matters contained in this affidavit, based upon my discussions with Rick Finkbeiner, the President of the Purchaser and based, in part, upon my knowledge as the lawyer representing the Purchaser in this matter.
2. The Purchaser made an offer (the "**Stalking Horse Bid**") dated February 12, 2016 to Richter Advisory Group Inc. (the "**Receiver**"), in its capacity as Court-appointed Receiver of Elementa Group Inc. ("**Elementa**"), to purchase certain assets (the "**Purchased Assets**"), which was accepted by the Receiver and approved by the Court.
3. At the time that the Stalking Horse Bid was made, the Purchaser had obtained a financing commitment that would enable it to purchase the assets for a total purchase price (the "**Purchase Price**") of \$1,500,000, to be paid in cash. The Purchaser paid the Receiver a non-refundable deposit of \$150,000 at the time that it submitted the Stalking Horse Bid.

4. After the Stalking Horse Bid was submitted, the Purchaser was advised that Andrew Ferri and Northguard Capital Corp. had alleged that Northguard Capital Corp. had a proprietary interest in the Purchased Assets, initially by way of an email dated March 9, 2016 from Andrew Ferri to the service list, attached as **Exhibit "A"**. The sale was unable to proceed until the issue was resolved.

5. Given that there are not title representations or warranties in a purchase of assets from a Receiver, all of which were being purchased on an "as is, where is" basis, the Purchaser's financier advised that it was not prepared to advance the funds necessary to complete the proposed transaction as the Purchaser was not able to provide the financier with sufficient assurances that Elementa was the legal and beneficial owner of the Purchased Assets and that upon completion of the proposed transaction, the Purchaser would be the legal and beneficial owner of the Purchased Assets. Although the alleged claim of Andrew Ferri and Northguard Capital Corp. was ultimately dismissed by the Court, the financier was no longer willing to advance funds under the circumstances.

6. The Purchaser was not advised by the proposed financier that it was no longer willing to finance the purchase of the Purchased Assets until shortly before the proposed closing date.

7. The Purchaser sought financing from several other sources, including family members of Rick Finkbeiner, the principal of the Purchaser. The Purchaser has only been able to raise immediate funds of \$1,075,000, which, combined with the \$150,000 deposit paid by the Purchaser, results in the Purchaser being \$275,000 short of the Purchase Price.

8. The Purchaser advised the Receiver that it did not have sufficient funds to pay the full Purchase Price on closing and requested the Receiver and Bennett Jones LLP, the first secured creditor of Elementa and the Applicant in this matter, to agree to provide the Purchaser with an

additional 90 days from the closing of the transaction to pay the \$275,000 balance of the Purchase Price. It is my understanding that Bennett Jones LLP has agreed to this request, and that subject to further order of the Court, the Receiver will recommend that the Purchaser have an additional 90 days from the closing of the transaction to pay the \$275,000 balance of the Purchase Price, subject to the delivery of a promissory note in the amount of \$275,000, which will bear interest at the rate of 4% per annum, and security in the Purchased Assets as collateral therefor.

SWORN BEFORE ME at the City of
 Toronto, in the Province of Ontario on May
5...., 2016



Commissioner for Taking Affidavits
 (or as may be)

}



S. FAY SULLEY

IN THE MATTER OF THE RECEIVERSHIP OF
ELEMENTA GROUP INC.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF S. FAY SULLEY
(Sworn May 5, 2016)

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

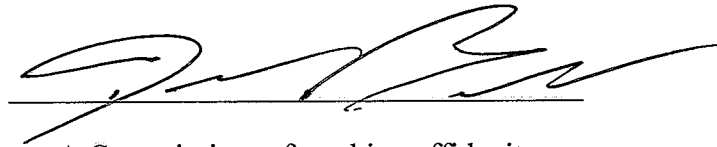
S. Fay Sulley (24257D)
fsulley@torkinmanes.com
Tel: 416-777-5419
Fax: 416-863-0305

Tel: 416-863-1188
Fax: 416-863-0305

Lawyers for Bradam Canada Inc.

TAB I

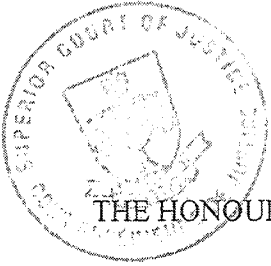
This is Exhibit I
Referred to in the
Affidavit of Eden M. Oliver
Sworn May 20, 2016

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a horizontal line.

A Commissioner for taking affidavits

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

ONTARIO
 SUPERIOR COURT OF JUSTICE
 (COMMERCIAL LIST)



THE HONOURABLE MR.)

FRIDAY, THE 13TH

JUSTICE NEWBOULD)

DAY OF MAY, 2016)

IN THE MATTER OF THE RECEIVERSHIP OF
 ELEMENTA GROUP INC.

AMENDED AND RESTATED APPROVAL AND VESTING ORDER

THIS MOTION, made by Richter Advisory Group Inc. ("Richter") in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Elementa Group Inc. ("Elementa") approving the designation of the agreement of purchase and sale between the Receiver and Bradam Canada Inc. (the "Purchaser") dated February 12, 2016 appended to the Third Report of the Receiver dated April 8, 2016 (the "Report"), (the "Sale Agreement") as a Winning Bid pursuant to the order of Madam Justice Conway made February 19, 2016 (the "Sale Process Order"), and vesting Elementa's and its affiliates' right, title and interest in and to the assets described in the Sale Agreement as designated by the Purchaser (the "Purchased Assets") in the Purchaser, was heard on April 15, 2016 at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, counsel for Bennett Jones LLP, counsel for the Independent Electricity System Operator, no one appearing for any other person on the service list, although properly served as appears from the

- 2 -

affidavit of Sanja Sopic sworn April 8, 2016 filed, and upon being advised that the Purchaser has designated Bradam Group LLC to be the beneficiary of the vesting ("BradamCo");

AND ON READING the Fourth Report of the Receiver dated May 5, 2016, and hearing the submissions of counsel for the Receiver on the motion to amend and restate the Approval and Vesting Order dated April 15, 2016, to permit the Receiver to accept a promissory note in the principal amount of \$275,000 substantially in the form filed (the "Promissory Note"), no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Sanja Sopic sworn May 11, 2016, filed;

1. THIS COURT ORDERS that the time for service and filing of the Receiver's Notice of Motion and the Motion Record is hereby abridged and service thereof is hereby validated so that this motion is properly returnable today and further service thereof is hereby dispensed with.
2. THIS COURT ORDERS that the Sale Agreement and its designation as the Winning Bid pursuant to the terms of the Sale Process Order be and are hereby approved and the Receiver is hereby authorised and directed to execute such documents, transfers and conveyances necessary to complete the transactions contemplated in the Sale Agreement and to properly convey the Purchased Assets to BradamCo in accordance with the Sale Agreement, including the transfer and conveyance of such units and shares in Elementa Holdings Ltd ("EHL"), Elementa Algoma Inc. ("EAI") and Elementa Algoma LP ("LP") as designated by the Purchaser.
3. THIS COURT ORDERS that, in satisfaction of a portion of the Purchase Price for the Purchased Assets, the Receiver be and hereby is authorized to accept the Promissory Note.
4. THIS COURT ORDERS that as security for the payment and performance of the obligations under the Promissory Note, the Receiver shall be entitled to the benefit of and is hereby granted a charge (the "Receiver's Charge") on the Purchased Assets, which charge shall not exceed an aggregate principal amount of \$275,000.00.
5. THIS COURT ORDERS that the filing, registration or perfection of the Receiver's Charge shall not be required, and that the Receiver's Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Receiver's Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

- 3 -

6. THIS COURT ORDERS that the Receiver's Charge shall constitute a charge on the Purchased Assets and such the Receiver's Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

7. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, neither BradamCo nor the Purchaser shall grant any Encumbrances over any Purchased Assets that rank in priority to, or *pari passu* with the Receiver's Charge without the prior written consent of the Receiver, or further Order of this Court.

8. THIS COURT ORDERS that the Receiver's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Receiver thereunder shall not otherwise be limited or impaired in any way by (a) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (b) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (c) the provisions of any federal or provincial statutes; or (d) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds BradamCo or the Purchaser, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Receiver's Charge shall not create or be deemed to constitute a breach by BradamCo or the Purchaser of any Agreement to which it is a party;
- (b) the Receiver shall have no liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Receiver's Charge; and
- (c) the payments made by BradamCo and/or the Purchaser pursuant to this Order and the granting of the Receiver's Charge does not and will not constitute a preference, fraudulent conveyance, transfer at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

9. THIS COURT ORDERS that any charge created by this Order over leases of real property in Canada shall only be a charge in the Purchaser's interest in such real property leases.

- 4 -

10. THIS COURT ORDERS that upon receipt of the Promissory Note, the Receiver shall deliver the Receiver's certificate, substantially in the form attached as Schedule A hereto (the "Receiver's Certificate") to the Purchaser, and upon delivery of the Receiver's Certificate all of Elementa's and LP's, EHL's and EAI's right, title and interest, respectively in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in BradamCo, free and clear of and from any and all security interests other than the Receiver's Charge (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise contractual rights, licences or similar contractual entitlements of any nature or kind (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated December 21, 2015; and, (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) on Schedule B hereto or any other personal property registry system; (collectively referred to as the "Encumbrances"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets other than the Receiver's Charge are hereby expunged and discharged as against the Purchased Assets.

11. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) the Receiver may, but is not required to take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Receiver's Charge;
- (b) upon the failure to pay any amounts owing under the Promissory Note or a breach of paragraph 7 of this Order, the Receiver, upon 1 days' notice to BradamCo and the Purchaser, may exercise any and all of its rights and remedies against BradamCo or the Purchaser or the Purchased Assets under or pursuant to the Promissory Note and the Receiver's Charge, including without limitation, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against BradamCo or the Purchaser and for the appointment of a trustee in bankruptcy of BradamCo or the Purchaser; and
- (c) the foregoing rights and remedies of the Receiver shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the BradamCo or the Purchaser or the Purchased Assets.

- 5 -

12. THIS COURT ORDERS that the Receiver shall have the authority to transfer the Receiver's Charge and Promissory Note to an assignee pursuant to a distribution Order of this Court.

13. THIS COURT ORDERS that any assignee of the Receiver's Charge and Promissory Note shall be entitled to exercise all of the rights and remedies of the Receiver as against BradamCo, the Purchaser or the Purchased Assets, as set out in paragraph 11, as if it were the Receiver.

14. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

15. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to BradamCo all human resources and payroll information in the Company's records pertaining to Elementa's past and current employees. The Purchaser and BradamCo shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Elementa.

17. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;

- 6 -

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Elementa and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of Elementa;

the vesting of the Purchased Assets in BradamCo pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Elementa and shall not be void or voidable by creditors of Elementa, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

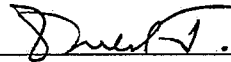
18. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

19. THIS COURT ORDERS that, notwithstanding the provisions of Section 171(3) of the *Business Corporations Act* (Ontario) (the "OBICA"), the Receiver be and is hereby authorized and directed to complete, execute and file articles of amendment for and on behalf of Elementa and any officer and director of Elementa (such articles of amendment to be deemed to have been signed by a director or an officer of Elementa and executed in accordance with the OBICA when so signed by the Receiver as directed by this Court) for the sole purpose of changing the corporate name of Elementa to a corporate name that does not include the word "Elementa" (and such amendment shall be deemed to have been duly authorized by Section 168 and 170 of the OBICA (as applicable) without shareholder or director resolution approving such amendment being required) and this Court hereby directs the Director (as defined in the OBICA) to endorse thereon a certificate of amendment upon being in receipt from the Receiver of two duplicate originals of such articles of amendment together with the prescribed fees and any other required documents under the OBICA (which the Receiver be and is hereby also authorized and directed to complete, execute and file for and on behalf of Elementa and any officer and director of

- 7 -

Elementa if and as required) except for any such documents as have been dispensed or otherwise dealt with pursuant to the deeming provisions contained herein.

20. 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.



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAY 13 2016

PER / PAR: 

Schedule A – Form of Receiver’s Certificate

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST****IN THE MATTER OF THE RECEIVERSHIP OF
ELEMENTA GROUP INC.****RECEIVER’S CERTIFICATE****RECITALS**

A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the "Court") made December 21, 2015, Richter Advisory Group Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of Elementa Group Inc. ("Elementa").

B. Pursuant to an Order of the Court dated April 15, 2016, as amended and Restated on May , 2016, the Court approved the designation of the agreement of purchase and sale made as of February 12, 2016 (the "Sale Agreement") between the Receiver and Bradam Canada Inc. (the "Purchaser") as the Winning Bid and provided for the vesting in the Purchaser of Elementa’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment of \$1,225,000.00 for the Purchased Assets, (ii) that the Purchaser has delivered the Promissory Note in the amount of \$275,000.00 to the Receiver, representing the balance of the Purchase Price for the Purchased Assets; (iii) that the conditions to Closing as set out in section 6 of the Sale Agreement have been satisfied or waived by the

- 2 -

Receiver and the Purchaser; and (iv) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Receiver has received \$1,225,000.00 from the Purchaser toward the payment of the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The Receiver has received a Promissory Note from the Purchaser in the amount of \$275,000.00, representing the balance of the Purchase Price for the Purchased Assets;
3. The conditions to Closing as set out in section 6 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
4. The Transaction has been completed to the satisfaction of the Receiver.
5. This Certificate was delivered by the Receiver at Toronto on May , 2016.

**RICHTER ADVISORY GROUP INC., in its
capacity as Receiver of the undertaking,
property and assets of Elementa Group Inc.,
and not in its personal capacity**

Per: _____

Name:

Title:

Schedule B – PPSA Registrations



Search Results
ID=3388353

CORPORATE SERVICES LTD.

Current: 14/04/2016 08:05:57
Submitted: 14/04/2016 08:02:29
Completed 14/04/2016 08:05:08

Your Ref No. ESCWEB3388353

PSSME01 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
TIP73511 ENQUIRY REQUEST 08:08:04

FILE CURRENCY 13APR 2016
CHANGE ACCOUNT (Y/N) : N ACCOUNT NUMBER : 009313 0001 ACCOUNT CODE : ESCVFDE

SEARCH TYPE (BD,IN,IS,MV) : BD
SEARCH CRITERIA : ELEMENTA GROUP INC.

SUB-SEARCH

RETRIEVE REGISTRATIONS RECORDED SINCE (DDMMYYYY) :
RESPONSE TYPE (V,P) : V RESPONSE LANGUAGE (E,F) : E PICK-UP CODE :
RESPONSE MAILING ADDRESS

NAME :
:
ADDRESS :
CITY : PROV :
POSTAL CODE :

PRINT RESPONSE LOCALLY (Y/N) : N

PSSME19 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
TIP73511 RESPONSE SUMMARY/HIGH VOLUME 08:08:05
ACCOUNT : 009313-0001
FILE CURRENCY : 13APR 2016
SEARCH : BD : ELEMENTA GROUP INC.

RESPONSE CONTAINS : APPROXIMATELY 5 FAMILIES 8 PAGES

- FOR VERBAL RESPONSE, ENTER "V" IN RESPONSE TYPE.
- TO REQUEST A PRINT-OUT, ENTER "P" IN RESPONSE TYPE AND FILL IN THE MISSING INFORMATION.
- TO TERMINATE THE ENQUIRY, ENTER "CANCEL" IN THE NAME LINE.

RESPONSE TYPE ; V RESPONSE LANGUAGE (E,F) : E PICK-UP CODE : ____
RESPONSE MAILING ADDRESS
NAME ; _____
ADDRESS ; _____
CITY ; _____ PROV : ____
POSTAL CODE ; _____
PRINT RESPONSE LOCALLY (Y/N) : N

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
 TIP73511 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:06
 ACCOUNT : 009313-0001 FAMILY : 1 OF 5 ENQUIRY PAGE : 1 OF 8
 FILE CURRENCY : 13APR 2016
 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 INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X X
 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

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

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
 TIP73511 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:11
 ACCOUNT : 009313-0001 FAMILY : 2 OF 5 ENQUIRY PAGE : 3 OF 8
 FILE CURRENCY : 13APR 2016
 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
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X 31497
 YEAR MAKE MODEL V.I.N.

11
 12 GENERAL COLLATERAL DESCRIPTION
 13

14
 15
 16 AGENT: MINISTRY OF FINANCE, AM & COLLECTIONS BRANCH, ERT BN#899366603 248/746
 17 ADDRESS : 400-130 DUFFERIN AVENUE,
 CITY : LONDON PROV: ON POSTAL CODE: N6A 6G8

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
TIP73511 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:14
ACCOUNT : 009313-0001 FAMILY : 3 OF 5 ENQUIRY PAGE : 4 OF 8
FILE CURRENCY : 13APR 2016
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
CONS. MV DATE OF OR NO FIXED
GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: LOOPSTRA NIXON LLP / REXLAW
17 ADDRESS : 600 - 135 QUEENS PLATE DRIVE
CITY : ETOBICOKE PROV: ON POSTAL CODE: M9W 6V7

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
TIP73511 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:16
ACCOUNT : 009313-0001 FAMILY : 3 OF 5 ENQUIRY PAGE : 5 OF 8
FILE CURRENCY : 13APR 2016
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:

04 ADDRESS : OCN :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:

07 ADDRESS : OCN :
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
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

11
12 GENERAL COLLATERAL DESCRIPTION
13

14
15
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
TIP73511 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:18
ACCOUNT : 009313-0001 FAMILY : 3 OF 5 ENQUIRY PAGE : 6 OF 8
FILE CURRENCY : 13APR 2016
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:

04 ADDRESS : OCN :
CITY : PROV: POSTAL CODE:

05 IND DOB : IND NAME:
06 BUS NAME:

07 ADDRESS : OCN :
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 INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

11
12 GENERAL COLLATERAL DESCRIPTION

13
14
15

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



PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
TIP73511 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:21
ACCOUNT : 009313-0001 FAMILY : 4 OF 5 ENQUIRY PAGE : 7 OF 8
FILE CURRENCY : 13APR 2016
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: 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 :
SHARON D'AMICO

09 ADDRESS : 7 PICKWICK PLACE
CITY : FONTHILL PROV: ON POSTAL CODE: L0S 1E0
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 YEAR MAKE X MODEL 50000 18DEC2019 V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: ESC CORPORATE SERVICES LTD.
17 ADDRESS : 445 KING STREET WEST, 4TH FL
CITY : TORONTO PROV: ON POSTAL CODE: M5V 1K4

=====

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
 TIP73511 DISPLAY 1C REGISTRATION - SCREEN 1 08:08:23
 ACCOUNT : 009313-0001 FAMILY : 5 OF 5 ENQUIRY PAGE : 8 OF 8
 FILE CURRENCY : 13APR 2016
 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. MV DATE OF OR NO FIXED
 GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X 50000 18DEC2019
 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: ESC CORPORATE SERVICES LTD.

17 ADDRESS : 445 KING STREET WEST, 4TH FL
 CITY : TORONTO PROV: ON POSTAL CODE: M5V 1K4

LAST SCREEN

PSSME01 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 04/14/2016
TIP73511 ENQUIRY REQUEST 08:08:26

FILE CURRENCY 13APR 2016
CHANGE ACCOUNT (Y/N) : ACCOUNT NUMBER : 009313 0001 ACCOUNT CODE : ESCVFE

SEARCH TYPE (BD,IN,IS,MV) :
SEARCH CRITERIA :

SUB-SEARCH

RETRIEVE REGISTRATIONS RECORDED SINCE (DDMMYYYY) :
RESPONSE TYPE (V,P) : V RESPONSE LANGUAGE (E,F) : E PICK-UP CODE :
RESPONSE MAILING ADDRESS

NAME :
ADDRESS :
CITY : PROV :
POSTAL CODE :
PRINT RESPONSE LOCALLY (Y/N) : N
ENQUIRY FOR "ELEMENTA GROUP INC." ENDED

**IN THE MATTER OF THE RECEIVERSHIP OF
ELEMENTA GROUP INC.**

Commercial List File No. CV-15-11198-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings commenced at
Toronto**

**AMENDED AND RESTATED APPROVAL AND
VESTING ORDER**

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
TORONTO, ON M5G 1V2
Fax: 416-597-3370

Mario Forte (LSUC #: 27293F)
Tel: 416-597-6477
Email: forte@gsnh.com

Sanja Sopic (LSUC #: 66487P)
Tel: 416-597-7876
Email: sopic@gsnh.com

Lawyers for Richter Advisory Group Inc., in its capacity as
the Court appointed Receiver of Elementa Group Inc.

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

Proceeding commenced at Toronto

**AFFIDAVIT OF EDEN M. OLIVER
(Sworn May 20, 2016)**

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

Jason M. Berall (LSUC #68011F)
Email: berallj@bennettjones.com

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

Lawyers for the Applicant, Bennett Jones LLP

TAB 3

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

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

THE HONOURABLE) TUESDAY, THE 7th
)
JUSTICE) DAY OF JUNE, 2016

IN THE MATTER OF THE RECEIVERSHIP OF
ELEMENTA GROUP INC.

**ORDER AUTHORIZING AND DIRECTING THE RECEIVER TO
FILE AN ASSIGNMENT IN BANKRUPTCY OF ELEMENTA GROUP INC.**

THIS MOTION, made by Bennett Jones LLP was heard on the 7th day of June, 2016 at the City of Toronto.

ON READING the affidavit of Eden M. Oliver sworn May 20, 2016 and the exhibits thereto, and on hearing the submissions of counsel for Bennett Jones LLP, counsel for Richter Advisory Group Inc. (the "**Receiver**") in its capacity as the Court-appointed receiver of all the undertaking, property, and assets of Elementa Group Inc. ("**EGI**"), no one appearing for any other person on the service list, although properly served as appears from the affidavit of Jason Berall sworn May 20, 2016 filed:

THIS COURT ORDERS that the Receiver is hereby authorized and directed to file an assignment in bankruptcy of EGI pursuant to the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

IN THE MATTER OF THE RECEIVERSHIP OF
ELEMENTA GROUP INC.

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

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

PROCEEDING COMMENCED AT
TORONTO

ORDER

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

Jason M. Berall (LSUC #68011F)
Email: berallj@bennettjones.com

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

Lawyers for the Applicant, Bennett Jones LLP

TAB 4

SERVICE LIST

RICHTER ADVISORY GROUP INC.
in its capacity as Court-Appointed Receiver
of ELEMENTA GROUP INC.
and not in its personal capacity

<p>BENNETT JONES LLP One First Canadian Place Suite 3400, P.O. Box 130 Toronto, ON M5A 1A4</p> <p>Gavin H. Finlayson (LSUC #44126D) Tel: 416.863.1200 Email: finlayson@bennettjones.com</p> <p>Jason M. Berall (LSUC #68011F) Tel: 416.863.1200 Email: berallj@bennettjones.com</p> <p>Fax: 416.863.1716</p> <p>Lawyers for the Applicant, Bennett Jones LLP</p>	<p>ELEMENTA GROUP INC. Suite 302, 509 Glendale Avenue East Niagara-on-the-Lake, ON L0S 1J0</p> <p>John Ashbourne Email: john@ashbournemanagement.com</p> <p>Chairman of the Board</p>
<p>GARY BLOKHUIS 37 Pine Ridge Avenue Woodbridge, ON L4L 2H8</p>	<p>GARY BLOKHUIS D.B.A. BLOKHUIS HOLDINGS 37 Pine Ridge Avenue Woodbridge, ON L4L 2H8</p>
<p>LOOPSTRA NIXON LLP 600 – 135 Queens Plate Drive Etobicoke, ON M9W 6V7</p> <p>R. Graham Phoenix Email: gphoenix@loonix.com</p> <p>Agent for: 2124732 Ontario Inc.</p>	<p>HER MAJESTY IN RIGHT OF ONTARIO REPRESENTED BY MINISTER OF FINANCE</p> <p>Accounts Management and Collections Branch, Collections Operations Insolvency Unit 33 King Street West Oshawa, Ontario P.O. Box 627 L1H 8H5</p> <p>Email: insolvency.unit@ontario.ca</p>

<p>DAVID & SHARON D'AMICO 7 Pickwick Place Box 388 Fonthill, ON L0S 1E0</p> <p>daviddamico@davidchev.com</p>	<p>SCARFONE HAWKINS LLP 1 James Street South, 14th Floor Hamilton, ON L8P 4R5</p> <p>David Thompson Email: thompson@shlaw.ca</p> <p>Brent Marshall Email: bmarshall@shlaw.ca</p> <p>Lawyers for Jayson Zwierschke and Leonard Zwierschke</p>
<p>JAYSON ZWIERSCHKE 229 Creekside Drive Welland, ON L3C 0B6</p> <p>Email: j.zwierschke@outlook.com</p> <p>LEONARD ZWIERSCHKE 229 Creekside Drive Welland, ON L3C 0B6</p> <p>Email: j.zwierschke@outlook.com</p>	<p>BRADAM CANADA INC. C/O BRADAM GROUP LLC Corporate Office 7904 Interstate Court North Ft. Myers FL 33917</p> <p>Rick Finkbeiner Email: rick@bradamgroup.com</p> <p>Purchaser</p>
<p>TORKIN MANES LLP 151 Yonge Street Toronto, ON M5C 2W7</p> <p>Fay Sulley Tel: 416.863.1188 Fax: 1.888.587.5769 Email: fsulley@torkinmanes.com</p> <p>Lawyers for the Purchaser</p>	<p>RUETERS LLP 250 Yonge Street, Suite 2200 P.O. Box 4 Toronto, ON M5B 2L7</p> <p>Tel: 416.869-9090 Fax: 416.869.3411</p> <p>Garett Schromm Direct Line: 416.597.5409 Email: garett.schromm@ruetersllp.com</p> <p>Lawyers for Alison Wise</p>
<p>WRIGHT TEMELINI LLP 411 Richmond Street East, Suite 303 Toronto, ON M4A 3S5</p>	<p>McCAGUE BORLACK LLP Suite 2700, P.O. Box 136 The Exchange Tower</p>

<p>Tel: 416.479.9686 Fax: 416.368.7474</p> <p>Greg Temelini</p> <p>Email: greg@wrighttemelini.com</p> <p>Lawyers for Northguard Capital Corp. and Andrew Ferri</p>	<p>130 King Street West Toronto, ON M5X 1C7</p> <p>David Elmaleh Tel: 416.862.6298 Email: delmaleh@mccagueborlack.com</p> <p>Lawyers for Independent Electricity System Operator (“IESO”)</p>
<p>ELEMENTA SSM INC.</p> <p>Suite 302, 509 Glendale Avenue East Niagara-on-the-Lake, ON L0S 1J0</p> <p>Andrew Ferri President andyferri@outlook.com</p>	

April 4, 2016

IN THE MATTER OF THE RECEIVERSHIP OF
ELEMENTA GROUP INC.

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

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

Proceeding commenced at Toronto

**MOTION RECORD OF THE MOVING PARTY BENNETT
JONES LLP**

(Motion directing the Receiver to file an assignment in Bankruptcy
of EGI, returnable June 7, 2016)

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

Jason M. Berall (LSUC #68011F)
Email: berallj@bennettjones.com

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

Lawyers for the Applicant, Bennett Jones LLP