



COURT FILE NUMBER CV-19-00623276-00CL  
COURT ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)  
JUDICIAL CENTRE TORONTO  
IN THE MATTER OF THE RECEIVERSHIP OF NATIONAL RECYCLING INC., SCRAPORT INC., AND 2139483 ALBERTA LTD.  
PLAINTIFF ROYAL BANK OF CANADA  
DEFENDANTS NATIONAL RECYCLING INC., SCRAPORT INC., AND 2139483 ALBERTA LTD.  
DOCUMENT **FIRST REPORT OF DELOITTE RESTRUCTURING INC. AS THE COURT-APPOINTED RECEIVER OF NATIONAL RECYCLING INC., SCRAPORT INC., AND 2139483 ALBERTA LTD.**

**DATED MARCH 2, 2020**

**PREPARED BY DELOITTE RESTRUCTURING INC.**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Receiver  
DELOITTE RESTRUCTURING INC.  
Suite 700, 850 - 2nd Street SW  
Calgary, AB T2P 0R8

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## Introduction and background

1. On July 12, 2019, (the "**Date of Receivership**"), Deloitte Restructuring Inc. ("**Deloitte**") was appointed by Order of the Superior Court of Ontario (the "**Receivership Order**") as the receiver (the "**Receiver**") of all of the current and future assets, undertakings and properties of National Recycling Inc. ("**NRI**"), Scraport Inc. ("**Scraport**") and 2139483 Alberta Ltd. ("**213**") (collectively the "**Debtors**" or the "**Companies**").
2. The Receivership order was granted pursuant to an application by the Royal Bank of Canada ("**RBC**") which holds security over all of the Companies' present and after acquired personal property.
3. NRI, Scraport and 213 are private corporations incorporated in the province of Ontario on July 2, 2008, December 7, 2017 and August 27, 2018, respectively. NRI and Scraport performed recycling and processing of ferrous and non-ferrous metals. 213 appears to be a single purpose entity and owns the land and buildings located at 4688 Taylor Road, Boyle, Alberta from where NRI and Scraport carried on operations (the "**Boyle Property**"). NRI and Scraport also conducted office and administration activities from rental premises located at 1 Prologis Blvd in Mississauga, Ontario (the "**Mississauga Premises**"). NRI and Scraport's primary assets include vehicles, equipment, and metal processing equipment (collectively, the "**Assets**"), as described later in this report (the "**First Report**").
4. The Companies' primary secured lender is the Royal Bank of Canada ("**RBC**"). RBC was owed approximately \$4.68 million by the Companies as at the Date of Receivership.
5. The Receivership Order, together with related Court documents and the notices sent to the creditors of the Companies have been posted on the Receiver's website (the "**Receiver's Website**") at <https://www.insolvencies.deloitte.ca/en-ca/Pages/National-Recycling-Inc.-et-al.-.aspx>. This First Report will also be posted on the Receiver's Website after it has been filed with the Court.
6. Unless otherwise provided, all capitalized terms not defined in this First Report are as defined in the Receivership Order.

## Purpose

7. The purpose of this First Report is to:
  - a. Provide the Court with an update with respect to the Receiver's administration of the receivership from the Date of Receivership;
  - b. Provide the Court with additional information in respect of the Assets and the Boyle Property;
  - c. Provide the Court with an update regarding the liquidation of certain Assets (the "**Auction Assets**"), which is proposed to be conducted pursuant to an auction (the "**Auction**") by Maynards Industries Canada Ltd. ("**Maynards**"), in accordance with an auction agreement between the Receiver and Maynards dated March 2, 2020 (the "**Auction Agreement**"); and
  - d. Respectfully recommend that this Honourable Court make orders:
    - i. Approving the activities, fees and disbursements of the Receiver as described herein in this First Report including, without limitation, the steps taken by the Receiver pursuant to the Receivership Order and the fees and expenses of the Receiver's legal counsel;

- ii. Approving the Auction Agreement;
- iii. Authorizing Maynards to market and sell the Auction Assets, as agent for the Receiver, pursuant to the terms of the Auction Agreement;
- iv. Vesting NRI's right, title and interest in and to the Auction Assets in the name of purchasers, free and clear of all claims and encumbrances;
- v. Approving certain distributions of sale proceeds from the Auction to Maynards, in accordance with the Auction Agreement; and
- vi. Sealing the Confidential Appendix.

### Terms of reference

8. In preparing this First Report, the Receiver has relied upon unaudited financial information prepared by the Debtors' management ("**Management**"), the Debtors' books and records, and discussions with Management. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the information. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this First Report.
9. All dollar amounts in this First Report are in Canadian dollars, unless otherwise indicated.

## Receiver's activities

10. Since the Date of Receivership, the Receiver has undertaken the following activities:
  - a. Attended at the Boyle Property and took possession and control of the Assets located on site;
  - b. Attended the Mississauga Premises and took possession of the Assets and books and records located on site;
  - c. Retained locksmiths to change the locks at the Boyle Property, as at the Date of Receivership;
  - d. Retained the firm of Dentons Canada LLP ("**Dentons**") as the Receiver's independent legal counsel;
  - e. Arranged to retain former contractors to assist with administrative duties, securing of books and records, and locating and securing the Assets;
  - f. Corresponded with creditors and parties interested in purchasing some or all of the Assets and / or Boyle Property;
  - g. Coordinated final payroll calculations up to the Date of Receivership and the delivery of records of employment and T4 slips for the purposes of administering amounts due to the employees under the *Wage Earner Protection Program Act* ("**WEPPA**");
  - h. Secured the manual and electronic books and records of the Companies;

- i. Arranged continued insurance coverage over the Assets and the Boyle Property, and added the Receiver as named insured and loss payee on the existing insurance policies;
- j. Issued a statutory Notice and Statement of the Receiver to all known creditors of the Companies (the "**Notice to Creditors**") pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (Canada). A copy of the Notice to Creditors is attached hereto as Appendix "**A**";
- k. Informed CRA of the receivership and requested new tax accounts for the post-receivership period;
- l. Requested that CRA conduct a pre-receivership audit of the Companies' GST accounts and payroll source deduction accounts;
- m. Opened new trust accounts in the name of the receivership estates to facilitate future receipts and disbursements;
- n. Informed the Companies' customers of the receivership and issued collection letters for the outstanding accounts receivable;
- o. Obtained an appraisal of the Assets;
- p. Solicited and analyzed listing proposals for the Boyle Property from listing agents;
- q. Arranged for auctioneer/liquidation companies to attend the Boyle Property to submit proposals for auction services in respect of the Assets located on site;
- r. Reviewed the Assets subject to third party security interests (the "**Encumbered Assets**"), and where there was no equity above amounts owed to the third parties coordinated the release of the Encumbered Assets to the respective secured party;
- s. Interviewed Management and former employees regarding the location of some of the Assets and books and records;
- t. Reviewed disbursements and arranged for payment, including payment of invoices for the retained contractors;
- u. Corresponded with Dentons on various legal matters relating to the receivership;
- v. Corresponded with creditors, key employees, and other of the Companies' stakeholders;
- w. Corresponded with Northland in relation to the status of the Boyle Property, the security registered against title to those lands, and matters going forward;
- x. Reviewed the Clearview Litigation Matter (as defined herein);
- y. Drafted, reviewed and finalized this First Report; and
- z. Addressed additional matters as they arose from time to time.

## Operations

11. The Receiver understands that NRI and Scraport ceased operations prior to the Date of Receivership. Upon the Receiver's attendance at the Boyle Property, the Receiver became aware of a third party, MTL Alberta Ltd. ("**MTL**"), operating at the site. The Receiver took steps to secure the equipment owned and leased by NRI and Scraport, and instructed MTL to not use such equipment without the authorization of the Receiver. Prior to the Date of Receivership, 213 entered into a commercial lease arrangement with MTL whereby it would lease and operate from the Boyle Property site.
12. The Receiver also attended the Mississauga Premises. The Receiver discovered that the Mississauga Premises were vacant, that all of the Companies' computers had been removed and it appeared certain books and records had been removed from the on site filing cabinets. As no significant assets remained at the Mississauga Premises, and upon review and confirmation of no equity in the premises under lease, the Receiver released its interest and vacated the Mississauga Premises.
13. Subsequently, the Receiver was able to contact management of NRI and Scraport (the "**Management**") and was advised that the Companies' computers and books and records had been moved to a storage container. The Receiver was informed that the books and records were intermingled with the records of other companies owned by members of Management, and not within the Receiver's purview. The Receiver arranged to change the lock on the storage container, and requested Management arrange a time to remove the records of the other companies not subject to the terms of the Receivership Order. Despite several requests, Management declined to separate and remove the records of the other companies. The Receiver took steps to remove the computers and books and records from the storage container, and relocated them to a secure storage facility.
14. While the Receiver was provided with access to the Companies' accounting system and document network, it is unclear whether the Companies undertook accurate and regular accounting activities for their respective businesses. The Receiver was unable to locate certain documents it would expect to find such as asset listings, project listings or CRA records, among others. Moreover, Management was unable to produce a fulsome accounts payable listing.

## Assets

### Accounts receivable

15. Shortly after the Date of Receivership, the Receiver obtained a copy of the Companies' accounts receivable sub-ledger, which indicated that NRI and Scraport had accounts receivable of approximately \$144,900 and \$481,700, respectively.
16. To date, the Receiver has been unable to collect any outstanding amounts. In discussions with some of the paying parties, all have claimed setoffs greater than amounts owed to NRI and Scraport. The Receiver continues to investigate the validity of these setoff claims; however, it appears that collection is unlikely.

### Operating Assets | Equipment

17. As at the Date of Receivership, NRI and Scraport owned, financed and leased Assets in various locations throughout Alberta and Ontario. The majority of these Assets were located at the Boyle Property.

18. These Assets consists of approximately 52 owned, financed and leased units with an approximate book value of \$17.6 million as disclosed in the Companies' most recent available internal financial statements. The Assets include metal shredders, cranes, trucks, and material handlers used in the various business lines of the Companies.
19. As the Companies did not maintain a comprehensive asset listing, the Receiver compiled a list using information obtained from personal property registry search results, interviews and discussions with Management and the former employees, and a review of the Companies' books and records.
20. Some of the Assets were located at storage sites in Fort McMurray, Edmonton, Hamilton, and Mississauga. Due to the significant costs that would be required to move those Assets to a common site, the Receiver contacted the storage facilities to confirm if the Asset was present and made arrangements for the Asset to remain at the various storage facilities until such time as the Receiver had assessed the security interest registered against the Asset, and the consideration of any asserted storage costs. The Receiver arranged for insurance coverage over all of the Assets.
21. The Receiver engaged Maynards Industries Canada Appraisals Ltd. ("**Maynards**") to conduct an appraisal of the Assets (the "**Asset Appraisal**"). A copy of the Asset Appraisal is attached as Confidential Appendix "**1**".
22. The Receiver assessed whether there was any equity in specific pieces of the Assets based on the Asset Appraisal. The Receiver determined there was no equity in any of the Assets. Following the delivery of the Security Opinion (as defined herein), the Receiver released any interest it had in the Assets to each respective secured creditor / lessor and each party made its own arrangements to retrieve the equipment.

### Boyle Property

23. The Boyle Property is owned by 213 and consists of five parcels of land totalling approximately 229 acres. There are several buildings located on the property including a two storey office building, a shop building, a scale house, and several buildings in the process of being torn down and processed as scrap.
24. 213 purchased the Boyle Property in September 2018 for \$9.5 million from Northland. The purchase by 213 appeared to be by way of \$2.5 million cash and a vendor take back ("**VTB**") mortgage of \$7 million. As at the Date of Receivership, the outstanding mortgage balance was approximately \$6.95 million (the "**Mortgage Indebtedness**").
25. The Receiver discussed the Boyle Property with a commercial realtor specializing in Northern Alberta locations and who had direct familiarity with the Boyle Property. Based on comparables, and the realtor's familiarity with the potential uses for the Boyle Property, it was the realtor's view that the Boyle Property would potentially sell for a purchase price less than the Mortgage Indebtedness.
26. As the delta between the amount paid by 213 and the realtor's assessed potential sale price was material, the Receiver obtained and investigated the purchase and sale documents, the mortgage documents and the land transfer documents. Upon review of the documents, the Receiver noted that the Affidavit of Value of Land executed by Mr. Irfan Rahman ("**Rahman**") (on behalf of 213) reflected a land value of \$9.5 million, whereas the Transfer of Land document registered with the Alberta Land Titles and executed by Northland initially reflected the consideration received of \$9.5 million but that amount was subsequently changed reflecting consideration of only \$4.438 million. As a result of the change to the document, the Receiver felt that a review of the transaction was necessary. A copy of the various Real Property transaction documents are attached as Appendix "**B**".



27. The Receiver and its legal counsel had numerous discussions with Northland and its legal counsel in regards to the actual amount of consideration received, and the basis for the change to the Transfer of Land document. Northland maintains that the actual sale price of the Real Property was \$9.5 million and the change to the Transfer of Land document was made to adjust the consideration to match a prior appraisal on the Boyle Property.
28. The Receiver met with Rahman to discuss 213's purchase of the Boyle Property. Rahman advised he placed a high value on the property given it is serviced by 2 rail spurs, had an existing on-site fire suppression and response system, and direct highway access. In addition, the Receiver was provided with email correspondence between Rahman and Northland which indicated an agreed up purchase price of \$9.5 million. Accordingly, the Receiver is reasonably satisfied that the Boyle Property purchase price was \$9.5 million, as negotiated between 213 and Northland.
29. As a result of NRI's and Scraport's financial challenges, operations were discontinued in the spring of 2019 and, as noted above, 213 entered into a lease with MTL. Specifically, 213 entered into a five (5) year lease for the Boyle Property on June 20, 2019 at a monthly rate of \$41,433 (this amount being approximately 50% of the monthly mortgage payments on the VTB). The Receiver is continues to collect the monthly rent from MTL. A copy of the lease is attached as Appendix "C".
30. To conduct the proposed Auction (as discussed below), the Receiver will require access to the Boyle Property. The Receiver is in the process of discussing access matters with 213's tenant, MTL.
31. As noted above, Northland holds a VTB which has been registered against the Boyle Property lands. Shortly following the Date of Receivership, the Receiver communicated with Northland with respect to the status of the Boyle Property. In particular, the Receiver has had various discussions with Northland (over the course of 7 months) with respect to the application of the stay of proceedings, the potential marketing and solicitation for the sale of the Boyle Property, and the Receiver's continued access to the Boyle Property for the purposes of conducting an auction process.
32. To date, the Receiver has not been able to reach a consensual agreement with Northland with respect to the Boyle Property. The Receiver continues to secure, insure and manage the Boyle Property. On February 25, 2020, Northland's counsel delivered correspondence to the Receiver requesting availability to attend a motion to address the lifting of the Receivership Order stay of proceedings. The Receiver advised Northland's counsel that it had scheduled the March 6, 2020 date to address, among other things, the approval of the Auction Agreement.

## Liabilities

33. Dentons has conducted a review of each creditor's security on the Assets (collectively, the "**Security Opinions**"). The Security Opinions, subject to the usual qualifications and assumptions, determined that the security held by the secured creditors in respect of the Assets:
  - a. Constitute legal, valid and binding security interests in favour the creditors, in the subject collateral;
  - b. Is sufficient to secure the payment and performance of the obligations being secured thereby; and
  - c. Is properly perfected and registered in the applicable jurisdictions.
34. As noted above, the NRI and Scraport had a variety of true lease arrangements with lessors. The Receiver has released its interest in that equipment.

35. With respect to the Assets, the Receiver has or will take the following actions:

- i. Released any interest in the Assets, after determining there was no equity in the collateral; and
- ii. subject to Court approval, will auction the Auction Assets pursuant to the Auction Agreement.

36. A summary of the Companies' creditors is provided below:

<b>Summary of Liabilities</b>						
CAD \$ thousands	Ref.	NRI	Scraport	213	Total	
Secured creditors						
RBC	#31	\$ 2,643	2,038	-	4,681	
Northland	#32	-	-	6,950	6,950	
Capital Leases	#33	3,174	3,174	-	6,348	
Total secured creditors		5,817	5,212	6,950	17,979	
Unsecured creditors						
Unsecured trade creditors		3,169	760	-	3,929	
Total liabilities		\$ 8,986	5,972	6,950	21,908	

37. The Receiver is not able to determine if any amounts are owed to the Canada Revenue Agency ("**CRA**") based on its review of the Companies' books and records. The Receiver has requested CRA conduct an audit of the GST and payroll accounts.

38. A total of 21 WEPPA packages were sent to the Companies' eligible employees. To date, 11 WEPPA claims have been submitted by the former employees. The Receiver estimates a priority claim of approximately \$12,600 payable to Service Canada.

39. The Companies' books and records reflect approximately \$41,500 in arrears to the Workers' Compensation Board of Alberta ("**WCB**"). Notice of the Companies' receivership was provided to the WCB but the Receiver has not yet received any correspondence from the WCB in respect of any amounts that may be owed.

#### **Clearview Demolition Ltd.**

40. On October 8, 2019, the Receiver met with Rahman to discuss the Companies. During this meeting, Rahman advised the Receiver that NRI had posted approximately \$1.68 million with the British Columbia Superior Court in connection with a legal action between NRI and Clearview Demolition Ltd. ("**Clearview**") and in particular, to vacate a lien claim. This information was not previously known to the Receiver, nor was it reflected in any financial information previously provided to the Receiver.

41. The Receiver understands that NRI entered into a contract with The City of Prince Rupert (the "**City**") to demolish and abate a former pulp mill known as the Watson Island Pulp Mill located on the City's lands (the "**Project**"). The Receiver also understands that NRI entered into a verbal agreement with Clearview

(the "**Agreement**") whereby Clearview agreed to provide certain demolition and abatement services to NRI. NRI was the general contractor on the Project and Clearview was the sub-contractor. Based on information provided to the Receiver, it appears the Agreement was for a fixed price of \$6.4 million (excluding GST).

42. Clearview filed a lien on the Project lands and on November 1, 2017, Clearview filed a notice of civil claim (the "**Claim**") against NRI and others (the "**Defendants**"). Clearview claimed they had not been fully compensated for lienable work performed at the Project. Clearview's claim is for \$1,562,519.98. NRI posted \$1.68 million with the Court (the "**Posted Monies**") to vacate the lien filed by Clearview allowing NRI to complete the work and to be paid by the City.
43. On December 20, 2017, the named Defendants in the Claim filed a defence to Clearview's claim (the "**Response**"). The Defendants disagreed with Clearview's claim in its entirety and counterclaimed that Clearview had in fact been overpaid by approximately \$1.3 million. The Defendants also claimed that Clearview's refusal to provide any further services was a breach of the contract.
44. The Receiver continues to review all documentation associated with the Claim and the Agreement. Additionally, the Receiver has had various discussions with Clearview's solicitor to discuss the status of the claim, the stay of proceedings and potential settlement.
45. The Receiver will continue its efforts to attempt to settle the Claim failing which, the Receiver will file a motion with this Honourable Court for advice and direction to advance the litigation and potentially have the Posted Monies paid to the Receiver in trust, pending further Order of the Court.

## Marketing and sales process

### Auction of the Equipment

46. As noted above, the Receiver obtained the Asset Appraisal.
47. Based on a review of the Asset Appraisal, the nature of the Assets, the present market for the Assets, and other analysis, the Receiver has concerns over its ability to sell the Assets in the usual course. Accordingly, the Receiver commenced an auction and sales proposal solicitation process and invited auctioneers/liquidators and potential *en-bloc* purchasers to submit proposals to the Receiver in respect of the Assets.
48. Six auctioneer/liquidators and five potential *en-bloc* purchasers initially expressed interest in the Assets. All interested parties, after viewing the Assets, expressed concern with the condition of the majority of the Assets, such that only three (3) offers were received. Two from auctioneer/liquidators and one potential *en-bloc* purchaser.
49. The Receiver reviewed the three (3) offers and determined that the most favourable proposal that was submitted to the Receiver was the Maynards proposal. The Maynards proposal represents the most commercially reasonable and fair proposal for the sale of the Assets.
50. The Receiver has now entered into the Auction Agreement, subject to Court approval. Attached as Appendix "**D**" is a copy of the Auction Agreement.

51. By way of a summary, the Auction Agreement provides that:
- a. the Auction Agreement is subject to Court Approval, and the issuance of an Order vesting the Companies (as applicable) right, title and interest in and to the Assets, in the name of a purchaser (the "**Approval Order**");
  - b. Maynards shall carry out, as agent for the Receiver, a 1-day auction with respect to the Assets, within 30-60 days following an Approval Order;
  - c. Maynards will charge a fixed commission on sales of the Assets and charge an expense budget not to exceed \$15,000; and
  - d. Maynards will pay the proceeds of the sales, net of applicable taxes, its commission and expense budget, to the Receiver within 10 days following completion of the auction.
52. The value of the Assets is not expected to exceed the total amount due and owing to RBC. Accordingly, RBC is the fulcrum creditor and the primary stakeholder of the Companies. RBC supports the approval of the Auction and Auction Agreement.
53. The Receiver considers the Auction Agreement to represent the best opportunity to recover value for the Assets in the circumstances and recommends that the Court approve the Auction Agreement.

## Fees and Disbursements of the Receiver and Legal Counsel

54. The Receiver's professional fees, and the professional fees of Dentons, are calculated based on hours spent at rates established by each professional based on their qualifications and experience.
55. Pursuant to the Receivership Order, the Receiver, and its legal counsel, have provided services and have incurred disbursements since July 7, 2019 up to February 21, 2020. Pursuant to paragraph 18 of the Receivership Order, the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements.
56. The total fees for the Receiver during the period of July 7, 2019 to February 21, 2020 (the "**Receiver's Fee Period**") total \$156,897.50, together with disbursements in the amount of \$44,615.60, excluding HST (collectively, the "**Receiver's Fees**"). The time spent by the Receiver's personnel during the Receiver's Fee Period is more particularly described in the Affidavit of Jordan Sleeth sworn March 2, 2020 (the "**Sleeth Affidavit**"). A copy of the Sleeth Affidavit is attached hereto as Appendix "**E**".
57. The total fees for Dentons during the period of July 12, 2019 to January 31, 2020 (the "**Dentons Fee Period**") total \$159,206.50, together with disbursements in the amount of \$1,165.49, excluding HST (collectively, "**Dentons Fees**"). The time spent by the Dentons' personnel during the Dentons Fee Period is more particularly described in the Affidavit of Robert Kennedy sworn February 27, 2020 (the "**Kennedy Affidavit**"). A copy of the Kennedy Affidavit is attached hereto as Appendix "**F**".
58. In the Receiver's opinion, the services rendered in respect of these fees and disbursements have been duly rendered in response to required and necessary duties of the Receiver hereunder, and are reasonable in the circumstances. Accordingly, the Receiver seeks approval of the Receiver's Fees and the Dentons Fees.

## Statement of Receipts and Disbursements

59. The Receiver has prepared a Statement of Receipts and Disbursements (the "**SRD**") reflecting the administration of the receivership for the period July 12, 2019 to January 20, 2020. The SRD is attached as Appendix "**G**".

## Sealing of Confidential Appendices

60. The Receiver recommends that a Court Order be granted sealing the Confidential Appendix to the First Report and they remain under seal (the "**Sealing Order**"), unless otherwise ordered by the Court, to avoid any negative impact that could result from dissemination of the information contained in the Confidential Appendix to the First Report. The Confidential Appendix contain confidential information pertaining to the Assets that have not yet been sold. Publication of this information may undermine the efforts to maximize the realizations from these Assets. In the event the contemplated auction does not proceed, the Receiver is of the view that efforts to remarket the Assets may be seriously impaired if the Appraisal, the proposal summary, or the financial terms of the Auction Agreement are made public at this time.
61. Any interested party may apply, on notice to the Receiver, to vary the terms of the Sealing Order or to unseal the Confidential Appendices.

## Conclusions and recommendations

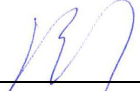
62. The Receiver respectfully recommends that the Court issues and Order:
- a. Approving the Auction Agreement;
  - b. Authorizing Maynards to market and sell the Assets, as agent for the Receiver, pursuant to the terms of the Auction Agreement;
  - c. Vesting NRI's right, title and interest in and to the Assets in the name of purchasers, free and clear of all claims and encumbrances;
  - d. Approving certain distributions of sale proceeds from the Auction to Maynards, in accordance with the Auction Agreement;
  - e. Approving the activities of the Receiver up to the Sales Process, and as set out in this First Report;
  - f. Approving the Receiver's Fees and Dentons Fees; and
  - g. Sealing the Confidential Appendix.

\* \* \*

All of which is respectfully submitted at Calgary, Alberta this 2<sup>nd</sup> day of March, 2020.

**DELOITTE RESTRUCTURING INC.,**  
solely in its capacity as Court-appointed Receiver  
of National Recycling Inc., Scraport Inc., and 2139483 Alberta Inc.,  
and not in its personal or corporate capacity

Per:



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Bob Taylor, FCPA, FCA, CIRP, LIT  
Senior Vice-President

Per:



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Jordan Sleeth, LIT  
Senior Vice-President

## Appendix A

**FORM 87**  
**NOTICE AND STATEMENT OF THE RECEIVER**  
**(Subsections 245(1) and 246(1) of the Act)**

**In the Matter of the Receivership of**  
**National Recycling Inc.**  
**of the City of Mississauga**  
**in the Province of Ontario**

The receiver gives notice and declares that:

1. On July 12, 2019, Deloitte Restructuring Inc. ("**Deloitte**"), was appointed by the Ontario Superior Court of Justice (Commercial List) (the "**Receivership Order**") as receiver (the "**Receiver**") of the property of National Recycling Inc. (the "**Company**") including, without limitation, of all of the Company's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (the "**Property**"), as described below:

<b>Description</b>	<b>Book Value (*)</b>
Accounts Receivable	\$ 43,463
Notes Receivable	1,900,000
Miscellaneous receivables	229,199
Prepays and deposits	2,292,915
Inventory	1,635,750
Investments in subsidiaries	605,638
Land	544,000
Equipment	16,807,764
Vehicles	503,218
Miscellaneous fixed assets	257,696
<b>Total</b>	<b>\$ 24,819,643</b>

(\*) – All book values of the Property are based on preliminary financial information prepared by the Company. The net realizable value of the assets are estimated to be significantly lower than the aggregate of the above book value. Deloitte has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information, and accordingly, expresses no opinion or other form of assurance on the information contained herein.

2. As noted above, Deloitte became the Receiver by virtue of the Receivership Order, a copy of which is attached to this Notice as **Schedule "A"**.
3. The Receiver took possession and control of the Property described above on July 12, 2019.
4. The following information relates to the receivership:
  - (a) Mailing address: 1 Prologis Blvd, Suite 104, Mississauga, ON L5W 0G2
  - (b) Principal line of business: Scrap metal recycler
  - (c) Location of business: 4688 Taylor Road, Boyle, AB, T0A 0M0



(d) Amount owed to each creditor who holds security on the Property described above:

<b>Creditor</b>	<b>Book Value (**)</b>
Royal Bank of Canada	\$ 2,643,054
HSBC Bank Canada	Unknown
Caterpillar Financial Services Ltd	Unknown
Mercado Capital Corporation	Unknown
Fifth Third Bank	Unknown
ULI Canada Inc.	Unknown
Meridian OneCap Credit Corp.	Unknown
CWB National Leasing Inc.	Unknown
Ford Credit Canada Leasing	Unknown
Arundel Capital Corporation	Unknown
Blueshore Leasing Ltd.	Unknown
Green Leaf Fuel Distributors Inc.	Unknown

(\*\*) – All known liability amounts are based on information available to the Receiver as at July 12, 2019.

- (e) A list of unsecured creditors based on the Company's books and records is attached to this Notice as **Schedule "B"**.
- (f) The Receiver's intended plan of action during the receivership is to secure and liquidate the Property. The Receiver plans to seek approval of the Court to conduct an auction process to realize on the available Property.
- (g) Contact person for the Receiver:

Joseph Sitholé  
Deloitte Restructuring Inc.  
700, 850 – 2nd street S.W.  
Calgary, AB T2P 0R8  
Phone: 1-587-293-3203  
Email: [josithole@deloitte.ca](mailto:josithole@deloitte.ca)

Dated at the City of Calgary in the Province of Alberta, this 22<sup>rd</sup> day of July, 2019.

**DELOITTE RESTRUCTURING INC.**

In its capacity as the Court-appointed Receiver and Manager  
of National Recycling Inc.  
and not in its personal or corporate capacity



---

Bob Taylor FCPA, FCA, CIRP, LIT, CFE  
Senior Vice-President  
700 Bankers Court, 850 - 2nd Street SW  
Calgary AB T2P 0R8

**SCHEDULE "A"**

**RECEIVERSHIP ORDER**

Court File No.: CV-19-00623276-00CL

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

THE HONOURABLE ) FRIDAY, THE 12th  
MR. JUSTICE HAINEY ) DAY OF JULY, 2019



**ROYAL BANK OF CANADA**

Applicant

- and -

**NATIONAL RECYCLING INC., SCRAPORT INC. and 2139483 ALBERTA LTD.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION  
243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3,  
AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,  
R.S.O. 1990, c. C.43, AS AMENDED**

**ORDER  
(Appointing Receiver)**

**THIS APPLICATION** made by Royal Bank of Canada (the "**Lender**") 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 Deloitte Restructuring Inc. as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of National Recycling Inc., Scraport Inc. and 2139483 Alberta Ltd. (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Robert Fick sworn July 8, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Lender, no one appearing for any other party although duly served as appears from the affidavit of service of Mariela Adriana Gasparini sworn July 10, 2019, the affidavit of service of Abhishek Anand sworn July 9, 2019, the affidavits of service of Milton Cust sworn July 11, 2019 and on reading the consent of Deloitte Restructuring Inc. 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 that pursuant to section 243(1) of the BIA and section 101 of the CJA, Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds 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 Debtors, 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 Debtors;
- (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 Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (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 Debtors, 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 Debtors, 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;

- (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 Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors 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 Debtors, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. THIS COURT ORDERS that (i) the Debtors, (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 Debtors, 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 DEBTORS OR THE PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors 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 Debtors 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 Debtors, 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 Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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 Debtors, 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 Debtors 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 Debtors 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 Debtors 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 Debtors shall remain the employees of the Debtors 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 Debtors, 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 (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 \$500,000 (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 [www.insolvencies.deloitte.ca/en-ca/nationalrecycling](http://www.insolvencies.deloitte.ca/en-ca/nationalrecycling).

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 Debtors 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 Debtors.

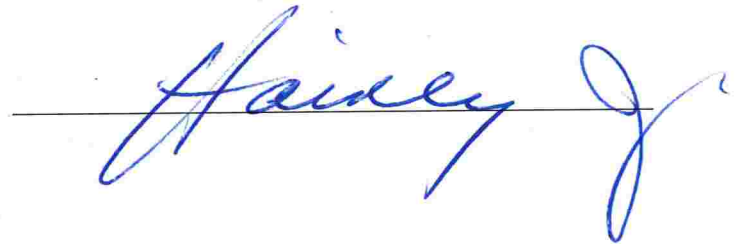
29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.



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

JUL 12 2019

PER / PAR: 

**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of National Recycling Inc., Scraport Inc. and 2139483 Alberta Ltd. (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, 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 \_\_\_\_\_, 2019 (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.

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

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

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

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





## SCHEDULE "B"

### UNSECURED CREDITORS

<b>Unsecured Creditors</b>		<b>Amount</b>
407 ETR	\$	2,449
Accounts Payable FX.		152,031
Ace Pallet		357
ACE Trucking & Mechanical		53,545
Alberta Mini Storage Inc		110,782
Allstream Business Inc		1,327
AM Universal Inc.		497,608
ATS Canada		62,895
Avetta LLC		901
BMD Expediting		77,941
C.H. Robinson Company (CAD)		1,475
Calmont Equipment Ltd. (RB)		231
Campbell Bader LLP		18,974
Canadian Pacific Railway Company		16,372
CAT Financial Services Limited		8,092
Cintas Canada Limited 827		5,597
City of Prince Rupert		5,797
City of Thompson		29,108
CN Customs Brokerage Services (USA)		676
Co-Op		89
Colin's Haulage Inc.		122,191
Combined Metal Industries-USD		8,252
Crawford Roofing Corp.		2,260
D + H Cheques Services Corporation		1,044
Document Direction Limited		309
Edmonton Railway Contracting Ltd.		7,088
EPCOR		121
ERS		1,776
Express Welding Supplies Inc		49
Faiz Rahman.		930
Farris Vaughan Wills and Murphy LLP		9,529
Finning CAT		2,231
Fort Hills Energy LP		292,781
GFL Environmental Inc. (RB)		3,830
Green Leaf Fuel Dist. Inc		33,916
Hapag-Lloyd (Canada) Inc-USD		54
Irfan Rahman (Vendor)		1,967
JT Garage Doors Inc.		339
McLennan Ross LLP		14,150
McLeod Law LLP		460
Messer Canada Inc. 15687		154
Metro East Industries Inc. (USD)		10,793
New Concept Trading Inc.		26,512
Norfolk Southern Railway (USD)		2,623
Northland Forest Products Ltd.		452,443
Northland Forest Products Ltd. (USD)		2,816
On-Track Railway Operations Ltd.		134,742

Schedule "B"  
Unsecured Creditors  
Page 2

Pantera Carriers LTD	90,000
Platinum Rail Divison of B.A.F.I.	36,220
PPSA Registrations	31
Praxair Canada Inc	524
Purolator Inc.	400
Q-Line Trucking Ltd.	72,688
Rogers	404
Rogers (Internet) RB	712
Rupert Cleaners & Laundry Ltd.	132
Shred-It International ULC	296
Staples Advantage	78
Sunlife Assurance Company of Canada	71
T-Lane Transportation & Logistics	21,630
Tervita Corporation	659,552
Thompson Dorfman Sweatman LLP	94,306
Traffix Logistics Transportation	5,027
Waste Connections of Canada Inc.	932
Wells Fargo Equipment Finance Company	1,161
Workers' Compensation Board Alberta	4,981
XPLORNET	202
<b>Total Unsecured Creditors</b>	<b>\$ 3,168,953</b>

**FORM 87**  
**NOTICE AND STATEMENT OF THE RECEIVER**  
**(Subsections 245(1) and 246(1) of the Act)**

**In the Matter of the Receivership of**  
**Scraport Inc.**  
**of the City of Mississauga**  
**in the Province of Ontario**

The receiver gives notice and declares that:

1. On July 12, 2019, Deloitte Restructuring Inc. ("**Deloitte**"), was appointed by the Ontario Superior Court of Justice (Commercial List) (the "**Receivership Order**") as receiver (the "**Receiver**") of the property of Scraport Inc. (the "**Company**") including, without limitation, of all of the Company's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (the "**Property**"), as described below:

<b>Description</b>	<b>Book Value (*)</b>
Accounts Receivable	\$ 489,103
Miscellaneous receivables	27,640
Inventory	303,326
Due from related party	3,947,682
<b>Total</b>	<b>\$ 4,767,751</b>

(\*) – All book values of the Property are based on preliminary financial information prepared by the Company. The net realizable value of the assets are estimated to be significantly lower than the aggregate of the above book value. Deloitte has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information, and accordingly, expresses no opinion or other form of assurance on the information contained herein.

2. As noted above, Deloitte became the Receiver by virtue of the Receivership Order, a copy of which is attached to this Notice as **Schedule "A"**.
3. The Receiver took possession and control of the Property described above on July 12, 2019.
4. The following information relates to the receivership:
  - (a) Mailing address: 1 Prologis Blvd, Suite 104, Mississauga, ON L5W 0G2
  - (b) Principal line of business: Scrap metal recycler
  - (c) Location of business: 4688 Taylor Road, Boyle, AB, T0A 0M0
  - (d) Amount owed to each creditor who holds security on the Property described above:

<b>Creditor</b>	<b>Book Value (**)</b>
Royal Bank of Canada	\$ 2,037,620
Liebherr Canada Limited	Unknown
Blueshore Leasing Ltd.	Unknown
Green Leaf Fuel Distributors Inc.	Unknown

(\*\*) – All known liability amounts are based on information available to the Receiver as at July 12, 2019.

- (e) A list of unsecured creditors based on the Company's books and records is attached to this Notice as **Schedule "B"**.

- (f) The Receiver's intended plan of action during the receivership is to secure and liquidate the Property. The Receiver plans to seek approval of the Court to conduct an auction process to realize on the available Property.
- (g) Contact person for the Receiver:

Joseph Sitholé  
Deloitte Restructuring Inc.  
700, 850 – 2nd street S.W.  
Calgary, AB T2P 0R8  
Phone: 1-587-293-3203  
Email: [josithole@deloitte.ca](mailto:josithole@deloitte.ca)

Dated at the City of Calgary in the Province of Alberta, this 22<sup>rd</sup> day of July, 2019.

**DELOITTE RESTRUCTURING INC.**

In its capacity as the Court-appointed Receiver and Manager  
of Scraport Inc.  
and not in its personal or corporate capacity



---

Bob Taylor FCPA, FCA, CIRP, LIT, CFE  
Senior Vice-President  
700 Bankers Court, 850 - 2nd Street SW  
Calgary AB T2P 0R8

**SCHEDULE "A"**

**RECEIVERSHIP ORDER**

Court File No.: CV-19-00623276-00CL

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

THE HONOURABLE ) FRIDAY, THE 12th  
MR. JUSTICE HAINEY ) DAY OF JULY, 2019



**ROYAL BANK OF CANADA**

Applicant

- and -

**NATIONAL RECYCLING INC., SCRAPORT INC. and 2139483 ALBERTA LTD.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION  
243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3,  
AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,  
R.S.O. 1990, c. C.43, AS AMENDED**

**ORDER  
(Appointing Receiver)**

**THIS APPLICATION** made by Royal Bank of Canada (the "**Lender**") 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 Deloitte Restructuring Inc. as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of National Recycling Inc., Scraport Inc. and 2139483 Alberta Ltd. (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Robert Fick sworn July 8, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Lender, no one appearing for any other party although duly served as appears from the affidavit of service of Mariela Adriana Gasparini sworn July 10, 2019, the affidavit of service of Abhishek Anand sworn July 9, 2019, the affidavits of service of Milton Cust sworn July 11, 2019 and on reading the consent of Deloitte Restructuring Inc. 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 that pursuant to section 243(1) of the BIA and section 101 of the CJA, Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds 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 Debtors, 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 Debtors;
- (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 Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (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 Debtors, 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 Debtors, 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;

- (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 Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors 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 Debtors, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. THIS COURT ORDERS that (i) the Debtors, (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 Debtors, 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 DEBTORS OR THE PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors 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 Debtors 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 Debtors, 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 Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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 Debtors, 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 Debtors 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 Debtors 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 Debtors 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 Debtors shall remain the employees of the Debtors 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 Debtors, 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 (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 \$500,000 (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 [www.insolvencies.deloitte.ca/en-ca/nationalrecycling](http://www.insolvencies.deloitte.ca/en-ca/nationalrecycling).

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 Debtors 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.

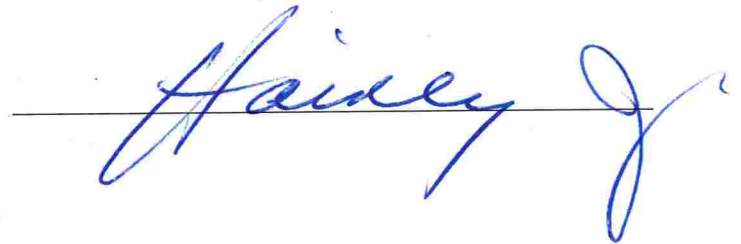
28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

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.



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

JUL 12 2019

PER / PAR: 

**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of National Recycling Inc., Scraport Inc. and 2139483 Alberta Ltd. (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, 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 \_\_\_\_\_, 2019 (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.

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

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

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

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



## SCHEDULE "B"

### UNSECURED CREDITORS

<b>Unsecured Creditors</b>		<b>Amount</b>
2057222 AB Ltd.	\$	148,642
A & B Rail Services Ltd (RB)		1,339
Ace Pallet (RB)		1,722
Acklands Grainger Inc. (RB)		2,309
Alpha Telecom Services Inc. (RB)		1,102
American Pulverizer Company (USD)		9,415
ArmCad Technology Ltd.		8,406
Athabasca Colony Farming (RB)		718
Athabasca County (RB)		1,266
Athabasca Fire & Safety Services Inc. (RB)		1,500
Athabasca Regional Waste Mgmt (RB)		10,366
Avery Weigh-Tronix (RB)		1,255
BATEMAN Manufacturing (RB)		50,925
Bell Canada		90
BladeCore (USD)		7,447
Boyle Automotive & Industrial (RB)		3,437
Boyle Septic Service (RB)		323
Calvin McDonald		6,840
Canada's Gift Baskets		195
Canadian Linen & Uniform Service (RB)		174
Canadian National Railways (CAD) (RB)		59
Connect Energy Services Corp. (RB)		8,198
Dan Taylar		183
Desantis Crane Service		2,533
Doyle Mercier		155
Dremon Industries Ltd.		5,531
Ed Bobcoel Lumber (1993) Ltd. (RB)		2,885
EPCOR		51,108
Finning CAT (RB)		7,452
Fluidline Inc.		146
Genalta Recycling Inc. (RB)		1,540
Green Leaf Fuel Dist. Inc (RB)		11,799
Gregg Distributors LP (RB)		4,332
Inspek Crushing		3,181
Jason's Mobile Steam Ltd (RB)		3,361
Jason Hayes		6,340
JLG Ball Enterprises (RB)		496
Joseph Wozny		83
KALTIRE (At. AB) (RB)		781
KEIN Welding & Fabrication Ltd. (RB)		10,372
Lakeland Waste Disposal (RB)		9,191
LCS Logistics & Customs Services Inc (RB)		35,448
Legacy Capital & Consulting Inc. (RB)		3,860
Liebherr-Canada Ltd. (RB)		26,280
Mactek Technologies Inc. (RB)		28,426
Messer Canada Inc. 15687 (RB)		9,674
Michael Jimmo		242

Schedule "B"  
Unsecured Creditors  
Page 2

New Pine Colony Farming Co Ltd (RB)	102
Northland Forest Products Ltd. (RB)	30,685
Orion Metal and Trading Co., Inc.	5,849
Orphan Well Association / ELM Inc. (RB)	3,350
Pansar International (CAD)	1,990
Pansar International (USD)	11,350
Peter Woodman	2,558
Quest Disposal & Recycling Inc. (RB)	3,234
Richard Oilfield Service Ltd. (RB)	3,919
Rims Transport	1,695
Robert L'Heureux	275
Rod Smart	289
Rogers Media Inc. (RB)	1,838
Secure Energy (RB)	6,557
Stewart Warner Corporation of Canada (RB)	1,323
Suncor	4,762
SuperPass	2,600
Swift Services (RB)	3,272
The Groundworx Co. (RB)	2,686
Titan Transline Inc. (RB)	1,117
Total Canada Inc	6,025
Total Ventures Inc. (RB)	7,497
Trackway Equipment & Sales (RB)	1,553
United Rentals of Canada Inc (CAD)	6,179
Van Houtte Coffee Services Inc.	85
Vanderwell Contractors (1971) Ltd. (RB)	1,041
Village of Boyle	32,761
Western Dimensional Ltd. (RB)	124,752
<b>Total Unsecured Creditors</b>	<b>\$ 760,469</b>

**FORM 87**  
**NOTICE AND STATEMENT OF THE RECEIVER**  
**(Subsections 245(1) and 246(1) of the Act)**

**In the Matter of the Receivership of**  
**2139483 Alberta Ltd.**  
**of the City of Mississauga**  
**in the Province of Ontario**

The receiver gives notice and declares that:

1. On July 12, 2019, Deloitte Restructuring Inc. ("**Deloitte**"), was appointed by the Ontario Superior Court of Justice (Commercial List) (the "**Receivership Order**") as receiver (the "**Receiver**") of the property of 2139483 Alberta Ltd. (the "**Company**") including, without limitation, of all of the Company's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (the "**Property**"), as described below:

<u>Description</u>	<u>Book Value (*)</u>
Real Property	9,443,000
<b>Total</b>	<b>\$ 9,443,000</b>

(\*) – All book values of the Property are based on preliminary financial information prepared by the Company. The net realizable value of the assets are estimated to be significantly lower than the aggregate of the above book value. Deloitte has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information, and accordingly, expresses no opinion or other form of assurance on the information contained herein.

2. As noted above, Deloitte became the Receiver by virtue of the Receivership Order, a copy of which is attached to this Notice as **Schedule "A"**.
3. The Receiver took possession and control of the Property described above on July 12, 2019.
4. The following information relates to the receivership:
  - (a) Mailing address: 1 Prologis Blvd, Suite 104, Mississauga, ON L5W 0G2
  - (b) Principal line of business: Real property holding company
  - (c) Location of business: 4688 Taylor Road, Boyle, AB, T0A 0M0
  - (d) Amount owed to each creditor who holds security on the Property described above:

<u>Creditor</u>	<u>Book Value (**)</u>
Northland Forest Products Ltd.	\$ 6,334,440
Royal Bank of Canada	Unknown
Blueshore Leasing Ltd.	Unknown

(\*\*) – All known liability amounts are based on information available to the Receiver as at July 12, 2019.

- (e) Based on the Company's books and record, there are no known unsecured creditors.
- (f) The Receiver's intended plan of action during the receivership is to secure and liquidate the Property. The Receiver plans to seek approval of the Court to engage a commercial realtor to realize on the available Property.



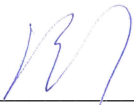
(g) Contact person for the Receiver:

Joseph Sitholé  
Deloitte Restructuring Inc.  
700, 850 – 2nd street S.W.  
Calgary, AB T2P 0R8  
Phone: 1-587-293-3203  
Email: [josithole@deloitte.ca](mailto:josithole@deloitte.ca)

Dated at the City of Calgary in the Province of Alberta, this 22<sup>rd</sup> day of July, 2019.

**DELOITTE RESTRUCTURING INC.**

In its capacity as the Court-appointed Receiver and Manager  
of 2139483 Alberta Ltd.  
and not in its personal or corporate capacity



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Bob Taylor FCPA, FCA, CIRP, LIT, CFE  
Senior Vice-President  
700 Bankers Court, 850 - 2nd Street SW  
Calgary AB T2P 0R8

**SCHEDULE "A"**

**RECEIVERSHIP ORDER**

Court File No.: CV-19-00623276-00CL

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

THE HONOURABLE ) FRIDAY, THE 12th  
MR. JUSTICE HAINEY ) DAY OF JULY, 2019



**ROYAL BANK OF CANADA**

Applicant

- and -

**NATIONAL RECYCLING INC., SCRAPORT INC. and 2139483 ALBERTA LTD.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION  
243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3,  
AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,  
R.S.O. 1990, c. C.43, AS AMENDED**

**ORDER  
(Appointing Receiver)**

**THIS APPLICATION** made by Royal Bank of Canada (the "**Lender**") 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 Deloitte Restructuring Inc. as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of National Recycling Inc., Scraport Inc. and 2139483 Alberta Ltd. (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Robert Fick sworn July 8, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Lender, no one appearing for any other party although duly served as appears from the affidavit of service of Mariela Adriana Gasparini sworn July 10, 2019, the affidavit of service of Abhishek Anand sworn July 9, 2019, the affidavits of service of Milton Cust sworn July 11, 2019 and on reading the consent of Deloitte Restructuring Inc. 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 that pursuant to section 243(1) of the BIA and section 101 of the CJA, Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds 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 Debtors, 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 Debtors;
- (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 Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (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 Debtors, 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 Debtors, 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;

- (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 Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors 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 Debtors, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. THIS COURT ORDERS that (i) the Debtors, (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 Debtors, 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 DEBTORS OR THE PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors 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 Debtors 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 Debtors, 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 Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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 Debtors, 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 Debtors 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 Debtors 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 Debtors 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 Debtors shall remain the employees of the Debtors 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 Debtors, 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 (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 \$500,000 (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 [www.insolvencies.deloitte.ca/en-ca/nationalrecycling](http://www.insolvencies.deloitte.ca/en-ca/nationalrecycling).

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 Debtors 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 Debtors.

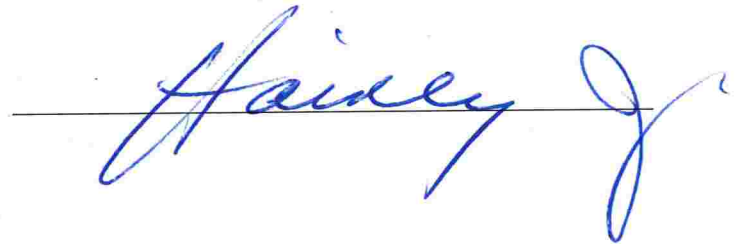
29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.



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

JUL 12 2019

PER / PAR: 

**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of National Recycling Inc., Scraport Inc. and 2139483 Alberta Ltd. (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, 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 \_\_\_\_\_, 2019 (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.

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

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

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

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



## Appendix B



LAND TITLE CERTIFICATE

S  
LINC                      SHORT LEGAL                      TITLE NUMBER  
0010 279 339            4;19;64;33;NW                      182 272 920

LEGAL DESCRIPTION

ALL THAT PORTION OF THE NORTH WEST QUARTER OF  
SECTION THIRTY THREE (33)  
TOWNSHIP SIXTY FOUR (64)  
RANGE NINETEEN (19)  
WEST OF THE FOURTH MERIDIAN  
LYING SOUTH EAST OF THE RAILWAY RIGHT OF WAY PLAN 6396BO  
CONTAINING (54.28) ACRES, MORE OR LESS  
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE

MUNICIPALITY: VILLAGE OF BOYLE

REFERENCE NUMBER: 162 017 485

---

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
182 272 920	01/11/2018	TRANSFER OF LAND		SEE INSTRUMENT

---

OWNERS

2139483 ALBERTA LTD.  
OF 1028 SYDENHAM LANE  
MILTON  
ONTARIO L9T 8J2

---

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION	DATE (D/M/Y)	PARTICULARS
NUMBER		
4492RD	18/12/1968	UTILITY RIGHT OF WAY GRANTEE - ALTALINK MANAGEMENT LTD. 2611 - 3 AVE SE CALGARY ALBERTA T2A7W7

( CONTINUED )

REGISTRATION

NUMBER      DATE (D/M/Y)      PARTICULARS

-----

AS TO PORTION OR PLAN:6781NY  
"TAKES PRIORITY DATE OF CAVEAT #3366PR"  
(DATA UPDATED BY: TRANSFER OF UTILITY RIGHT  
OF WAY 022205109)  
(DATA UPDATED BY: CHANGE OF ADDRESS 092060384)

182 272 921      01/11/2018 MORTGAGE  
MORTGAGEE - NORTHLAND FOREST PRODUCTS LTD.  
BOX 5305  
FORT MCMURRAY  
ALBERTA  
ORIGINAL PRINCIPAL AMOUNT: \$7,000,000

TOTAL INSTRUMENTS: 002

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN  
ACCURATE REPRODUCTION OF THE CERTIFICATE OF  
TITLE REPRESENTED HEREIN THIS 5 DAY OF JULY,  
2019 AT 11:29 A.M.

ORDER NUMBER:      37562255

CUSTOMER FILE NUMBER:      039478-328



\*END OF CERTIFICATE\*

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED  
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,  
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM  
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,  
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS  
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING  
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).



LAND TITLE CERTIFICATE

S		
LINC	SHORT LEGAL	TITLE NUMBER
0022 476 345	4;19;64;33;NW	182 272 920 +1

LEGAL DESCRIPTION

ALL THAT PORTION OF THE NORTH WEST QUARTER OF SECTION THIRTY THREE (33)

TOWNSHIP SIXTY FOUR (64)

RANGE NINETEEN (19)

WEST OF THE FOURTH MERIDIAN, LYING NORTH WEST OF THE NORTH WESTERLY LIMIT OF THE ALBERTA AND GREAT WATERWAYS RAILWAY RIGHT OF WAY AS SHOWN ON RAILWAY PLAN 6396BO, CONTAINING 39.86 HECTARES (98.40 ACRES) MORE OR LESS

EXCEPTING THEREOUT:

(A) THE WESTERLY FOUR HUNDRED AND SEVENTEEN AND FORTY TWO HUNDREDTHS (417.42) FEET IN PERPENDICULAR WIDTH THROUGHOUT OF THE SAID QUARTER SECTION CONTAINING 10.22 HECTARES (25.30 ACRES) MORE OR LESS

(B) ALL THAT PORTION LYING EAST OF A LINE DRAWN SOUTHERLY AND AT RIGHT ANGLES TO THE NORTH BOUNDARY THEREOF THROUGH A POINT THEREON ONE HUNDRED AND TWENTY SIX (126) FEET WESTERLY FROM THE NORTH EAST CORNER THEREOF, CONTAINING .202 HECTARES (0.50 ACRES) MORE OR LESS

(C) .482 HECTARES (1.19 ACRES) MORE OR LESS FOR ROAD AS SHOWN ON ROAD PLAN 4742LZ

(D) 2.37 HECTARES (5.86 ACRES) MORE OR LESS AS SHOWN ON RAILWAY PLAN 9123130

(E) ALL THAT PORTION LYNG EAST OF A LINE DRAWN PARALLEL TO AND PERPENDICULARLY DISTANT 127.23 METRES EASTERLY FROM THE WEST BOUNDARY OF THE SAID QUARTER SECTION AND LYING WEST OF THE WESTERLY LIMIT OF RAILWAY PLAN 9123130, CONTAINING 1.34 HECTARES (3.31 ACRES) MORE OR LESS

EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE

MUNICIPALITY: VILLAGE OF BOYLE

REFERENCE NUMBER: 162 017 485 +1

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
182 272 920	01/11/2018	TRANSFER OF LAND		SEE INSTRUMENT

OWNERS

2139483 ALBERTA LTD.

OF 1028 SYNDENHAM LANE  
MILTON  
ONTARIO L9T 8J2

-----  
ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION

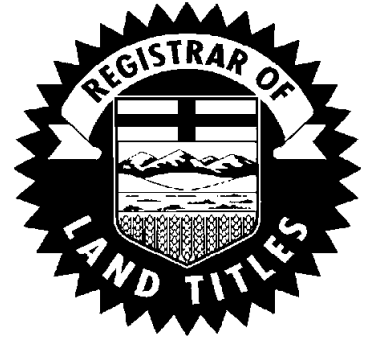
NUMBER	DATE (D/M/Y)	PARTICULARS
4492RD	18/12/1968	UTILITY RIGHT OF WAY GRANTEE - ALTALINK MANAGEMENT LTD. 2611 - 3 AVE SE CALGARY ALBERTA T2A7W7 AS TO PORTION OR PLAN:6781NY "TAKES PRIORITY DATE OF CAVEAT 3366PR" (DATA UPDATED BY: TRANSFER OF UTILITY RIGHT OF WAY 022205109) (DATA UPDATED BY: CHANGE OF ADDRESS 092060384)
182 272 921	01/11/2018	MORTGAGE MORTGAGEE - NORTHLAND FOREST PRODUCTS LTD. BOX 5305 FORT MCMURRAY ALBERTA ORIGINAL PRINCIPAL AMOUNT: \$7,000,000
192 047 010	27/02/2019	CAVEAT RE : RIGHT OF WAY AGREEMENT , ETC. CAVEATOR - FORTISALBERTA INC. ATTN:LAND DEPARTMENT 320-17TH AVENUE SW CALGARY ALBERTA T2S2V1 AGENT - BETH HERGET
192 047 017	27/02/2019	CAVEAT RE : RIGHT OF WAY AGREEMENT , ETC. CAVEATOR - FORTISALBERTA INC. ATTN:LAND DEPARTMENT 320-17TH AVENUE SW CALGARY ALBERTA T2S2V1 AGENT - BETH HERGET

TOTAL INSTRUMENTS: 004

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN  
ACCURATE REPRODUCTION OF THE CERTIFICATE OF  
TITLE REPRESENTED HEREIN THIS 5 DAY OF JULY,  
2019 AT 11:29 A.M.

ORDER NUMBER: 37562255

CUSTOMER FILE NUMBER: 039478-328



\*END OF CERTIFICATE\*

---

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APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS  
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING  
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).



LAND TITLE CERTIFICATE

S  
LINC                      SHORT LEGAL                      TITLE NUMBER  
0019 878 198            4;19;64;33;NW                      182 272 920 +4

LEGAL DESCRIPTION

ALL THAT PORTION OF THE NORTH WEST QUARTER OF SECTION THIRTY THREE (33)  
TOWNSHIP SIXTY FOUR (64)  
RANGE NINETEEN (19)  
WEST OF THE FOURTH MERIDIAN, DESCRIBED AS FOLLOWS:  
COMMENCING AT THE NORTH EAST CORNER OF THE SAID QUARTER SECTION;  
THENCE WESTERLY ALONG THE NORTH BOUNDARY THEREOF ONE HUNDRED AND  
TWENTY SIX (126) FEET; THENCE SOUTHERLY AT RIGHT ANGLES TO THE  
SAID NORTH BOUNDARY TO A POINT IN THE NORTH WESTERLY LIMIT OF THE  
RIGHT OF WAY TO THE ALBERTA AND GREAT WATERWAYS RAILWAY AS SHOWN  
ON RAILWAY PLAN 6396BO; THENCE NORTH EASTERLY ALONG THE SAID  
LIMIT TO THE EAST BOUNDARY OF THE SAID QUARTER SECTION; THENCE  
NORTHERLY ALONG THE SAID EAST BOUNDARY TO THE POINT OF  
COMMENCEMENT CONTAINING 0.202 HECTARES MORE OR LESS  
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE

MUNICIPALITY: VILLAGE OF BOYLE

REFERENCE NUMBER: 162 017 485 +4

-----

REGISTERED OWNER(S)					
REGISTRATION	DATE (DMY)	DOCUMENT	TYPE	VALUE	CONSIDERATION
182 272 920	01/11/2018	TRANSFER OF LAND			SEE INSTRUMENT

-----

OWNERS

2139483 ALBERTA LTD.  
OF 1028 SYDENHAM LANE  
MILTON  
ONTARIO L9T 8J2

-----  
ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

# 182 272 920 +4

REGISTRATION

NUMBER      DATE (D/M/Y)      PARTICULARS

-----

182 272 921      01/11/2018 MORTGAGE  
MORTGAGEE - NORTHLAND FOREST PRODUCTS LTD.  
BOX 5305  
FORT MCMURRAY  
ALBERTA  
ORIGINAL PRINCIPAL AMOUNT: \$7,000,000

TOTAL INSTRUMENTS: 001

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN  
ACCURATE REPRODUCTION OF THE CERTIFICATE OF  
TITLE REPRESENTED HEREIN THIS 5 DAY OF JULY,  
2019 AT 11:29 A.M.

ORDER NUMBER:      37562255

CUSTOMER FILE NUMBER:      039478-328



\*END OF CERTIFICATE\*

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OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S) .





LAND TITLE CERTIFICATE

S  
LINC                      SHORT LEGAL                      TITLE NUMBER  
0026 493 958            9523885;;2                      182 272 920 +3

LEGAL DESCRIPTION  
PLAN 9523885  
LOT 2  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 29.17 HECTARES (72.08 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE  
ATS REFERENCE: 4;19;64;33;SE

MUNICIPALITY: VILLAGE OF BOYLE

REFERENCE NUMBER: 162 017 485 +3

---

REGISTERED OWNER(S)					
REGISTRATION	DATE (DMY)	DOCUMENT	TYPE	VALUE	CONSIDERATION
182 272 920	01/11/2018	TRANSFER OF LAND			SEE INSTRUMENT

---

OWNERS  
2139483 ALBERTA LTD.  
OF 1028 SYDENHAM LANE  
MILTON  
ONTARIO L9T 8J2

---

ENCUMBRANCES, LIENS & INTERESTS		
REGISTRATION	DATE (D/M/Y)	PARTICULARS
762 060 952	12/04/1976	UTILITY RIGHT OF WAY GRANTEE - ICG UTILITIES (PLAINS-WESTERN) LTD. "DATA UPDATED BY TRANSFER OF UTILITY RIGHT OF WAY BY 822229373"
892 241 735	21/09/1989	UTILITY RIGHT OF WAY GRANTEE - ALBERTA GOVERNMENT TELEPHONES. AS TO PORTION OR PLAN:8921746 "TAKES PRIORITY DATE OF CAVEAT 882126078 08-06-88"

-----  
ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

# 182 272 920 +3

REGISTRATION

NUMBER      DATE (D/M/Y)      PARTICULARS

-----

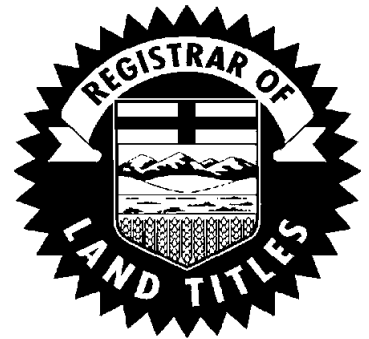
182 272 921      01/11/2018 MORTGAGE  
MORTGAGEE - NORTHLAND FOREST PRODUCTS LTD.  
BOX 5305  
FORT MCMURRAY  
ALBERTA  
ORIGINAL PRINCIPAL AMOUNT: \$7,000,000

TOTAL INSTRUMENTS: 003

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN  
ACCURATE REPRODUCTION OF THE CERTIFICATE OF  
TITLE REPRESENTED HEREIN THIS 5 DAY OF JULY,  
2019 AT 12:06 P.M.

ORDER NUMBER:      37562911

CUSTOMER FILE NUMBER:      039478-328



\*END OF CERTIFICATE\*

-----  
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OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S) .



LAND TITLE CERTIFICATE

S  
LINC                      SHORT LEGAL                      TITLE NUMBER  
0026 109 470            9422442;;1                      182 272 920 +2

LEGAL DESCRIPTION  
PLAN 9422442  
LOT 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 1.555 HECTARES (3.84 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE  
ATS REFERENCE: 4;19;65;4;SW

MUNICIPALITY: VILLAGE OF BOYLE

REFERENCE NUMBER: 162 017 485 +2

---

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
182 272 920	01/11/2018	TRANSFER OF LAND		SEE INSTRUMENT

---

OWNERS  
  
2139483 ALBERTA LTD.  
OF 1028 SYDENHAM LANE  
MILTON  
ONTARIO L9T 8J2

---

ENCUMBRANCES, LIENS & INTERESTS		
REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
3508PR	05/03/1968	CAVEAT RE : EASEMENT CAVEATOR - ALTALINK MANAGEMENT LTD. 2611 - 3 AVE SE CALGARY ALBERTA T2A7W7 (DATA UPDATED BY: TRANSFER OF CAVEAT 022197043) (DATA UPDATED BY: CHANGE OF ADDRESS 082540179)

-----  
ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

# 182 272 920 +2

REGISTRATION

NUMBER      DATE (D/M/Y)      PARTICULARS

-----

762 092 084      31/05/1976      UTILITY RIGHT OF WAY  
GRANTEE - ICG UTILITIES (PLAINS-WESTERN) LTD.  
"DATA UPDATED BY: TRANSFER OF UTILITY RIGHT OF WAY  
NO. 822230679"  
" AFFECTS PART OF THIS TITLE "

182 272 921      01/11/2018      MORTGAGE  
MORTGAGEE - NORTHLAND FOREST PRODUCTS LTD.  
BOX 5305  
FORT MCMURRAY  
ALBERTA  
ORIGINAL PRINCIPAL AMOUNT: \$7,000,000

TOTAL INSTRUMENTS: 003

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN  
ACCURATE REPRODUCTION OF THE CERTIFICATE OF  
TITLE REPRESENTED HEREIN THIS 5 DAY OF JULY,  
2019 AT 12:06 P.M.

ORDER NUMBER:      37562911

CUSTOMER FILE NUMBER:      039478-328



\*END OF CERTIFICATE\*

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PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING  
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

## Appendix C



**Agreement to Lease  
Commercial – Short Form**

This Agreement to Lease (Agreement) dated this 20<sup>th</sup> day of June 2019

TENANT: MTL Recycling (Alberta) Ltd  
(Full legal names of all Tenants)

LANDLORD: 2139483 Alberta Ltd  
(Full legal names of all Landlords)

The Tenant hereby offers to lease from the Landlord the premises as described herein on the terms and subject to the conditions as set out in this Agreement. For the purposes of this Agreement to Lease "Tenant" includes lessee and "Landlord" includes lessor.

1. PREMISES: The "Premises" consisting of approximately 250 Acres land together with improvement known municipally as 4688 Taylor Rd in the Boyle of Alberta Province of Alberta, as shown outlined on the plan attached as Schedule "A".

2. USE: The Premises shall be used only for Scrap Metal process & Salvage yard

3. TERM OF LEASE: The Lease shall be for a term of 5 years commencing on the 20<sup>th</sup> day of June 2019 and terminating on the 20<sup>th</sup> day of June 2024

4. RENTAL: At a rental of \$ 499,596.00 per annum, payable \$ 41,633.00 monthly in advance, on the 1<sup>st</sup> day of each month during the said term,

5. DEPOSIT AND PREPAID RENT: The Tenant delivers (Herewith/Upon acceptance/as otherwise described in this Agreement)

by negotiable cheque payable to 2139483 Alberta Ltd "Deposit Holder"

in the amount of 41,633.00 after both confirmed agreement. The 1st payment is July 2nd, 2019

INITIALS OF TENANTS:

MTL

INITIALS OF LANDLORD(S):

2139483



7. **SCHEDULES:** The Schedules attached hereto shall form an integral part of this Agreement to Lease and consist of Schedule(s)

8. **IRREVOCABILITY:** This offer shall be irrevocable by ..... until ..... on the ..... day of .....  
(Landlord/Tenant) 18:00 (a.m./p.m.) 22<sup>nd</sup>  
June ..... 2017 ..... after which time if not accepted, this offer shall be null and void and all monies paid thereon shall be returned to the Tenant without interest or deduction.  
It is further understood that all representations by the Landlord or any of the Landlord's representatives are set out in this Agreement.

9. **NOTICES:** The Landlord hereby appoints the Listing Brokerage as agent for the Landlord for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Tenant's Brokerage) has entered into a representation agreement with the Tenant, the Tenant hereby appoints the Tenant's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage represents both the Landlord and the Tenant (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Tenant or the Landlord for the purpose of giving and receiving notices. Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

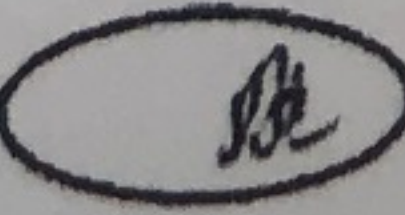
FAX No.: ..... (For delivery of Documents to Landlord) FAX No.: 1416 667 8088 (For delivery of Documents to Tenant)  
Email Address: Irfan@nri-global-inc.com (For delivery of Documents to Landlord) Email Address: liu.zhang@maxuc.com (For delivery of Documents to Tenant)

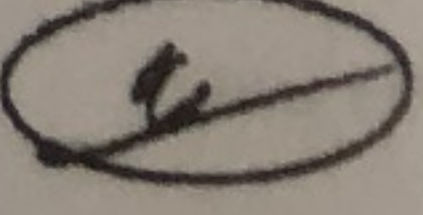
10. **EXECUTION OF LEASE:** The Lease shall be prepared by the Landlord at the Landlord's expense, in accordance with the terms and conditions of this Agreement subject to minor adjustments. The Lease will be signed and executed by both parties hereto prior to the commencement of work on the premises by either party and prior to occupancy by the Tenant.

11. **AGREEMENT IN WRITING:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Agreement between Landlord and Tenant. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the context.

12. ~~LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:~~ The parties acknowledge that any information provided by the broker is not legal, accounting, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.

13. **BINDING AGREEMENT:** This Agreement and the acceptance thereof shall constitute a binding agreement by the parties to enter into the Lease of the Premises and to abide by the terms and conditions herein contained.

INITIALS OF TENANTS: 

INITIALS OF LANDLORD(S): 



14. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

.....  
 (Witness) ..... *Lina [Signature]* ..... (Seal) *June 20th 2019* .....  
 (Tenant/Authorized Signing Officer) (Date)

.....  
 (Witness) ..... (Seal) (Date)

.....  
 (Witness) ..... (Seal) (Date)

We/I the Landlord hereby accept the above offer, and agree that the commission together with applicable Harmonized Sales Tax (and any other tax as may hereafter be applicable) may be deducted from the deposit and further agree to pay any remaining balance of commission forthwith.

.....  
 (Witness) ..... *[Signature]* ..... (Seal) *June 21 2019* .....  
 (Landlord/Authorized Signing Officer) (Date)

.....  
 (Witness) ..... (Seal) (Date)

**CONFIRMATION OF ACCEPTANCE:** Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at ..... *18:25* ..... this *22<sup>th</sup>* day of *June* ..... 20*19*.....  
(a.m./p.m.)

.....  
(Signature of Landlord or Tenant) *[Signature]*

**ACKNOWLEDGEMENT**

I acknowledge receipt of my signed copy of this accepted Agreement to Lease and I authorize the Brokerage to forward a copy to my lawyer.

I acknowledge receipt of my signed copy of this accepted Agreement to Lease and I authorize the Brokerage to forward a copy to my lawyer.

*[Signature]* ..... *June 21 2019* .....  
 (Landlord) (Date)

.....  
 (Landlord) (Date)

Address for Service.....  
 (Tel. No.)

Landlord's Lawyer.....  
 Address.....  
 Email.....  
 (Tel. No.) (Fax No.)

*Lina* ..... *June 20th 2019* .....  
 (Tenant) (Date)

.....  
 (Tenant) (Date)

Address for Service.....  
 (Tel. No.)

Tenant's Lawyer.....  
 Address.....  
 Email.....  
 (Tel. No.) (Fax No.)



## Appendix D

THIS Auction and Liquidation Services Agreement dated for reference the 2<sup>nd</sup> day of March, 2020.

MADE BETWEEN:

**DELOITTE RESTRUCTURING GROUP INC.**, in its capacity  
as Receiver of National Recycling Inc., Scraport Inc and 2139483  
Alberta Ltd. and not in its personal capacity

(hereinafter referred to as the “**Receiver**”)

OF THE FIRST PART

AND:

**MAYNARDS INDUSTRIES CANADA LTD.**

(hereinafter referred to as the “**Auctioneer**”)

OF THE SECOND PART

**WHEREAS:**

- A. Pursuant to an order of the Ontario Superior Court of Justice granted July 12, 2019, Deloitte Restructuring Group Inc. was appointed Receiver of the assets, property and undertakings of National Recycling Inc. and 2139483 Alberta Ltd. (collectively, the “**Debtors**”);
- B. The Auctioneer submitted a proposal to the Receiver dated February 28<sup>th</sup>, 2020 to liquidate the assets of the Debtors listed in **Schedule “A”** hereto (the “**Assets**”); and
- C. The Receiver wishes to retain the Auctioneer to sell the Assets, subject to the terms and conditions hereof.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that the Receiver and the Auctioneer agree as follows:

**1. RETENTION OF THE AUCTIONEER**

- 1.1 Subject to the granting of the Approval Order (as defined herein) and successful appeal against it, the Receiver hereby retains the Auctioneer to carry out, and the Auctioneer hereby agrees to carry out, a sales program and run an auction not later than April 15, 2020 (the “**Auction**”) with respect to the Assets on the terms and conditions as set forth in this agreement.
- 1.2 The Receiver and the Auctioneer covenant and agree with each other to carry out their respective obligations under this Agreement, including without limitation the obligations as set forth in **Schedule “B”** to this Agreement.



1.3 The Auctioneer will not, and has no authority to, incur any liability or obligation on behalf of the Receiver or the Debtors, unless otherwise specifically authorized and approved by the Receiver.

## 2. THE AUCTION

2.1 The Auctioneer will charge a 18% buyer's premium with respect to the sales of the Assets ("**Buyer's Premium**") for its account.

2.2 The Auctioneer will charge an expense budget not to exceed \$15,000 ("**Expense Budget**")

2.3 The proceeds of sale of the Assets, net of applicable taxes, any Buyer's Premium and the Expense Budget (together the "**Gross Sale Proceeds**"), shall be distributed to the Receiver.

2.4 The Auctioneer will pay any amounts payable to the Receiver from the Gross Sale Proceeds within 10 days following the applicable sale date by way of wire transfer to the account stipulated by the Receiver.

## 3. REPRESENTATIONS, WARRANTIES, AND COVENANTS WITH RESPECT TO THE ASSETS

3.1 The Receiver shall, promptly following approval of this Agreement by the Ontario Superior Court pursuant to the Approval Order, deliver to the Auctioneer a copy of all pertinent documents that are in the possession of the Receiver relating to the Assets, including, without limitation, all documents of title, operating manuals, warranties, and all documents respecting registrations.

3.2 The Receiver shall provide, or make commercially reasonable efforts to provide, to the Auctioneer and its agents, employees and representatives, access to the Assets located at 4688 Taylor Rd, Boyle, AB T0A 0M0 and other remoter sites for the purpose of this Auction (the "**Premises**") from the date of court approval (or such date earlier as agreed to by the Receiver) until April 30, 2020, or such later date as agreed by the parties hereto (the "**General Deadline**"), for the purposes of showing the Assets to prospective purchasers, preparing for and conducting the auctions, completing all sales, and removing the Assets upon their sale. The Receiver agrees to pay, until the General Deadline, and shall be responsible for the continued supply of all utilities to the Premises including, without limitation, gas, water, heat and hydro, and for the maintenance of insurance coverage on the Premises and Assets (the "**Occupancy Costs**"). The Auctioneer agrees to pay all Occupancy Costs after the General Deadline for the period the Auctioneer occupies the Premises, if any.

3.3 The Receiver shall provide, and upon reasonable request by the Auctioneer, do, execute and deliver all further assurances, acts and documents for the purpose of conveying right, title, and interest of the Assets to any purchaser contemplated herein.

3.4 The Auctioneer shall sell the Assets on an "as is, where is" basis and neither the Receiver, the Debtors nor the Auctioneer shall make, vis-à-vis, any third party

purchasers, any representations, conditions or warranties, and there are no representations, conditions or warranties. The Parties agree there are no terms or conditions whatsoever, whether expressed, implied, statutory or otherwise with respect to the Assets or any of them or any other matters whatsoever in any way related to the subject matter of this Agreement.

- 3.5 The Auctioneer has conducted its own due diligence, independent inspection, and investigation respecting the Assets and is satisfied with the Assets in all respects.
- 3.6 Title to the Assets shall remain with the Receiver and/or Debtor, as applicable, throughout the sale term and shall pass from the Receiver to the purchaser when the sale becomes final. If there is a dispute respecting the ownership of any of the Assets sold by the Auctioneer or any claims relating thereto, the Auctioneer may pay the proceeds in respect of such Assets to the Ontario Superior Court of Justice and the Court may determine who is entitled to the proceeds.
- 3.7 Upon completion of the Auction contemplated hereby, the Auctioneer shall assist the Receiver for one week to oversee the removal or preparation of the removal of the Assets from the Premises. The Auctioneer shall otherwise have the right to abandon any remaining or unsold Assets. Any third party costs or expenses incurred in connection with the clean-up of the Premises or storage of the Assets on the Premises shall be the responsibility of the Receiver.

#### **4. COURT APPROVAL**

- 4.1 This Agreement shall be subject to the condition precedent of approval by the Ontario Superior Court of Justice of: (i) the Receiver entering into this Agreement, and (ii) a Sale Approval and Vesting Order to be in a form acceptable to both parties hereto (the "**Approval Order**"). The Receiver will apply to the Court for the Approval Order by no later than March 6, 2020.
- 4.2 The Receiver will make its best efforts, but is not obligated, to obtain a Sealing Order respecting this Agreement when it applies to the Ontario Superior of Justice for the Approval Order.

#### **5. DUTIES OF AUCTIONEER**

- 5.1 Except as otherwise provided for in this Agreement, the Auctioneer shall at its own cost and expense:
- (a) provide commercially reasonable best efforts to conduct the Auction in accordance with its terms and the terms of this Agreement;
  - (b) provide sufficient licensed auctioneers and other personnel as is generally required for the holding of the Auction;
  - (c) supervise the inspection of the Assets by potential purchasers prior to the Auction;

- (d) prepare for, arrange, conduct and conclude the Auction including, but not limited to, advertising, auction-related set-up, administrative services, collection of proceeds, banking, security/check out personnel, etc.;
- (e) advertise and promote the Auction. The Auctioneer shall seek the prior consent of the Receiver to the form and content of all advertising and such consent shall not to be unreasonably withheld;
- (f) organize, inventory, tag and lot the Assets for the Auction;
- (g) provide administrative services relating to the transfer of ownership of Assets to purchasers such that title to the Assets can be conveyed to the purchasers;
- (h) allow representatives of the Receiver to be present at the Auction and to have access to all of the Auctioneer's records concerning the sale of the Assets; and
- (i) provide the accounting described in Section 2 of Schedule "B" hereto.

## 6. ADDITIONAL REPRESENTATIONS, WARRANTIES AND CONDITIONS

6.1 The Receiver represents and warrants to the Auctioneer that, subject to the approval of the Superior Court of Justice described in Section 4.1 hereof, the Receiver has good and sufficient power and authority to enter into this Agreement and to complete the transactions contemplated by this Agreement.

6.2 The Auctioneer represents, warrants and acknowledges to the Receiver that:

- (a) the Auctioneer is a corporation duly incorporated, organized and subsisting under the laws of Ontario;
- (b) the Auctioneer has good and sufficient power and authority to enter into this Agreement and to complete the transactions contemplated by this Agreement;
- (c) this Agreement constitutes a valid and legally binding obligation of the Auctioneer, enforceable against the Auctioneer in accordance with its terms;
- (d) the Auctioneer will, prior to conducting any sales pursuant to this agreement, be registered under Part IX of the *Excise Tax Act* (Canada) and shall have all necessary registrations and authority to collect, report and remit any applicable taxes on or with respect to any sale of any Assets by the Auctioneer pursuant to this agreement, in all applicable jurisdictions; and
- (e) the Auctioneer has not jointly elected with the Receiver pursuant to section 177(1.3) of the *Excise Tax Act* (Canada) and
- (j) the Auctioneer holds all required permits and licenses required to perform its obligations under this Agreement.



6.3 The representations, warranties and covenants of the Auctioneer set forth in this agreement will survive completion of the transactions contemplated by this Agreement.

## 7. MISCELLANEOUS

7.1 All references to currency in this Agreement and in the schedules hereto are to lawful currency of Canada.

7.2 If the doing of any act pursuant to this Agreement falls on a day on a bank holiday or weekend, then the time for the doing of such act shall be deemed to be the next day that is not a bank holiday or weekend.

7.3 Any notice, request, instruction or other communication to be given hereunder by any party to the other shall be in writing and effective when delivered by facsimile or by electronic mail to the addresses and/or email addresses set forth as follows:

The Receiver:  
Deloitte Restructuring Inc.  
700 850 2<sup>nd</sup> Street SW  
T2P 0R8  
Attention: Bob Taylor  
Email: [bobtaylor@deloitte.ca](mailto:bobtaylor@deloitte.ca)

With a copy to:

The Auctioneer:  
Maynards Industries Canada Ltd.  
1585 West 4th  
Vancouver, British Columbia V6J 1L6  
Attention: Aaron Stewardson  
Email: [astewardson@maynards.com](mailto:astewardson@maynards.com)

A party may from time to time change its address for service or its facsimile number for service by giving written notice of such change to the other party.

7.4 No waiver by either party of any of the conditions contained in this Agreement or of any breach of any of the covenants contained in this Agreement shall have effect or be binding upon that party unless expressed in writing and any waiver so given shall extend only to the particular condition or breach so waived and shall not limit or affect any rights with respect to any other condition or breach or any future breach.

7.5 This Agreement and the attached schedules constitute the entire agreement between the parties relating to the subject matter hereof and supersedes all prior proposals, communications and agreements, whether written or oral.

7.6 This Agreement may be amended or modified only by an instrument in writing executed and delivered by the parties hereto subsequent to the date hereof.



- 7.7 The parties covenant to execute such further documents and do such further acts as may be required to implement the terms of this Agreement.
- 7.8 All stipulations in this Agreement as to time are strictly of the essence.
- 7.9 This Agreement shall be governed by the laws in effect in the Province of Ontario and the parties hereby attorn to the jurisdiction of the Courts of that Province.
- 7.10 This Agreement may be executed in counterparts by the parties hereto, and executed counterparts may be delivered by electronic mail and such execution and delivery shall be valid for all intents and purposes and the executed counterparts shall together form one document.
- 7.11 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**EXECUTED** at Toronto, Ontario this 2nd day of March, 2020.

**DELOITTE RESTRUCTURING INC.**, in its capacity as Receiver of the property, assets and undertaking of National Recycling Inc., Scraport Inc., and 2139483 and not in its personal capacity

Per:



Name: Jorden Sleeth

Title: Senior Vice President

**MAYNARDS INDUSTRIES CANADA LTD.**

Per:



Name: Mike McTrust

Title: EUP

**SCHEDULE "A"**  
**THE ASSETS**



Schedule "A"  
Assets for Auction

National Recycling Inc.					
Asset listing and analysis					
Owned assets					
Item description	Location	Year	Make & Model	VIN/Serial Number	License plate
Trailer	Boyle, AB	1999	Haultec Trailer	2C9B2R4E7X1012796	M9898J
Vehicle	Boyle, AB	1995	GM truck	1GDP7H1J6TJ501985	
Trailer	Boyle, AB		Neustar Trailer	Unknown	
Vehicle	Boyle, AB	2012	Ford F-350	1FDSX35S52EA99495	
Vehicle	Boyle, AB	2007	International Paystar 5600i 6X4	1HTXHAPT18J631796	
Vehicle	Boyle, AB	2011	Ford F-550	1FD0W5HY9CEA84473	
Vehicle	Boyle, AB	2011	Ford F-150	1FTNF1CT2BKD28849	CBD 8355
Vehicle	Boyle, AB	2010	Ford F-150	1FTFW1EV9AFD59400	FZN 027
Vehicle	Boyle, AB	1990	Ford L9000	1FDYU90W5LVA19324	
Vehicle	Boyle, AB	2006	GMC 3500	1GDJK34U17E100758	
Trailer	Boyle, AB	2012	Terex AL-4000 lights trailer	4ZJSL141XC1000379	
Vehicle	Boyle, AB	2000	GM Hydrovac truck	1GDP7H1C3YJ526920	
Vehicle	Boyle, AB	2006	Suzuki Grand Vitara	JS3TD62V514164935	
Vehicle	Boyle, AB	2012	Ford Escape	1FMCU9D71CKB95768	BXNW 901
Vehicle	Boyle, AB	2016	GMC Sierra	3GTU2NEC4GG107571	BVL 3904
Shredder	Boyle, AB		Bonfiglioli Squalo 2000	1051	
Shredder	Boyle, AB		Bonfiglioli Squalo 2000	1053	
Shredder	Boyle, AB		Bonfiglioli Squalo 3000	1038	
Photocopy Machine	Boyle office building		Office furniture and photocopiers	CZB016189	
Trailer	Edmonton, AB (Genalta)	2009	Terex AL5000	4ZJSL151391000232	
Vehicle	Edmonton, AB (Genalta)	2008	Chevrolet Express G3500	1GBHG31K681200746	

**SCHEDULE "B"**  
**THE RECEIVER'S AND AUCTIONEER'S RESPONSIBILITIES**

The following sets out the Receiver's and Auctioneer's respective responsibilities with respect to the disposition of the Assets. The parties acknowledge and agree that:

***General***

1. The Auctioneer is acting only in its capacity as an independent contractor dealing with the Receiver and is otherwise not the Receiver's employee or assign, nor is it assuming the legal responsibilities, duties or obligations of the Receiver or of a "Secured Party".
2. The Auctioneer will carry out the Auction in an orderly and professional manner, in accordance with industry practices. The Auctioneer shall, promptly following the Auction, provide the Receiver with a detailed written accounting in respect of the sales and the Gross Sale Proceeds in a form satisfactory to the Receiver acting reasonably.
3. The Auctioneer will determine the best way of selling the Assets, whether by private or public sale or by auction or otherwise.
4. The Auctioneer will not be responsible for the following costs, claims, or liabilities, even if such are payable:
  - (a) lease payments to third parties under any leases of the Assets;
  - (b) any pre-existing environmental costs;
  - (c) any legal costs associated with dealing with liens against the Assets; and,
  - (d) any product warranties, conditions, or liabilities, including without limitation those set forth in the *International Sale of Goods Contracts Convention Act* (Canada).

***Taxes***

5. The Auctioneer shall collect, and promptly pay to the applicable authority and confirm such payment to the Receiver, all social services tax, provincial sales tax (if applicable), goods and services tax and any other tax resulting from any sale transaction entered into by the Auctioneer with respect to any of the Assets.
6. The Auctioneer shall indemnify and hold the Receiver harmless from any and all demands, liabilities or claims, including, but not limited to, fines, penalties, losses, costs and expenses, which the Receiver may sustain, incur or be subject to, arising out of, or by reason of, any failure by the Auctioneer to collect, pay or remit any applicable taxes under, or in accordance with, the provisions of the *Excise Tax Act* (Canada) in relation to the sale of the Assets in accordance with the Auction (including without limiting the generality of the foregoing in respect of the buyers premium described in Section 2 of this Agreement).

### ***Insurance***

7. The Auctioneer will maintain insurance, and will provide to the Receiver proof of insurance, with respect to any public liability which could flow from the Auctioneer's activities, naming the Receiver as beneficiary of such insurance, providing for coverage of not less than \$5,000,000 per occurrence and otherwise in a form satisfactory to the Receiver acting reasonably.
8. Proceeds received on any insurance claim in respect of any insured Assets that otherwise would have been sold during the Auction shall be considered Gross Sale Proceeds.

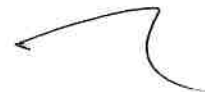
### ***Event of Force Majeure***

9. If the Auctioneer is materially delayed, interrupted or precluded from completing the Auction in accordance with this Agreement by reason of *force majeure* which includes, without limitation, any event or circumstance of any nature whatsoever that is beyond the reasonable control of the Auctioneer, including earthquake, flood or other act of God, fire, explosion or accident, howsoever caused, any act or omission or delay by any governmental authority, strike, lockout, inability to obtain or delay in obtaining labour, supplies, materials or equipment, delay or failure by carriers or contractors, breakage or other casualty, or seasonal or climactic conditions, the Auctioneer shall be held harmless from any and all liability if such disaster shall affect the conduct or timing of any actions contemplated by this Agreement. The Auctioneer shall give immediate written notice of any circumstance which may constitute a *force majeure* event to the Receiver. The Auctioneer shall be entitled to be paid so much of the amounts payable to it pursuant to this Agreement to which it has become entitled as at the date of the event of *force majeure*. In the event that, acting reasonably, the parties hereto are unable to negotiate a settlement, the matter will be determined in accordance with directions from the Superior Court of Ontario.

### ***Environmental Indemnity***

10. For the purposes of this Schedule "B", "Contaminants" means any substance or thing or mixture of them which alone, or in combination, or in concentrations, are flammable, corrosive, reactive or toxic or which might cause adverse effects or be deemed detrimental to living things or to the environment, including, but not limited to, any pollutant, contaminant, toxic or hazardous substance, such as, by way of example, urea formaldehyde, asbestos, polychlorinated biphenyl, pesticides, or any other substance with which the removal, manufacture, preparation, generation, use, maintenance, storage, transfer, handling or ownership is subject to any laws, rules or regulations.
11. The Debtors will defend, indemnify and save harmless the Auctioneer and its directors, officers, employees, agents, successors and assigns, from any and all liabilities, actions, damages, claims, losses, costs and expenses whatsoever (including without limitation, the full amount of all legal (on a solicitor and his own client basis) and other professional costs and the costs of removal, abatement, treatment, storage or disposal of Contaminants

and remediation of the Premises and any other property affected), save and except for any negligence or wilful misconduct on the Auctioneer's part, which may be paid by, incurred by or asserted against the Auctioneer or its directors, officers, employees, agents, successors or assigns for, with respect to, or as a direct or indirect result of, the presence of any Contaminants, known or unknown, on, in or under, or the escape, seepage, leakage, spillage, discharge, emission or other release of any Contaminants, known or unknown, on, under or from any part of the Premises existing or having occurred as of the date of this Agreement, including but not limited to the removal, relocation, disassembly, modification, or inspection of the Assets pursuant to this Agreement, to the extent caused by the Receiver and/or the Debtors. For the avoidance of doubt, such indemnity shall not extend to any costs associated with Contaminants brought on to or created on the Premises by the Auctioneer subsequent to the date of this Agreement or the remediation of any contamination resulting therefrom. This indemnity will survive any expiration or termination of this Agreement.

A handwritten mark or signature, possibly a stylized 'S' or a similar symbol, located in the lower right quadrant of the page.

## Appendix E

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

NATIONAL RECYCLING INC., SCRAPORT INC., AND 2139483 ALBERTA LTD.

Respondents

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AFFIDAVIT OF JORDEN SLEETH

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I, **Jorden Sleeth** of the Town of Oakville, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Senior Vice-President of Deloitte Restructuring Inc., the court appointed receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of National Recycling Inc., Scraport Inc., and 2139483 Alberta Ltd. (the “**Companies**”) hereto (collectively with the Companies, “**NRI**”). As such, I have personal knowledge of the matters to which I hereinafter refer.
2. Attached hereto as **Appendix “A”** is a summary of the accounts of the Receiver with respect to NRI for the periods July 7, 2019 to September 30, 2019, and October 1, 2019 to October 31, 2019 (the “**Billing Period**”) along with the detailed accounts issued in respect of the Billing Period which include detailed descriptions of the activities, number of hours worked, applicable hourly rates, and total hours and fees. The Receiver’s average hourly rate charged over the Period is

approximately \$217. I confirm that these accounts accurately reflect the services provided by the Receiver in this proceeding for the Billing Period.

3. Based on my review of the accounts referred to herein and my personal knowledge of this matter, the accounts referred to herein represent a fair and accurate description of the services provided and the amounts charged by the Receiver.
4. I swear this affidavit in support of the Receiver's Motion for, among other things, approval of its fees and disbursements and for no other or improper purpose.

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Commissioner for Taking Affidavits

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)  
)  
)

\_\_\_\_\_  
**JORDEN SLEETH**

**Appendix "A"**

**Accounts of the Receiver for the period July 7, 2019, to October 31, 2019**



**In the matter of the Receivership of National Recycling Inc. et al.**  
Summary of invoices issued by Deloitte Restructuring Inc.  
For the period July 7, 2019 to October 31, 2019

<b>Invoice #</b>	<b>Period</b>	<b>Hours</b>	<b>Fees</b>	<b>Expenses</b>	<b>HST</b>	<b>Total</b>
8000886189	July 7, 2019 – September 30, 2019	327.5	\$130,765.00	\$7,445.68	\$17,967.39	\$156,178.07
8000921799	October 1 – 31, 2019	396.8	26,132.50	783.98	3,499.14	30,415.62
	<b>Total</b>	<b>724.3</b>	<b>\$156,897.50</b>	<b>\$8,229.66</b>	<b>\$21,466.53</b>	<b>\$186,593.69</b>

## Appendix F

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

BETWEEN:

**ROYAL BANK OF CANADA**

Applicant

- and -

**NATIONAL RECYLCING INC., SCRAPORT INC. and 2139483 ALBERTA LTD.**

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE  
*BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND  
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

**AFFIDAVIT OF ROBERT KENNEDY  
(sworn February 27, 2020)**


I, **ROBERT KENNEDY**, of the City of Toronto, in the Province of Ontario, **SWEAR  
AND SAY AS FOLLOWS:**

1. I am a Partner with Dentons Canada LLP ("**Dentons**"), as such, I have knowledge of the matters to which I hereinafter depose.
2. Pursuant to an Order dated July 12, 2019 (the "**Receivership Order**"), Deloitte Restructuring Inc. was appointed Receiver and Manager of National Recycling Inc., Scraport Inc. and 2139483 Alberta Ltd. in the within proceedings (the "**Receiver**").
3. The Receiver retained Dentons as counsel to advise it with regard to the matters related to its appointment and the exercise of its powers and performance of its duties.

4. The Receivership Order provides at paragraph 18 that the Receiver, and counsel to the Receiver, shall be paid their reasonable fees and disbursements at their standard rates and charges.
5. The Dentons fees and disbursements for the period of July 2, 2019 to January 31, 2020 (the “**Fee Period**”), are summarized in the invoices rendered to the Receiver (the “**Invoices**”). The Invoices are a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Dentons. I am advised by the Receiver that it has reviewed the Invoices and that it considers the fees and disbursements as fair and reasonable. Attached and marked as **Exhibit “A”** are the Invoices.
6. Attached and marked as **Exhibit “B”** is a schedule summarizing the Invoices, the total billable hours charged, the total fees charged (both prior to and after the application of the applicable discount) along with the average hourly rate charged.
7. Attached and marked as **Exhibit “C”** is a schedule summarizing the respective years of call and standard billing rates of each of the solicitors at Dentons who acted for the Receiver.
8. The Dentons rates and disbursements are consistent with those in the market for these types of matters and have been previously approved by this Honourable Court in similar proceedings.

9. I make this affidavit in support of the motion for, among other things, approval of the fees and disbursements of Dentons and for no other or improper purpose.

**SWORN** before me at the City of Toronto in the Province of Ontario, this 27th day of February, 2020.

  
A Commissioner for Taking Affidavits, etc.

  
**ROBERT KENNEDY**

## Appendix G

**IN THE MATTER OF THE RECEIVERSHIP OF NATIONAL RECYCLING INC., SCRAPORT INC., AND 2139483  
ALBERTA LTD.**

**COMBINED INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD JULY 12, 2019 TO FEBRUARY 21, 2020**

	<b>NRI</b>	<b>Scraport</b>	<b>213</b>	<b>Total</b>
<b>Receipts</b>				
Cash in bank	-	25,033	-	25,033
Rental income	-	-	237,308	237,308
Lessor cost allocation deposits	15,308	-	-	15,308
Interest	48	88	484	620
Sale of assets	1,000	-	-	1,000
HST collected	130	-	-	130
GST collected	-	-	12,490	12,490
<b>Total receipts</b>	<b>16,486</b>	<b>25,121</b>	<b>250,282</b>	<b>291,889</b>
<b>Disbursements</b>				
Insurance	-	-	41,635	41,635
Change of locks	1,055	-	946	2,001
Filing fees	70	70	70	210
Appraisal fees	-	5,000	-	5,000
Receivers fees	-	-	44,616	44,616
HST paid	-	-	5,800	5,800
GST paid	137	250	47	434
<b>Total disbursements</b>	<b>1,262</b>	<b>5,320</b>	<b>93,114</b>	<b>99,697</b>
<b>Funds on hand at February 21, 2020</b>	<b>15,223</b>	<b>19,801</b>	<b>157,168</b>	<b>192,192</b>

**Notes**

- 1 Rental income received from tenant operating on Real Property premises as at the Date of receivership. Monthly lease amounts are \$41,633, inclusive of GST
- 2 Lessor cost allocation deposits represent the recovery of estimated receiver costs and fees incurred on securing equipment encumbered by lessors. Such deposits will be held in trust, pending further order of the Court.