

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

BETWEEN:

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

**MOTION RECORD
(returnable March 6, 2020)**

Date: March 2, 2020

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TAB 1

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

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

B E T W E E N:

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

**NOTICE OF MOTION
(Returnable March 6, 2020)**

Deloitte Restructuring Inc. (“**Deloitte**”), in its capacity as the court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) of National Recycling Inc. (“**Nat Recycling**”), Scraport Inc. (“**Scraport**”), and 2139483 Alberta Ltd. (“**213**”, and together with Nat Recycling and Scraport, the “**Debtors**”), will make a motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on March 6, 2020, at 10:00 a.m., or as soon after that time as the motion may be heard, at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR:

1. An Order, substantially in the form attached hereto as **TAB 3** of the Motion Record, for the following relief:

- (a) if necessary, abridging the time for service of the Notice of Motion and Motion Record herein and validating service thereof;
- (b) approving the auction agreement between the Receiver and Maynards Industries Canada Ltd. (“**Maynards**” or the “**Auctioneer**”) dated March 2, 2020 (the “**Auction Agreement**”);
- (c) authorizing the Auctioneer to market and sell the Assets (as defined in the Auction Agreement) pursuant to the terms of the Auction Agreement;
- (d) providing for the vesting of the Debtors’ right, title and interest in and to the Assets to any person who purchases any of the Assets pursuant to the Auction Agreement (each, a “**Purchaser**”);
- (e) authorizing the Receiver to distribute the proceeds from any sale of Assets (each, a “**Sale**”) to the Auctioneer, in the manner contemplated by the Auction Agreement;
- (f) approving the first report of the Receiver dated March 2, 2020 (the “**First Report**”) and the activities of the Receiver as described therein;
- (g) approving the fees and disbursements of the Receiver as set out in the affidavit of Jordan Sleeth sworn March 2, 2020, and the fees and disbursements of the Receiver’s counsel, Dentons Canada LLP (“**Dentons**”), as set out in the affidavit of Robert Kennedy sworn February 27, 2020 (together, the “**Fee Affidavits**”);
- (h) approving the Receiver’s interim statement of receipts and disbursements for the period of July 12, 2019 to February 21, 2020 (the “**Interim R&D**”); and
- (i) such further and other grounds as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

Background

1. By Order of the Court dated July 12, 2019 (the “**Receivership Order**”), on an application brought by Royal Bank of Canada (“**RBC**”), Deloitte was appointed as the Receiver of all of the Property of the Debtors.
2. Since the date of the Receivership Order, the Receiver has evaluated and analyzed the Property of the Debtor, and considered options for realizing on the Property for the benefit of Debtors’ stakeholders.
3. The Receiver has determined that RBC is the senior secured creditor of the Debtors in the circumstances of this receivership.

Approval of Auction Agreement

4. The Property of the Debtors includes the Assets.
5. The Assets consist of approximately 52 owned, financed and leased units with an approximate book value of \$17.6 million as disclosed in the Debtors’ most recent available internal financial statements. The Assets include metal shredders, cranes, trucks, and material handlers used in the various business lines of the Debtors.
6. The Receiver engaged Maynards to conduct an appraisal of the Assets (the “**Asset Appraisal**”). 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.
7. 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.

8. 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.
9. The Receiver has now entered into the Auction Agreement. 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 (the “**Approval Order**”) vesting the Debtors’ (as applicable) right, title and interest in and to the Assets, in the name of a Purchaser;
 - (b) Maynards shall carry out, as agent for the Receiver, a one-day auction with respect to the Assets, within 30-60 days following the granting of the Approval Order; and
 - (c) Maynards will be paid a fixed commission in respect of Sales made pursuant to the Auction Agreement and will 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 the expense budget, to the Receiver within 10 days following completion of the auction.
10. 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 Debtors. RBC supports the approval of the Auction and Auction Agreement.

Approval and Vesting of Assets

11. In addition, pursuant to section 3(1) of the Receivership Order, the Receiver seeks this Court’s approval for any Assets sold by the Auctioneer pursuant to the Auction

Agreement to vest free and clear of all claims and encumbrances in the name of the Purchaser(s).

12. The Approval Order is necessary and appropriate to give effect to the transactions contemplated by the Auction Agreement.
13. RBC supports the sale and vesting of Assets to Purchasers as contemplated by the Auction Agreement.

Distribution of Sale Proceeds

14. The Receiver further seeks this Court's approval to distribute proceeds from the sale of Assets to the Auctioneer, in accordance with the terms of the Auction Agreement, as compensation and/or reimbursement to the Auctioneer for the auction and sale of Assets.
15. RBC supports the financial terms and distribution of certain sale proceeds to the Auctioneer contemplated in the Auction Agreement.
16. The Receiver shall make a future application, or applications, to this Court regarding the distribution of sale proceeds that will be received by the Receiver pursuant to the Auction Agreement.

Temporary Sealing Order for the Confidential Appendices

17. The Receiver shall make a future motion, or motions, to this Court regarding the distribution of sale proceeds that will be received by the Receiver pursuant to the Auction Agreement.
18. The Confidential Appendices contain commercially sensitive information of the Debtors and the Assets, including the Appraisal.
19. If this information was disseminated before the sale of Assets contemplated by the Auction Agreement is completed, the ability of the Receiver to maximize the value of the Debtors' assets would be seriously prejudiced.

20. The temporary sealing order for the Confidential Appendices, in the form sought by the Receiver, is the least restrictive and prejudicial alternative to prevent dissemination of the Debtors' commercially sensitive information and prejudice therefrom.

Approval of Fees

21. As detailed in the First Report and the Fee Affidavits, the Receiver has worked diligently to carry out its duties in good faith and in the best interest of the Debtors' stakeholders.
22. The Receiver has implemented reasonable measures to control the time spent and costs incurred in these proceedings. In the circumstances, the Receiver is of the view that its fees and disbursements and those of its legal counsel, Dentons, are reasonable in the circumstances.

Other Grounds

23. Rules 2.03, 37 and 72.03 of the *Rules of Civil Procedure*.
24. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

1. The First Report of the Receiver; and
2. Such further and other material as counsel may advise and this Honourable Court may permit.

DATED: March 2, 2020

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capacity as Court-appointed Receiver of
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2139483 Alberta Ltd.*

TO: SERVICE LIST

ROYAL BANK OF CANADA

- and -

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

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION
(Returnable March 6, 2020)

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Scraport Inc. and 2139483 Alberta Ltd.*

TAB 2

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
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PARTY FILING THIS DOCUMENT

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APPENDICIES

Appendix "A" – Notice and Statement of Receiver

Appendix "B" – Alberta Land Titles Search of the Real Property

Appendix "C" – MLT Alberta Ltd. Lease Agreement

Appendix "D" – Auction Agreement

Appendix "E" – Receiver's Fee Affidavit of Jordan Sleeth

Appendix "F" – Fee Affidavit of Robert Kennedy sworn February 27, 2020

Appendix "G" – Statement of Receipts and Disbursements

CONFIDENTIAL APPENDICES

Confidential Appendix "1" – Asset Appraisal

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:

Summary of Liabilities					
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 2nd day of March, 2020.

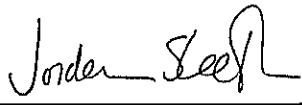
DELOITTE RESTRUCTURING INC.,
solely in its capacity as Court-appointed Receiver
of National Recycling Inc., Scraport Inc., and 2139483 Alberta Inc.,
and not in its personal or corporate capacity

Per:



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

Per:



Jordan Sleeth, LIT
Senior Vice-President

TAB 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:

<u>Description</u>	<u>Book Value (*)</u>
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
Total	\$ 24,819,643

(*) – 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:

Creditor	Book Value (**)
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

Dated at the City of Calgary in the Province of Alberta, this 22nd 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

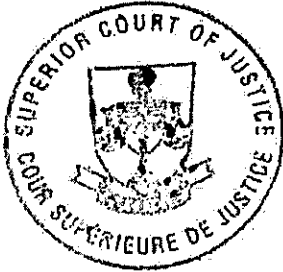
**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)

FRIDAY, THE 12th

MR. JUSTICE HAINES)

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)(e) 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.

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.

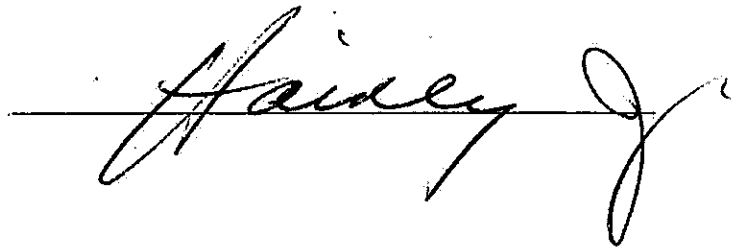
28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

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**

Unsecured Creditors	Amount
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

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
Total Unsecured Creditors	\$ 3,168,953

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:

- 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:

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

(*) – 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.

- 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"**.
- The Receiver took possession and control of the Property described above on July 12, 2019.
- The following information relates to the receivership:
 - Mailing address: 1 Prologis Blvd, Suite 104, Mississauga, ON L5W 0G2
 - Principal line of business: Scrap metal recycler
 - Location of business: 4688 Taylor Road, Boyle, AB, T0A 0M0
 - Amount owed to each creditor who holds security on the Property described above:

Creditor	Book Value (**)
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.

- 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

Dated at the City of Calgary in the Province of Alberta, this 22rd 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

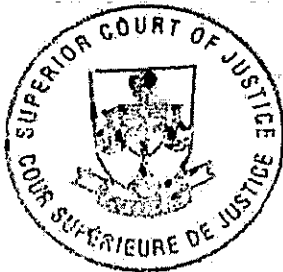
**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)

FRIDAY, THE 12th

MR. JUSTICE HAINES)

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)(e) 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.

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.

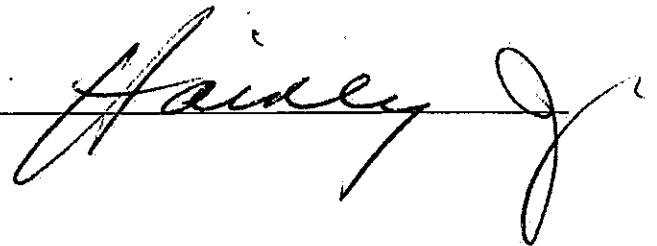
28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

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.

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

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**

Unsecured Creditors		Amount
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 Tylar		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

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
Total Unsecured Creditors	\$ 760,469

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
Total	\$ 9,443,000

(*) - 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.

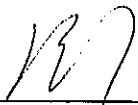
(g) Contact person for the Receiver:

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

Dated at the City of Calgary in the Province of Alberta, this 22nd 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



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

SCHEDULE "A"

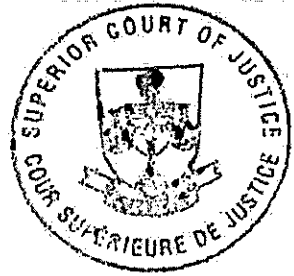
RECEIVERSHIP ORDER

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

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

THE HONOURABLE)
MR. JUSTICE HAINEY)

FRIDAY, THE 12th
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.

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.

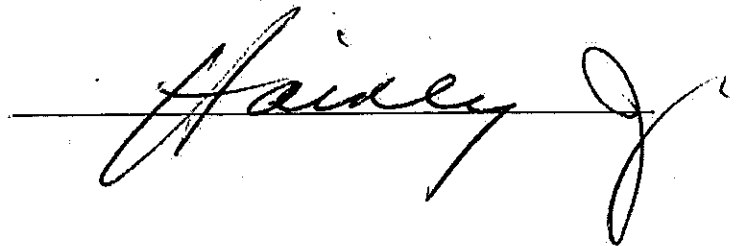
28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

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

TAB 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 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

(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 LYING 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.

(CONTINUED)

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 HERGERT
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

(CONTINUED)

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
 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 6396B0; 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 SYNDENHAM LANE
 MILTON
 ONTARIO L9T 8J2

(CONTINUED)

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

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
 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 SYNDENHAM LANE
 MILTON
 ONTARIO L9T 8J2

ENCUMBRANCES, LIENS & INTERESTS		
REGISTRATION NUMBER	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"

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



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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)

(CONTINUED)

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

TAB C

Agreement to Lease Commercial - Short Form

This Agreement to Lease (Agreement) dated this 20th 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 20th day of June 2019, and terminating on the 20th day of June 2024

4. RENTAL: At a rental of \$ 499,596.⁰⁰ per annum, payable \$ 41,633.⁰⁰ monthly in advance, on the 1st 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: (initials)

INITIALS OF LANDLORD(S): (signature)

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 18:30 on the 22nd day of 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 9088 (For delivery of Documents to Tenant)
Email Address: Irfan@nri9lobal.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, law 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: IR

INITIALS OF LANDLORD(S): U

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] (Tenant/Authorized Signing Officer) (Seal) June 20th 2019 (Date)
(Witness) (Tenant/Authorized Signing Officer) (Seal) (Date)
(Witness) (Guarantor) (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] (Landlord/Authorized Signing Officer) (Seal) June 21 2019 (Date)
(Witness) (Landlord/Authorized Signing Officer) (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 10:22 a.m./p.m. this 22th day of June, 2019. [Signature] (Signature of Landlord or Tenant)

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] (Landlord) June 21 2019 (Date) LINA (Tenant) June 20th 2019 (Date)
[Signature] (Landlord) [Signature] (Tenant)
Address for Service..... (Tel. No.)
Landlord's Lawyer..... Tenant's Lawyer.....
Address.....
Email.....
(Tel. No.) (Fax. No.) (Tel. No.) (Fax. No.)

TAB D

THIS Auction and Liquidation Services Agreement dated for reference the 2nd 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 28th, 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 2nd Street SW
 T2P 0R8
 Attention: Bob Taylor
 Email: 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

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.

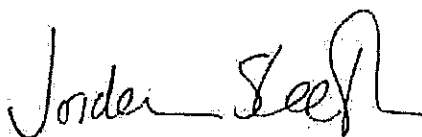
7.6 This Agreement may be amended or modified only by an instrument in writing executed and delivered by the parties hereto subsequent to the date hereof.

- 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: Jordan Sleeth
Title: Senior Vice President

MAYNARDS INDUSTRIES CANADA LTD.

Per:



Name: Mike McRush
Title: RUP

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	1FDOW5HY9CEA84473	
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	1GBHGG31K681200746	

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.



TAB E

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

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

AFFIDAVIT OF JORDEN SLEETH
(Sworn March 2, 2020)

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

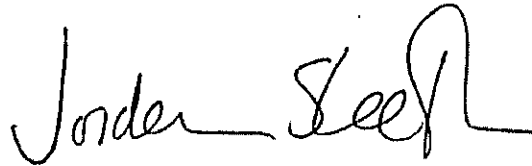
1. I am a Senior Vice-President of Deloitte Restructuring Inc., the court appointed receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of National Recycling Inc., Scraport Inc., and 2139483 Alberta Ltd. (the “**Companies**”) hereto (collectively with the Companies, “**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, October 1, 2019 to October 31, 2019 and November 1, 2019 to February 21, 2020 (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 \$241. 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.

SWORN before me at the City of Toronto,
in the Province of Ontario, on March 2, 2020

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)
)



Commissioner for Taking Affidavits

JORDEN SLEETH

- 3 -

Appendix "A"

Accounts of the Receiver for the period July 7, 2019, to February 21, 2020

- 4 -

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 February 21, 2020

Invoice #	Period	Hours	Fees	Expenses	HST	Total
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	396.80	26,132.50	783.98	3,499.14	30,415.62
Draft	November 1, 2019 – February 21, 2020	82.2	37,258.00	1,117.74	4,988.85	43,364.59
	Total	807.1	\$194,155.50	\$9,347.40	\$26,455.38	\$229,958.28

Deloitte.

Invoice 8000886189

Deloitte Restructuring Inc.

Bay Adelaide Centre
8 Adelaide Street West, Suite 200
Toronto ON M5H 0A9

ATTN: Bob Fick
Royal Bank of Canada
200 Bay Street
Toronto ON M5J 2W7
Canada

Tel: (416) 601-6150
Fax: (416) 601-6151
www.deloitte.ca

Date: November 25, 2019
Client No.: 1136959
WBS#: ROY00356
Engagement Partner: Paul Casey
HST Registration: 122893605RT0001

For professional services rendered

Fees

Please refer to the Appendices for Invoice details.

HST applicable	130,765.00
----------------	------------

Expense

Out-of-pocket Expenses

HST applicable	3,522.73
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Administrative Expense	3,922.95
------------------------	----------

Sales Tax

HST at 13.00%	<u>17,967.39</u>
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Total Amount Due (CAD)	<u>156,178.07</u>
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Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Royal Bank of Canada	1136959	8000886189	156,178.07	Payment for invoice 8000886189

Contact:

Please send payment confirmation by email to: receivablesdebitors@deloitte.ca, and reference the invoice number(s) paid

Payment Options

1. EFT Payments(remittance email mandatory):

Preferred Method

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

For CAD Dollar (\$) Payments, pay:

ABA/Transit Routing: 47696002

Account Number: 1590219

For USD Dollar (\$) Payments, pay:

ABA/Transit Routing: 47696002

Account Number: 1363514

2. Wire Payment:

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

For CAD Dollar (\$) Payments, pay:

Account Number: 476961590219

Swift Code: NOSCCATT

For USD Dollar (\$) Payments, pay:

Account Number: 476961363514

Swift Code: NOSCUS33

ABA Routing Number: 026002532

3. Online Payment:

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

Please note we do not accept Interac e-Transfers.

4. Cheque payments, please mail to:

For CAD Dollar (\$) Payments, pay:
DELOITTE MANAGEMENT SERVICES LP
c/o T04567C
PO Box 4567, Stn A
Toronto ON M5W 0J1

For USD Dollar (\$) Payments, pay:
DELOITTE MANAGEMENT SERVICES LP
c/o T04567U
PO Box 4567, Stn A
Toronto ON M5W 0J1

Deloitte.

Invoice 8000921799
Deloitte Restructuring Inc.

 Bay Adelaide Centre
 8 Adelaide Street West, Suite 200
 Toronto ON M5H 0A9

 ATTN: Bob Fick
 Royal Bank of Canada
 20 King Street West, 2nd Floor
 Toronto ON M5H 1C4
 Canada

 Tel: (416) 601-6150
 Fax: (416) 601-6151
 www.deloitte.ca

 Date: December 12, 2019
 Client No.: 1136959
 WBS#: ROY00356
 Engagement Partner: Paul Casey

HST Registration: 122893605RT0001

For professional services rendered
Fees

For professional services rendered by Deloitte Restructuring Inc. for the period October 1-31, 2019, in its capacity as Receiver of National Recycling Group Inc. et al, pursuant to an order of the Court dated July 8, 2019.

Please see attached appendices for details.

Sales Tax

HST applicable	26,132.50
Administrative Expense	783.98
HST at 13.00%	<u>3,499.14</u>
Total Amount Due (CAD)	<u>30,415.62</u>

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.

Deloitte.

Invoice Number 8000921799

December 12, 2019

122

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Royal Bank of Canada	1136959	8000921799	30,415.62	Payment for invoice 8000921799

Contact:Please send payment confirmation by email to: receivablesdebiturs@deloitte.ca, and reference the invoice number(s) paid**Payment Options****1. EFT Payments (remittance email mandatory) :*****Preferred Method***

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

CAD Payment

Transit – Institution : 47696-002
Account Number : 1590219

USD Payment

Transit – Institution : 47696-002
Account Number : 1363514

2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

CAD Payment

Account Number : 476961590219
Swift Code : NOSCCATT

USD Payment, Beneficiary Bank (Bank of Nova Scotia) :

Account Number : 476961363514
Swift Code : NOSCCATT
Clearing Code : CC000247696
Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

USD Payment, Intermediary Bank (Bank of America NA) :

Address: 222 Broadway, New York, NY 10038
Account Number : 476961363514
Swift Code : BOFAUS3N
ABA Routing Number : 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

Please note we do not accept Interac e-Transfers.

4. Cheque payments, please mail to :

For CAD Dollar (\$) Payments, pay :
DELOITTE MANAGEMENT SERVICES LP
c/o T04567C
PO Box 4567, Stn A
Toronto ON M5W 0J1

For USD Dollar (\$) Payments, pay :
DELOITTE MANAGEMENT SERVICES LP
c/o T04567U
PO Box 4567, Stn A
Toronto ON M5W 0J1

TAB F

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

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

B E T W E E N:

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.

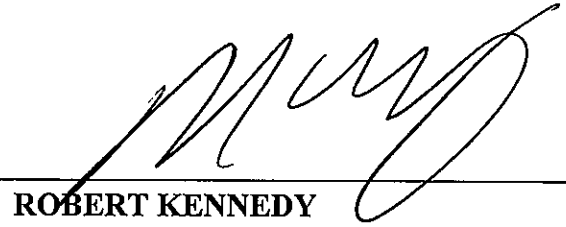
4. The Receivership Order provides at paragraph 18 that the Receiver, and counsel to the Receiver, shall be paid their reasonable fees and disbursements at their standard rates and charges.
5. The Dentons fees and disbursements for the period of July 2, 2019 to January 31, 2020 (the “**Fee Period**”), 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.

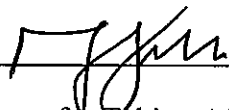


A Commissioner for Taking Affidavits, etc.

} 

ROBERT KENNEDY

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY
SWORN BEFORE ME THIS 27th DAY OF
FEBRUARY, 2020.



A Commissioner for Taking Affidavits, etc.

Dentons Canada LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON, Canada M5K 0A1

T 416 863 4511
F 416 863 4592

大成 Salans FMC SNR Denton McKenna Long
dentons.com

Deloitte Restructuring Inc.
8 Adelaide Street West, Suite 200
Toronto, ON M5H 0A9

Attention: Paul Casey
Senior Vice-President

INVOICE # 3482208

GST/HST # R121996078
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
January 30, 2020	569588-000006	Robert Kennedy

Deloitte Restructuring Inc.
Re: National Recycling Inc. et al.

Professional Fees	\$ 61,968.50
Less: Discount	<u>(3,000.00)</u>
Net Professional Fees	\$ 58,968.50
Disbursements	536.20
HST (13.0%) on \$59,424.70	<u>7,725.22</u>
Total Amount Due	<u>\$ 67,229.92 CAD</u>

Payment Options:	
<p><u>Cheques:</u> Cheques payable to Dentons Canada LLP and mailed to the above noted address.</p>	<p><u>Internet Banking:</u> Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 569588. Please email us at Edm.Accounting@dentons.com referencing invoice number and payment amount.</p>
<p><u>Wire Transfer:</u> Bank of Montreal 1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2 Bank ID: 001 Transit: 00022 CAD Funds Bank Account : 0004-324</p>	<p><u>Interac e-Transfer:</u> e-Transfer funds to AR.Canada@dentons.com referencing invoice number in message. Please use matter number referenced on your invoice as the password. Alternatively, send password to AR.Canada@dentons.com in separate email.</p>
<p><u>Credit Card:</u> Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one). Card No. _____ Expiry Date: _____ Card Verification Code (CVC): _____ Amount: _____ Cardholder Name: _____ Signature: _____</p>	
<p>Please email us at AR.Canada@dentons.com referencing invoice number and payment amount. Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.</p>	

Invoice Detail

TO PROFESSIONAL SERVICES RENDERED for the period ending August 31, 2019:

Date	Timekeeper	Description of Work
02-Jul-19	Kori Williams	Discussion with Robert Kennedy in connection with status.
02-Jul-19	Robert Kennedy	Various correspondence to and from Roger Jaipargas. Conversation with Roger Jaipargas. Voicemail left with Bob Taylor. Review loan and security documentation. Correspondence to Andrew Maciag.
04-Jul-19	Robert Kennedy	Review correspondence from Robert Taylor. Review form of Order and comments. Conversation with Roger Jaipargas. Correspondence to Roger Jaipargas. Conversation with Robert Taylor.
05-Jul-19	Robert Kennedy	Various correspondence to and from Roger Jaipargas. Conversation with Roger Jaipargas. Review draft consent. Review draft receivership order. Review endorsement.
08-Jul-19	Robert Kennedy	Various correspondence to and from Roger Jaipargas. Review draft Order. Various correspondence to and from Bob Taylor and Paul Casey.
10-Jul-19	Robert Kennedy	Correspondence to and from Roger Jaipargas. Review application materials.
11-Jul-19	Robert Kennedy	Various correspondence to and from Roger Jaipargas. Review various correspondence from TGF re: HSBC equipment. Various conversations with DJ Miller re: application and next steps. Various conversations with Bob Taylor re: application. Review various correspondence from Jordan Sleeth. Conversation with Jordan Sleeth. Various conversations with Roger Jaipargas. Review draft endorsement re: HSBC. Review application materials.
12-Jul-19	Mark Freake	Meet with Robert Kennedy regarding file background. Instruct Tessa Latowsky regarding PPSA summary chart.
12-Jul-19	Tessa Latowsky	Compiling PPSA summary chart for Robert Kennedy.
12-Jul-19	Robert Kennedy	Preparation for Court attendance. Review order and endorsement. Attend Court. Review various correspondence re: administration matters.
13-Jul-19	Tessa Latowsky	Compiling PPSA summary chart for Robert Kennedy.
15-Jul-19	Mark Freake	Review PPSA summary chart. Meeting with Tessa Latowsky regarding same.
15-Jul-19	Tessa Latowsky	PPSA summary for Robert Kennedy.
15-Jul-19	Kori Williams	Emails in connection with security opinion/review.

Date	Timekeeper	Description of Work
15-Jul-19	Robert Kennedy	Various correspondence to and from Roger Jaipargas. Review correspondence re: administration update. Review loan and security documentation.
16-Jul-19	Rennie Ali	Ordering updated PPSA searches in Ontario and Alberta. Correspondence with Amanda Campbell regarding same.
16-Jul-19	Mark Freake	Review PPSA summary chart. Meeting with Tessa Latowsky regarding same.
16-Jul-19	Tessa Latowsky	Compiling PPSA summary chart for Robert Kennedy.
16-Jul-19	Kori Williams	Emails and office conferences in connection with opinions. Review searches, review HSBC documentation. Office conferences with Danijel Augustinovic.
16-Jul-19	Robert Kennedy	Review loan and security documentation. Correspondence to Jordan Sleeth. Review administration matters. Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth. Correspondence to and from Kori Williams. Review various correspondence re: administration matters.
17-Jul-19	Mark Freake	Review receivership order and application materials. Review title search results regarding debtor properties. Email correspondence with Robert Kennedy and Jonathan Ryder regarding registering order against title.
17-Jul-19	Kori Williams	Telephone message from Robert Kennedy. Office conferences with Danijel Augustinovic.
17-Jul-19	Jonathan Ryder	Email from/to Mr. Robert Kennedy regarding registration. Email to Ms. Rebecca Ward regarding same. Telephone call to Land Titles Office regarding matter.
17-Jul-19	Robert Kennedy	Review title searches. Conference with Jon Ryder. Review various correspondence re: lease documentation. Correspondence from and to John Adair re: constructive trust claim. Review Mercado documentation. Review various correspondence re: administration matters. Correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth.
18-Jul-19	Mark Freake	Review Mercado lease documents and correspondence regarding same. Review Originating Application of SHIFT and affidavits of Anthony Dunn and David Kelcher.
18-Jul-19	Kori Williams	Emails in connection with revised searches. Email correspondence from Robert Kennedy in connection with Mercado lending documents. Office conferences with Danijel Augustinovic.
18-Jul-19	Jonathan Ryder	Telephone call to Land Titles Office. Email to parties regarding requirement to have the document resealed in Alberta. Telephone call to Mr. John Regush regarding

Date	Timekeeper	Description of Work
		same. Telephone call to Mr. Robert Kennedy.
18-Jul-19	Robert Kennedy	Review correspondence from Bob Fick. Various correspondence to and from Jordan Sleeth. Work on loan and security documentation. Correspondence to and from Mike Myers. Conversation Mike Myers.
19-Jul-19	Mark Freake	Review Mercado lease documents and correspondence regarding same. Review Originating Application of SHiFT and affidavits of Anthony Dunn and David Kelcher.
19-Jul-19	Kurtis Parcels	Certify court order to be registered in Alberta at the ONSCJ for Mark Freake.
19-Jul-19	Jonathan Ryder	Telephone call to/from Mr. Robert Kennedy regarding matter.
19-Jul-19	Robert Kennedy	Review lease and security documentation. Various correspondence to and from Jordan Sleeth. Review SHiFT claim materials. Review various correspondence re: administration matters and updates.
22-Jul-19	Mark Freake	Review equipment list and Ontario and Alberta PPSA registrations. Update list with lender information. Email correspondence with Robert Kennedy regarding same.
22-Jul-19	John Regush	Review of correspondence from Toronto office.
23-Jul-19	Robert Kennedy	Work on loan and security documentation review. Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth re: administration matters.
23-Jul-19	John Regush	Preparation to obtain fiat. Attending chambers to obtain fiat. Coordinating filing of order.
24-Jul-19	Kori Williams	Email correspondence in connection with location of equipment.
24-Jul-19	Robert Kennedy	Work on loan and security documentation. Various correspondence to and from Roger Jaipargas. Review correspondence from Joe Sithole. Review and consider SHiFT claim.
25-Jul-19	Robert Kennedy	Work on loan and security documentation. Various correspondence to and from Jordan Sleeth. Attend confernece re: next steps. Various correspondence to and from Joe Sithole.
31-Jul-19	Annette Fournier	Review security review letter and complete portions of schedule. Review PPSA summary and PPSA searches and discuss same with Danijel Augustinovic. Order updated PPSA searches in Ontario and Alberta.
31-Jul-19	Robert Kennedy	Various correspondence to and from Joe Sithole. Correspondence from Kori Williams re: security reviews. Correspondence to and from Mike Myers. Conversation with Mike Myers. Correspondence to Jordan Sleeth.

Date	Timekeeper	Description of Work
01-Aug-19	Annette Fournier	Receive verbal PPSA search results and obtain eSummaries for each of Ontario and Alberta. Forward same to Danijel Augustinovic.
01-Aug-19	Kori Williams	Emails among working group in connection with status. Review HSBC master lease agreement and related schedules. Review and revise HSBC security opinion.
01-Aug-19	Robert Kennedy	Review appraisal documentation. Various correspondence to and from Jordan Sleeth.
02-Aug-19	Cameron Teschuk	Reviewing Purchase-Money Security Interest requirements for Kori Williams.
02-Aug-19	Kori Williams	Emails and telephone calls with Robert de Guzman. Office conferences and emails with Cameron Teschuk. Revise and circulate opinion (HSBC). Render opinion.
02-Aug-19	Robert de Guzman	Telephone call with Kori Williams regarding legal opinion and Alberta law matters. Review of and revisions to opinion letter.
02-Aug-19	John Regush	Email to Robert Kennedy providing verifications.
06-Aug-19	Kori Williams	Telephone call with Robert Kennedy. Office conference with Alessandro Bozzelli. Emails in connection with security documents from various creditors.
06-Aug-19	Alessandro Bozzelli	Discussion with Kori Williams regarding required work. Reviewing documents regarding same.
06-Aug-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth. Various correspondence to and from Joe Sithole. Work on security review matters. Conversation with Kori Williams. Preparation for conference call re: Boyle property. Attend conference call re: Boyle property. Attend conference call with representatives of Deloitte re: Boyle property and realization strategy.
07-Aug-19	Alessandro Bozzelli	Reviewing documents in connection with file.
08-Aug-19	Alessandro Bozzelli	Reviewing documents. Discussion with Kori Williams regarding same.
09-Aug-19	Robert Kennedy	Attend conference call re: Boyle property. Review title search.
13-Aug-19	Robert Kennedy	Conversation with Jordan Sleeth regarding asset strategy. Review correspondence from Owen Gaffney. Various correspondence to and from Owen Gaffney. Conversation with Owen Gaffney. Various correspondence to and from Jordan Sleeth. Review correspondence from Roger Jaipargas.
14-Aug-19	Kori Williams	Review leases and PPSA filings in respect of Meratto, Toyota, Scotiabank and Meridian. Office conferences with Alessandro Bozzelli in connection with same.
14-Aug-19	Alessandro Bozzelli	Reviewing documents. Discussion with Kori Williams.

Date	Timekeeper	Description of Work
		Updating chart. Circulating same.
14-Aug-19	Robert Kennedy	Review correspondence from Roger Jaipargas. Review correspondence from Jordan Sleeth. Work on loan and security documentation. Conference with Kori Williams re: security reviews. Review correspondence from Owen Gaffney.
15-Aug-19	Kori Williams	Emails in connection with Ford leases. Telephone messages with Robert Kennedy.
15-Aug-19	Alessandro Bozzelli	Reviewing leases and updating spreadsheet. Reviewing email correspondence regarding same.
15-Aug-19	Robert Kennedy	Work on loan and security documentation. Attend conference call with representatives of Deloitte re: security review and strategy.
16-Aug-19	Mark Freake	Review Mercado lease agreement. Various email correspondence regarding lease payouts.
16-Aug-19	Kori Williams	Emails and office conferences in connection with Ford Credit, ULI Canada and Canadian Western Bank.
16-Aug-19	Alessandro Bozzelli	Reviewing ULI and Ford Agreements. Revising chart and sending note to Robert regarding same.
16-Aug-19	Robert Kennedy	Work on loan and security documentation. Various correspondence to and from Jordan Sleeth. Attend conference call re: strategy. Correspondence to and from Mike Myers. Review documentation re: Mercado.
19-Aug-19	Kori Williams	Emails in connection with Wells Fargo security.
23-Aug-19	Kori Williams	Email correspondence from Alessandro Bozzelli in connection with status.
23-Aug-19	Alessandro Bozzelli	Reviewing lease documents from new entities. Concluding type of lease. Revising chart. Circulating same to Kori Williams.
23-Aug-19	Robert Kennedy	Review correspondence from Joe Sithole. Review attachment re: comparibles. Work on loan and security documentation.
28-Aug-19	Kori Williams	Emails in connection with continuing security review.
28-Aug-19	Alessandro Bozzelli	Reviewing email correspondence. Discussion with Kori Williams regarding same.
28-Aug-19	Robert Kennedy	Work on loan and security documentation. Various correspondence to and from Bob Taylor re: equipment. Review draft release letter. Consider allocation matters. Voicemail left with Bob Taylor.

Timekeeper	Hours	Rate	Fees
Alessandro Bozzelli	14.5	505.00	7,322.50
Annette Fournier	1.8	315.00	567.00
Cameron Teschuk	2.0	240.00	480.00
John Regush	1.4	385.00	539.00
Jonathan Ryder	1.7	550.00	935.00
Kori Williams	19.4	680.00	13,192.00
Kurtis Parcels	2.5	240.00	600.00
Mark Freake	7.8	560.00	4,368.00
Rennie Ali	0.4	200.00	80.00
Robert Kennedy	43.8	725.00	31,755.00
Robert de Guzman	1.0	450.00	450.00
Tessa Latowsky	7.0	240.00	1,680.00
Total	103.3		\$61,968.50

TOTAL PROFESSIONAL FEES \$ 61,968.50
 Less: Discount (3,000.00)
NET PROFESSIONAL FEES \$ 58,968.50

TAXABLE DISBURSEMENTS

Binding Books / Documents \$ 14.20
 Document Scanning 3.60
 Land Title/Court/Corp Agents Fee 16.00
 Land Titles - Searches/Copies 10.00
 Photocopy & Printing Charges 37.50
 Searches 374.90
TOTAL TAXABLE DISBURSEMENTS \$ 456.20

NON-TAXABLE DISBURSEMENTS

Land Titles - Registration* \$ 80.00
TOTAL NON-TAXABLE DISBURSEMENTS \$ 80.00

TOTAL DISBURSEMENTS 536.20

TOTAL FEES AND DISBURSEMENTS \$ 59,504.70

TAXES

HST (13.0%) on Professional Fees of \$58,968.50 \$ 7,665.91
 HST (13.0%) on Taxable Disbursements of \$456.20 59.31

TOTAL TAXES 7,725.22

TOTAL AMOUNT DUE \$ 67,229.92 CAD

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 Toronto, ON, Canada M5K 0A1

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Deloitte Restructuring Inc.
 8 Adelaide Street West, Suite 200
 Toronto, ON M5H 0A9

Attention: Paul Casey
 Senior Vice-President

INVOICE # 3483079

GST/HST # R121996078
 QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
January 31, 2020	569588-000006	Robert Kennedy

Deloitte Restructuring Inc.
Re: National Recycling Inc. et al.

Professional Fees	\$ 74,276.50
Less: Discount	<u>(3,276.50)</u>
Net Professional Fees	\$ 71,000.00
Disbursements	284.72
HST (13.0%) on \$71,233.20	<u>9,260.32</u>
Total Amount Due	<u>\$ 80,545.04 CAD</u>

Payment Options:	
<p><u>Cheques:</u> Cheques payable to Dentons Canada LLP and mailed to the above noted address.</p>	<p><u>Internet Banking:</u> Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 569588. Please email us at Edm.Accounting@dentons.com referencing invoice number and payment amount.</p>
<p><u>Wire Transfer:</u> Bank of Montreal 1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2 Bank ID: 001 Transit: 00022 CAD Funds Bank Account : 0004-324</p>	<p><u>Interac e-Transfer:</u> e-Transfer funds to AR.Canada@dentons.com referencing invoice number in message. Please use matter number referenced on your Invoice as the password. Alternatively, send password to AR.Canada@dentons.com in separate email.</p>
<p><u>Credit Card:</u> Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one). Card No. _____ Expiry Date: _____ Card Verification Code (CVC): _____ Amount: _____ Cardholder Name: _____ Signature: _____</p>	
<p>Please email us at AR.Canada@dentons.com referencing invoice number and payment amount. Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.</p>	

Invoice Detail

TO PROFESSIONAL SERVICES RENDERED for the period ending December 31, 2019:

Date	Timekeeper	Description of Work
04-Sep-19	Robert Kennedy	Review various correspondence re: Boyle property. Review Boyle mortgage documentation. Various correspondence to and from Jordan Sleeth and Bob Taylor. Review various correspondence from Bob Fick. Conversation with John Stefaniuk. Various correspondence to and from John Stefaniuk. Review Order. Attend conference call re: administration matters.
05-Sep-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth re: Boyle property. Conversation with Dale Tumbach. Review mortgage and sale documentation. Various correspondence to and from Dale Tumbach. Voicemail left with Samantha Bishop. Conversation with Faiz Lalani. Review various searches.
05-Sep-19	John Regush	Review of email from Robert Kennedy. Ordering searches.
06-Sep-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth re: Boyle property. Review and consider documentation.
09-Sep-19	Robert Kennedy	Review correspondence from Joe Sithole. Review correspondence from Bob Taylor. Review CBW documentation. Conversation with Jordan Sleeth re: Boyle property.
10-Sep-19	Kori Williams	Office conference with Robert Kennedy. Deal with issues in connection with PMSI opinion.
10-Sep-19	Robert Kennedy	Review Boyle sale documentation. Correspondence and summary to Jordan Sleeth re: Boyle property. Work on loan and security documentation. Various correspondence to and from Chris Staples. Various correspondence to and from Joe Sithole.
10-Sep-19	Kenneth Kraft	Discussion with Rob Kennedy around potential causes of action related to realty that 213 Alberta owns.
11-Sep-19	Robert Kennedy	Various correspondence to and from Mike Myers. Conversation with Mike Myers. Various correspondence to and from Jordan Sleeth. Review summary re: Boyle property matter. Attend conference call re: Boyle property and strategy. Review Boyle sale documentation. Correspondence from and to Dale Tumbach. Work on receipt and release.
12-Sep-19	Robert Kennedy	Correspondence to Dale Tumbach. Work on loan and security documentation. Draft receipt and release.

Date	Timekeeper	Description of Work
		Correspondence to Joe Sithole.
14-Sep-19	Rachel Venturo	Review lease documents and prepare draft security review report letter.
16-Sep-19	Rachel Venturo	Review documents provided by Royal Bank of Canada. Revise security review report letter. Meet with Danijel Augustinovic with respect to lease documents.
17-Sep-19	Danijel Augustinovic	Review PMSI opinion.
17-Sep-19	Robert Kennedy	Correspondence from and to Dale Tumbach. Review sale documents. Various correspondence from and to Jordan Sleeth. Review and revise memorandum re: Boyle property.
18-Sep-19	Robert Kennedy	Various correspondence to and from Dale Tumbach. Work on Boyle property matters. Review Deloitte memorandum. Work on loan and security documentation. Review various correspondence re: equipment claims.
19-Sep-19	Robert Kennedy	Review Boyle property documentation. Attend conference call re: Boyle property and strategy. Conversation with Jordan Sleeth.
20-Sep-19	Robert Kennedy	Review Boyle documentation. Various correspondence to and from Jordan Sleeth. Various correspondence to and from Roger Jaipargas. Attend conference call with Roger Jaipargas and Jordan Sleeth. Consider strategy re: 213 and next steps. Review auction agreement. Review receivership order.
23-Sep-19	Robert Kennedy	Review auction agreement. Correspondence to and from Jordan Sleeth. Review correspondence from Roger Jaipargas. Conversation with Jordan Sleeth. Review receivership order and consider strategy.
24-Sep-19	Robert Kennedy	Draft correspondence to Irfan Rhaman re: records. Work on Boyle property matters. Review auction agreement. Various correspondence to and from Jordan Sleeth. Various correspondence to and from Roger Jaipargas. Attend conference call with representatives of Deloitte and BLG. Consider Northland mortgagee matters. Attend conference with representatives of Deloitte.
25-Sep-19	Kori Williams	Emails in connection with Concentra.
25-Sep-19	Robert Kennedy	Various correspondence to and from John Adair. Conversation with John Adair re: trust claim and records. Consider claim matters. Review and finalize correspondence to Irfan Rahman. Work on loan and security reviews. Conversation with Chris Staples. Various correspondence to and from Dale Tumbach. Various correspondence to and from Jordan Sleeth.
26-Sep-19	Robert Kennedy	Review Boyle documentation. Preparation for

Date	Timekeeper	Description of Work
		conference call with Dale Tumbach. Various conversations with Jordan Sleeth. Attend conference call with Dale Tumbach re: Boyle property. Correspondence to Irfan Rahman. Conversation with Bob Taylor. Various correspondence to and from Jordan Sleeth. Conference with Kori Williams. Review release agreements.
27-Sep-19	Mark Freake	Discuss Northland issue with Robert Kennedy and review correspondence regarding same. Draft release.
27-Sep-19	Robert Kennedy	Work on Boyle property matters. Review correspondence from Dale Tumbach. Correspondence to Jordan Sleeth and Bob Taylor. Review various correspondence from Bob Taylor. Various conversations with Jordan Sleeth. Conversation with Roger Jaipargas. Conference with Kori Williams.
28-Sep-19	Robert Kennedy	Various correspondence to and from Bob Taylor re: Boyle property matters. Revise draft correspondence.
30-Sep-19	Elizabeth McLellan	Reviewed lease agreement for Kori Williams to determine whether there was a security interest phrase listed in the document.
30-Sep-19	Kori Williams	Review and revise second PMSI opinion. Office conferences with Danijel Augustinovic and Rachel Ventura in connection with same.
30-Sep-19	Rachel Ventura	Meet with Danijel Augustinovic and Kori Williams. Meet with Kori Williams. Revise draft opinion letter.
30-Sep-19	Robert Kennedy	Various correspondence to and from Bob Taylor. Correspondence to Dale Tumbach re: Boyle property. Review various correspondence from Owen Gaffney. Review HSBC release. Conversation with Jordan Sleeth. Conference with Kori Williams re: security opinions.
01-Oct-19	Robert Kennedy	Work on Keynote lease issue. Conversation with Gabriel Lavery. Review sub-lease. Various correspondence to and from Joe Sithole. Work on HSBC finance matters.
02-Oct-19	Robert Kennedy	Work on loan and security documentation. Conference with Kori Williams. Review lease documentation re: Keynote lease. Correspondence to Joe Sithole. Conversation with Jordan Sleeth.
03-Oct-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth re: Boyle property matters. Review Boyle property documents. Conversation with Jordan Sleeth. Review various correspondence re: HSBC equipment matters. Review Keynote lease matters. Review correspondence from Jim Schmidt. Voicemail left with Jim Schmidt.
07-Oct-19	Robert Kennedy	Review correspondence from Jordan Sleeth. Consider examination matters. Correspondence to Jordan Sleeth. Review lease agreement. Correspondence to Jim

Date	Timekeeper	Description of Work
		Schmidt. Correspondence to Gabriel Lavery.
08-Oct-19	Robert Kennedy	Review documentation re: Boyle transaction. Attend conference call with representatives of RBC and Deloitte. Various correspondence to and from Jordan Sleeth. Review correspondence from Roger Jaipargas. Conversation with Jordan Sleeth. Conversation with Chris Staples.
10-Oct-19	Robert Kennedy	Review various correspondence and attachments re: Boyle property.
11-Oct-19	Robert Kennedy	Review Boyle transaction documents. Various correspondence to and from Jordan Sleeth. Various conversations with Jordan Sleeth. Review receivership order. Review Keynote sub-lease agreement. Conversation with Gabriel Lavery. Conversation with Jim Schmidt re: Boyle property.
15-Oct-19	Robert Kennedy	Review various correspondence re: Boyle property matters. Conversation with John Adair. Review correspondence from Jim Schmidt. Voicemail left with Peter Boyd. Correspondence to Jim Schmidt. Correspondence to Jordan Sleeth.
16-Oct-19	Robert Kennedy	Work Boyle property documentation. Attend conference call with representatives of RBC and BLG. Conversation with Jordan Sleeth. Conversation with Rebecca Morse. Various correspondence to and from Rebecca Morse. Review Prince Rupert lawsuit materials. Conference with Jordan Schultz re: payment into Court. Various correspondence to and from Jordan Schultz.
17-Oct-19	Jordan Schultz	Call with Robert Kennedy regarding status of funds in court for builder lien. Research regarding same.
17-Oct-19	Robert Kennedy	Correspondence to Jim Schmidt. Review pleadings re: Prince Rupert action. Conversation with Rebecca Morse. Consider next steps re: Prince Rupert action. Conversation with Jordan Sleeth. Correspondence to Ian Moes. Conference with Jordan Schultz re: Prince Rupert action and strategy.
18-Oct-19	Mark Freake	Review various documents and correspondence provided by Irfan Rahman regarding Boyle property. Telephone call with Robert Kennedy regarding release agreement. Begin drafting same.
18-Oct-19	Robert Kennedy	Work on release re: Keynote lease. Various correspondence to and from Jordan Sleeth. Correspondence from and to Gabriel Lavery. Review memo re: lien security. Consider next steps re: Prince Rupert action. Correspondence to Jim Schmidt. Voicemail left with Ian Moes.
21-Oct-19	Robert Kennedy	Review various correspondence re: Boyle property.

Date	Timekeeper	Description of Work
		Correspondence from and to Jim Schmidt. Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth. Review correspondence from Bob Taylor re: equipment issue. Conversation with Ian Moes. Work on loan and security documentation. Correspondence to and from Peter Boyd.
22-Oct-19	Robert Kennedy	Preparation for conference call with representatives of RBC and BLG. Attend conference call re: Prince Rupert action and strategy. Conversation with Jordan Sleeth and Bob Taylor re: strategy.
23-Oct-19	Jordan Schultz	Call with Robert Kennedy and Rebecca Morse regarding Prince Rupert action. Email to Robert Kennedy regarding summary of same.
23-Oct-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth re: Clearview litigation. Conference with Jordan Schultz re: Clearview litigation and strategy. Review correspondence from John Adair. Review Clearview litigation materials and consider strategy. Conversation with Jordan Sleeth.
24-Oct-19	Jordan Schultz	Call with Rob Kennedy regarding strategy for Clearview litigation. Conference call with former director regarding same.
24-Oct-19	Emma Newbery	Researching ability of trustee to recover funds paid into court by the debtor.
24-Oct-19	Robert Kennedy	Review memorandum re: Clearview litigation. Conference with Jordan Schultz. Consider strategy re: funds paid into Court. Conversation with Ian Moes re: status of Clearview litigation and next steps. Attend conference call with Irfan Rahman. Conversation with Jordan Sleeth. Correspondence to Jim Schmidt. Various correspondence to and from Peter Boyd.
25-Oct-19	Jordan Schultz	Call with Receiver and Peter Boyd regarding background to Clearview litigation. Call with Robert Kennedy regarding same.
25-Oct-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Various correspondence to and from Jordan Schultz. Conference with Jordan Schultz. Review correspondence from John Adair.
28-Oct-19	Jordan Schultz	Draft memo to file regarding discussion with Peter Boyd on Clearview litigation.
28-Oct-19	Robert Kennedy	Review correspondence from Jordan Sleeth. Review correspondence from Roger Jaipargas. Review correspondence from John Adair and consider next steps. Review correspondence from Jordan Schultz. Review draft memorandum. Correspondence to Jordan

Date	Timekeeper	Description of Work
		Sleeth. Review correspondence from Faiz Lalani. Review mark up.
29-Oct-19	Jordan Schultz	Call with BLG, RBC and Deloitte to discuss next steps on Clearview and other receivership matters.
29-Oct-19	Robert Kennedy	Review various correspondence re: Clearview litigation. Review memorandum re: litigation status. Preparation for conference call. Attend conference call with representatives of BLG, RBC and Deloitte re: strategy.
30-Oct-19	Robert Kennedy	Voicemail to and from Jim Schmidt.
31-Oct-19	Robert Kennedy	Correspondence to and from Jim Schmidt. Conversation with Jim Schmidt. Various correspondence to and from Jordan Sleeth. Correspondence to Jordan Schultz re: Clearview litigation. Conversation with Jordan Sleeth.
01-Nov-19	Geoff Bowman	Reviewing materials and considering a lien issue.
01-Nov-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Review Scotsman release. Voicemail left with Jordan Sleeth. Correspondence to Jordan Schultz re: lien claim review.
02-Nov-19	Robert Kennedy	Review TD Bank finance documentation. Correspondence to Neil Abbott. Review revised release re: Keynote property. Correspondence to Lalani Faiz.
04-Nov-19	Robert Kennedy	Review correspondence from Irfan Rahman. Review correspondence from Gabriel Lavery. Review and revise release re: Keynote property. Correspondence to Gabriel Lavery. Conference with Jordan Schultz re: lien claim. Consider strategy re: Clearview litigation. Various correspondence to and from Jordan Sleeth. Review correspondence from Jim Schmidt.
05-Nov-19	Geoff Bowman	Review builders lien claim and consider issues.
05-Nov-19	Robert Kennedy	Prepare mark-up of release re: Keynote lease. Correspondence to Gabriel Lavery. Conversation with Jordan Sleeth re: TD finance and Boyle property. Correspondence to Jim Schmidt re: Boyle property and next steps. Review Maynards agreement.
06-Nov-19	Geoff Bowman	Consider builders lien claim issues.
06-Nov-19	Robert Kennedy	Review various correspondence re: Boyle property. Review TD Bank documents. Conversation with Elie Laskin re: corvette. Conference with Jordan Schultz. Various correspondence to and from Jordan Sleeth. Correspondence to Roger Jaipargas and Bob Fick.
07-Nov-19	Robert Kennedy	Review correspondence from Jim Schmidt re: Boyle property. Various correspondence to and from Jordan Sleeth. Voicemail left with Jordan Sleeth.
08-Nov-19	Robert Kennedy	Review correspondence from Jim Schmidt re: Boyle property. Conversation with Jim Schmidt re: Boyle

Date	Timekeeper	Description of Work
		property and next steps. Review correspondence from John Adair. Review SHIFT correspondence. Voicemail left with John Adair.
13-Nov-19	Robert Kennedy	Conversation with John Adair. Voicemail left with Jim Schmidt re: Boyle property. Consider next steps.
15-Nov-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth re: Boyle property and next steps. Attend conference call re: administration matters and update. Voicemail left with Jim Schmidt. Consider next steps re: Clearview litigation.
18-Nov-19	Robert Kennedy	Review Clearview litigation materials. Correspondence to Jordan Schultz. Voicemail left with Ian Moes. Voicemail left with Jordan Sleeth. Conversation with Jordan Sleeth.
19-Nov-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth re: HSBC matters. Conversation with Jordan Sleeth and consider next steps. Review release.
20-Nov-19	Robert Kennedy	Consider storage lien matters. Conversation with Ian Moes re: Clearview litigation. Consider next steps re: Clearview litigation. Conference with Jordan Schultz.
21-Nov-19	Robert Kennedy	Review HSBC security documentation and release. Correspondence to Jordan Sleeth. Consider next steps. Correspondence from and to Jim Schmidt. Correspondence from and to Jordan Schultz. Consider next steps re: Clearview litigation.
22-Nov-19	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Review correspondence re: Boyle property. Attend conference call with Jim Schmidt and Jordan Sleeth re: Boyle property. Conversation with Jordan Sleeth re: HSBC and release.
26-Nov-19	Robert Kennedy	Review correspondence from Jim Schmidt. Correspondence to and from Jordan Sleeth. Consider next steps re: Boyle property. Review correspondence from Bob Fick. Review correspondence from Jordan Sleeth. Correspondence to Bob Fick and Roger Jaipargas regarding Clearview litigation.
02-Dec-19	Robert Kennedy	Review correspondence from Jim Schmidt. Draft reply. Correspondence to Jordan Sleeth re: Boyle property. Review correspondence from Jordan Sleeth.
04-Dec-19	Robert Kennedy	Review correspondence from Jordan Sleeth. Correspondence to Jim Schmidt re: Boyle property.
05-Dec-19	Robert Kennedy	Various correspondence from and to Jordan Sleeth. Conversation with Jordan Sleeth. Review correspondence re: Boyle property. Correspondence from and to Jim Schmidt re: Boyle property.
11-Dec-19	Robert Kennedy	Attend conference call with representatives of RBC, BLG

Date	Timekeeper	Description of Work
		and Deloitte re: Boyle property and Clearview litigation. Conversation with Jordan Sleeth re: next steps and strategy.
12-Dec-19	Robert Kennedy	Correspondence from and to Bob Taylor. Conversation with Bob Taylor. Correspondence from and to Jim Schmidt. Correspondence from and to Jordan Sleeth. Correspondence from and to Roger Jaipargas re: administration matters.
13-Dec-19	Robert Kennedy	Conversation with Jordan Sleeth re: Boyle property matters and Clearview litigation. Correspondence to Roger Jaipargas. Correspondence to and from Jim Schmidt. Conversation with Jim Schmidt.
16-Dec-19	Robert Kennedy	Attend confernece call with representatives of BLG and Deloitte re: Clearview litigation. Consider strategy. Conversation with Jordan Sleeth. Voicemail left with Jim Schmidt. Voicemail left with Ian Moes.
23-Dec-19	Geoff Bowman	Review matter and discussion with counsel for RBC and consider next steps.
24-Dec-19	Robert Kennedy	Correspondence from and to Jordan Sleeth. Conversation with Jordan Sleeth. Review correspondence from Ian Moes. Review attachments re: Clearview litigation.
27-Dec-19	Robert Kennedy	Various correspondence to Jordan Sleeth re: Boyle property, Clearview litigation and next steps.

Timekeeper	Hours	Rate	Fees
Danijel Augustinovic	1.7	505.00	858.50
Elizabeth McLellan	0.5	270.00	135.00
Emma Newbery	1.9	240.00	456.00
Geoff Bowman	1.2	495.00	594.00
John Regush	0.2	385.00	77.00
Jordan Schultz	7.2	475.00	3,420.00
Kenneth Kraft	0.4	900.00	360.00
Kori Williams	1.8	680.00	1,224.00
Mark Freake	2.4	560.00	1,344.00
Rachel Venturo	4.6	405.00	1,863.00
Robert Kennedy	88.2	725.00	63,945.00
Total	110.1		\$74,276.50

TOTAL PROFESSIONAL FEES	\$ 74,276.50
Less: Discount	<u>(3,276.50)</u>
NET PROFESSIONAL FEES	\$ 71,000.00

TAXABLE DISBURSEMENTS

BCO/LTSA service charge	\$ 39.00
Corp. Search/Copies/Micro.	14.00

Courier & Delivery	36.20
Land Title/Court/Corp Agents Fee	12.00
Photocopy & Printing Charges	98.00
Searches	34.00
TOTAL TAXABLE DISBURSEMENTS	\$ 233.20
NON-TAXABLE DISBURSEMENTS	
B.C. LTSA search*	\$ 25.52
BC Online Registration*	26.00
TOTAL NON-TAXABLE DISBURSEMENTS	\$ 51.52
TOTAL DISBURSEMENTS	<u>284.72</u>
TOTAL FEES AND DISBURSEMENTS	\$ 71,284.72
TAXES	
HST (13.0%) on Professional Fees of \$71,000.00	\$ 9,230.00
HST (13.0%) on Taxable Disbursements of \$233.20	30.32
TOTAL TAXES	<u>9,260.32</u>
TOTAL AMOUNT DUE	<u>\$ 80,545.04 CAD</u>

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Deloitte Restructuring Inc.
8 Adelaide Street West, Suite 200
Toronto, ON M5H 0A9

Attention: Paul Casey
Senior Vice-President

INVOICE # 3486296

GST/HST # R121996078
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
January 31, 2020	569588-000006	Robert Kennedy

Deloitte Restructuring Inc.
Re: National Recycling Inc. et al.

Professional Fees	\$ 22,961.50
Less: Discount	(961.50)
Net Professional Fees	\$ 22,000.00
Disbursements	344.57
HST (13.0%) on \$22,142.05	2,878.47
Total Amount Due	\$ 25,223.04 CAD

Payment Options:	
<p><u>Cheques:</u> Cheques payable to Dentons Canada LLP and mailed to the above noted address.</p> <p><u>Wire Transfer:</u> Bank of Montreal 1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2 Bank ID: 001 Transit: 00022 CAD Funds Bank Account : 0004-324</p> <p><u>Credit Card:</u> Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one). Card No: _____ Expiry Date: _____ Card Verification Code (CVC): _____ Amount: _____ Cardholder Name: _____ Signature: _____</p>	<p><u>Internet Banking:</u> Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 569588. Please email us at Edm.Accounting@dentons.com referencing invoice number and payment amount.</p> <p><u>Interac e-Transfer:</u> e-Transfer funds to AR.Canada@dentons.com referencing invoice number in message. Please use matter number referenced on your invoice as the password. Alternatively, send password to AR.Canada@dentons.com in separate email.</p>
<p>Please email us at AR.Canada@dentons.com referencing invoice number and payment amount. Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.</p>	

Invoice Detail

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

Date	Timekeeper	Description of Work
03-Jan-20	Robert Kennedy	Conversation with Jordan Sleeth re: auction agreement and next steps.
10-Jan-20	Rennie Ali	Preparing draft discharge with respect to National Recycling Inc. and forwarding same to Robert Kennedy for his approval. Registering same and ordering post-search.
10-Jan-20	Nicholas Smith	Meet with Geoff Bowman to discuss task to review title searches. Review court proceedings and title searches. Consider strategy.
10-Jan-20	Geoff Bowman	Instruct Nick Smith (articled student) regarding land title issue. Organize obtaining copies of title to the lands and review same. Email to Robert Kennedy.
10-Jan-20	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Consider Clearview litigation matters. Correspondence from and to Geoff Bowman.
13-Jan-20	Nicholas Smith	Review title searches and arrange to have additional searches conducted for charges against the land.
14-Jan-20	Nicholas Smith	Discuss title search results with Geoff Bowman and whether there are signs of a federal undertaking on the land.
14-Jan-20	Geoff Bowman	Consider lien issues.
14-Jan-20	Robert Kennedy	Review Pine Falls litigation documents. Voicemail left with Roger Jaipargas. Voicemail left with Jordan Sleeth. Consider next steps. Conversation with Roger Jaipargas.
15-Jan-20	Nana Umbach	Conduct land title search and obtain copies of charges against title including Easement, Right of Ways, Lease and Sublease.
15-Jan-20	Nicholas Smith	Research background information on project. Draft memorandum re: Clearview litigation strategy.
15-Jan-20	Geoff Bowman	Review research regarding title and lien issues. Instruct Nick Smith (articled student).
16-Jan-20	Nicholas Smith	Work on draft memorandum regarding Clearview litigation strategy.
16-Jan-20	Geoff Bowman	Consider status and next steps. Review a draft summary prepared by Nick Smith (articled student). Instruct Nick Smith regarding issues and further review.
17-Jan-20	Jordan Schultz	Review draft memo.
17-Jan-20	Nicholas Smith	Update memo to incorporate comments made by Jordan Schultz.

Date	Timekeeper	Description of Work
17-Jan-20	Geoff Bowman	Consider lien issue. Review pleadings and case law.
19-Jan-20	Geoff Bowman	Review pleadings and related facts. Consider issues with lien claim. Review and revise a draft memorandum of law. Email to Robert Kennedy.
20-Jan-20	Nicholas Smith	Conduct research regarding Clearview litigation. Phone call with Geoff Bowman and Robert Kennedy to discuss research.
20-Jan-20	Geoff Bowman	Consider a lien issue. Instruct Nick Smith on further research. Review revised memorandum of law.
20-Jan-20	Robert Kennedy	Work on the Clearview lien claim review. Various correspondence to and from Geoff Bowman. Review draft memorandum re: lien assessment. Various correspondence to and from Jordan Sleeth. Conference with Geoff Bowman re: Clearview lien and strategy.
21-Jan-20	Mark Freake	Prepare for and attend conference call regarding Clearview issues.
21-Jan-20	Geoff Bowman	Consider next steps in relation to lien claims.
21-Jan-20	Robert Kennedy	Work on Clearview lien matters. Various correspondence to and from Jordan Sleeth and Bob Taylor. Review revised memorandum. Correspondence to Geoff Bowman. Attend conference with representatives of Deloitte re: strategy and next steps. Conference with Mark Freake. Review correspondence from Jordan Sleeth.
22-Jan-20	Mark Freake	Review various correspondence regarding Clearview claim, including updated memorandum regarding validity of lien claim. Email Robert Kennedy regarding same.
22-Jan-20	Geoff Bowman	Prepare draft position on lien claims to deliver to counsel for the lien claimant.
24-Jan-20	Mark Freake	Review file regarding lien claims. Prepare for and attend conference call with Receiver and RBC regarding Clearview claim and related matters. Discuss same with Robert Kennedy.
24-Jan-20	Geoff Bowman	Participate in a teleconference with clients regarding next steps.
28-Jan-20	Nicholas Smith	Research case law for cases that discuss "demolitions" and how demolition work has been treated for the purposes of the Builders Lien Act.
28-Jan-20	Geoff Bowman	Teleconference with Robert Kennedy and with counsel for the lien claimant. Instruct Nick Smith (articled student) regarding research.
28-Jan-20	Robert Kennedy	Correspondence from and to Ian Moes. Correspondence to and from Geoff Bowman. Review memorandum re: Clearview litigation. Preparation for conference call.

Date	Timekeeper	Description of Work
		Attend conference call with Ian Moes, Geoff Bowman re: Clearview lien matters. Conference with Geoff Bowman. Consider next steps.
29-Jan-20	Nicholas Smith	Conduct research re: demolition and scope of Construction Lien Act.
29-Jan-20	Robert Kennedy	Continue research. Prepare case summary.

Timekeeper	Hours	Rate	Fees
Geoff Bowman	9.5	515.00	4,892.50
Jordan Schultz	0.3	500.00	150.00
Mark Freake	3.6	610.00	2,196.00
Nana Umbach	0.4	220.00	88.00
Nicholas Smith	23.9	250.00	5,975.00
Rennie Ali	0.4	210.00	84.00
Robert Kennedy	12.6	760.00	9,576.00
Total	50.7		\$22,961.50

TOTAL PROFESSIONAL FEES	\$ 22,961.50
Less: Discount	<u>(961.50)</u>
NET PROFESSIONAL FEES	\$ 22,000.00

TAXABLE DISBURSEMENTS

BCO/LTSA service charge	\$ 104.00
Photocopy & Printing Charges	0.25
Registration Fees	16.20
Searches	<u>21.60</u>
TOTAL TAXABLE DISBURSEMENTS	\$ 142.05

NON-TAXABLE DISBURSEMENTS

B.C. LTSA search*	\$ 190.52
BC Online Registration*	<u>12.00</u>
TOTAL NON-TAXABLE DISBURSEMENTS	\$ 202.52

TOTAL DISBURSEMENTS	<u>344.57</u>
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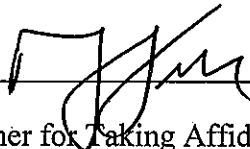
TOTAL FEES AND DISBURSEMENTS	\$ 22,344.57
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TAXES

HST (13.0%) on Professional Fees of \$22,000.00	\$ 2,860.00
HST (13.0%) on Taxable Disbursements of \$142.05	<u>18.47</u>
TOTAL TAXES	<u>2,878.47</u>

TOTAL AMOUNT DUE	\$ <u>25,223.04</u> CAD
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THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY
SWORN BEFORE ME THIS 27th DAY OF
FEBRUARY, 2020.



A Commissioner for Taking Affidavits, etc.

EXHIBIT "B"

Summary of Invoices and Calculation of Average Hourly Billing Rates of Dentons Canada LLP

The Period from July 2, 2019 to January 31, 2020

Date	Thru Date	Invoice No.	Fees	Discount	Disbursements	Taxes(HST)	Hours	Average Rate	Total
January 30, 2020	August 31, 2019	3482208	61,968.50	3,000.00	536.20	7,725.22	103.3	425.17	67,229.92
January 31, 2020	December 31, 2019	3483079	74,276.50	3,276.50	284.72	9,260.32	110.1	512.73	80,454.04
January 31, 2020	January 31, 2020	3486296	22,961.50	961.50	344.57	2,878.47	50.7	437.86	25,223.04
TOTALS:			\$159,206.50	\$7,238.00	\$1,165.49	\$19,864.01	264.1	\$458.59	\$172,907.00

THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY
SWORN BEFORE ME THIS 27th DAY OF
FEBRUARY, 2020.


A Commissioner for Taking Affidavits, etc.

EXHIBIT "C"**Billing Rates of Dentons Canada LLP**

For the period July 2, 2019 to January 31, 2020

	<u>2019 Rate</u>	<u>2020 Rate</u>	<u>Year of Call</u>
David Mann	\$750.00	N/A	1990 (Alberta)
Kenneth Kraft	\$900.00	N/A	1991
Robert Kennedy	\$725.00	\$760.00	2002
Geoff Bowman	\$495.00	\$515.00	2005 (BC)
Jonathan Ryder	\$550.00	N/A	2007 (Alberta)
Kori Williams	\$680.00	N/A	2008
Robert de Guzman	\$450.00	N/A	2008 (Alberta)
Jordan Schultz	\$475.00	\$500.00	2009 (BC)
Mark Freake	\$560.00	\$610.00	2013
John Regush	\$385.00	N/A	2015 (Alberta)
Alessandro Bozzelli	\$505.00	N/A	2015
Danijel Augustinovic	\$505.00	N/A	2015
Rachel Ventura	\$405.00	N/A	2019
Elizabeth McLellan	\$270.00	N/A	Articling Student
Emma Newbery	\$240.00	N/A	Articling Student (BC)
Nicholas Smith	N/A	\$250.00	Articling Student (BC)
Tessa Latowsky	\$240.00	N/A	Summer Law Student
Kurtis Parcels	\$240.00	N/A	Summer Law Student
Cameron Teschuk	\$240.00	N/A	Summer Law Student
Annette Fournier	\$315.00	N/A	Law Clerk
Rennie Ali	\$200.00	\$210.00	Law Clerk
Nana Umbach	N/A	\$220.00	Paralegal (BC)

ROYAL BANK OF CANADA

- and -

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

Applicant

Respondents

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

PROCEEDING COMMENCED AT TORONTO

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

DENTONS CANADA LLP
77 King Street West, Suite 400
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*Lawyers for Deloitte Restructuring Inc., in its capacity as
Court-appointed Receiver of National Recycling Inc.,
Scraport Inc. and 2139483 Alberta Ltd.*

TAB 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**

	NRI	Scraport	213	Total
Receipts				
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 assests	1,000			1,000
HST collected	130			130
GST collected	-	-	12,490	12,490
Total receipts	16,486	25,121	250,282	291,889
Disbursements				
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
Total disbursements	1,262	5,320	93,114	99,697
Funds on hand at February 21, 2020	15,223	19,801	157,168	192,192

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.

TAB 1

CONFIDENTIAL APPENDIX “1”

to the First Report of the Receiver

REDACTED

ROYAL BANK OF CANADA

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

Applicant

Respondents

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

PROCEEDING COMMENCED AT TORONTO

**FIRST REPORT OF DELOITTE RESTRUCTURING
INC. AS THE COURT-APPOINTED RECEIVER OF
NATIONAL RECYCLING INC., SCRAPORT INC.,
AND 2139483 ALBERTA LTD.**

DENTONS CANADA LLP

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as Court-appointed Receiver of National Recycling
Inc., Scraport Inc. and 2139483 Alberta Ltd.*

TAB 3

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

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

THE HONOURABLE)	FRIDAY, THE 6 TH DAY
)	
JUSTICE)	OF MARCH, 2020

BETWEEN:

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

THIS MOTION, made by Deloitte Restructuring Inc. ("**Deloitte**"), in its capacity as the court-appointed receiver and manager (the "**Receiver**") of National Recycling Inc. ("**NRI**"), Scraport Inc. ("**Scraport**"), and 2139483 Alberta Ltd. ("**213**", and together with NRI and Scraport, the "**Debtors**"), for an order,

- (a) abridging the time for service of the Notice of Motion and the Motion Record herein and validating service thereof;

- (b) approving the Auction Agreement between the Receiver and Maynards Industries Canada Ltd. (the “**Auctioneer**”) dated March 2, 2020 (the “**Auction Agreement**”);
- (c) authorizing the Auctioneer to market and sell the Assets, as defined in the Auction Agreement and attached hereto at **Schedule “A”**, pursuant to the terms of the Auction Agreement;
- (d) providing for the vesting of the Debtors’ right, title and interest in and to the Assets to any person who purchases any of the Assets pursuant to the Auction Agreement (each, a “**Purchaser**”);
- (e) authorizing the Receiver to distribute the proceeds from any sale of Assets (each, a “**Sale**”) to the Auctioneer, in the manner contemplated by the Auction Agreement;
- (f) approving the first report of the Receiver dated March 2, 2020 (the “**First Report**”) and the activities of the Receiver as described therein;
- (g) approving the fees and disbursements of the Receiver as set out in the affidavit of Jordan Sleeth sworn March 2, 2020, and the fees and disbursements of the Receiver’s counsel, Dentons Canada LLP (“**Dentons**”), as set out in the affidavit of Robert Kennedy sworn February 27, 2020 (together, the “**Fee Affidavits**”);
- (h) approving the Receiver’s interim statement of receipts and disbursements for the period of July 12, 2019 to February 21, 2020 (the “**Interim R&D**”); and
- (i) such further and other grounds as counsel may advise and this Honourable Court may permit;

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Receiver dated March 2, 2020, the First Report, and on hearing the submissions of counsel for the Receiver, no one appearing for any

other person on the service list, although properly served as appears from the affidavit of Amanda Campbell sworn March 2, 2020, filed:

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that, unless otherwise indicated, capitalized terms in this Order shall have the meanings given to them in the Auction Agreement.

APPROVAL OF AUCTION AGREEMENT

3. **THIS COURT ORDERS** that the Auction Agreement, including all schedules attached thereto, is hereby approved, is declared commercially reasonable and in the best interest of the Debtors and their stakeholders.

4. **THIS COURT ORDERS** that, subject to any other provisions of this Order, or of the Receivership Order of the Honourable Mr. Justice Hailey dated July 12, 2019 (the “**Receivership Order**”), the Receiver is hereby authorized and directed to take any and all actions as may be necessary or desirable to implement the Auction Agreement, and the Auction and Sale(s) contemplated therein, including, without limitation, to execute any other agreement, contract, deed or any other document, or take any other action, which could be required or useful to give full and complete effect to the Auction Agreement.

5. **THIS COURT ORDERS** that the Auctioneer is hereby authorized to market and sell and Auction the Assets, as agent for the Receiver, in accordance with the terms of the Auction Agreement and this Order.

6. **THIS COURT ORDERS** that, until the General Deadline, the Auctioneer shall have access to the Premises on the basis that the Auctioneer is an agent of the Receiver and the Receiver has granted to the Auctioneer the right of access to the Premises. To the extent the terms of any lease, occupancy agreement or charge relating to the Premises conflict with the terms of this Order, the terms of this Order shall govern.

7. **THIS COURT ORDERS** that the marketing and Sale or Auction of Assets to be conducted by the Auctioneer shall be free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order, or (ii) any or all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (collectively, the “**Encumbrances**”).

ASSET SALE AND VESTING

8. **THIS COURT ORDERS** that, upon the Auctioneer completing the Sale of any of the Assets to a Purchaser, in accordance with the Auction Agreement, and upon the Auctioneer’s receipt of the purchase price and the delivery by the Auctioneer of a bill of sale or similar evidence of purchase to such Purchaser (the “**Purchaser Bill of Sale**”), then:

- (a) all of the Debtors’ right, title and interest in and to the Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all Claims, and all of the Encumbrances affecting or relating to such Assets shall be expunged and discharged as against such Assets;
- (b) the Debtors and all persons who claim by, through or under the Debtors in respect of the Assets, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Assets and, to the extent that any such persons remain in possession or control of any of the Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee); and
- (c) the Purchaser (or its nominee) shall be entitled to enter into and upon, and/or hold and enjoy the Assets for its own use and benefit without any interference of or by the Debtors, or any person claiming by or through or against the Debtors.

9. **THIS COURT ORDERS** that nothing herein shall, however, discharge the obligations of the Auctioneer pursuant to the Auction Agreement, or the rights or claims of the Receiver in respect thereof including, without limitation, the obligations of the Auctioneer to account for and remit certain proceeds of the Sales to the Receiver in accordance with the terms of the Auction Agreement.

10. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims in the receivership proceedings, the monies payable to the Receiver under the Auction Agreement from the Sales shall stand in the place and stead of the Assets, and from and after the delivery of the Purchaser Bill of Sale, all Claims shall attach to the Gross Sale Proceeds from the Sales, which are paid to the Receiver in accordance with Auction Agreement, with the same priority as they had with respect to the Assets immediately prior to the Sale, as if the Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the Sale.

11. **THIS COURT ORDERS** that, from and after the closing of a Sale of any of the Assets to a Purchaser, the Receiver is hereby authorized to take all such steps as may be necessary to effect the discharge of any security registration or registrations relating to any Claims registered against the Assets, including Encumbrances, as may be necessary, provided that the Receiver shall not be authorized to effect any discharge that would have the effect of releasing any collateral other than the Assets, and the Receiver shall be authorized to take any further steps by way of further application to this Court.

12. **THIS COURT ORDERS** that notwithstanding (i) the pendency of these receivership proceedings; (ii) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to such applications; (iii) any assignment in bankruptcy now made or to be made in respect of the Debtors; or (iv) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances contained in any existing agreement, lease, sub-lease, offer to lease or other arrangement which binds the Debtors, and notwithstanding any provision to the contrary in any such agreement (a “**Third Party Agreement**”):

- (a) the vesting of the Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation; and
- (b) the vesting of the Assets in the Purchaser (or its nominee) pursuant to this Order shall not create nor be deemed to constitute a breach by the Debtors of any Third Party Agreement, and the Purchaser shall not have liability to any person whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation, execution, delivery or performance of the transactions contemplated herein.

13. **THIS COURT ORDERS** that, except for any breach of its obligations under the Auction Agreement, or its gross negligence or willful misconduct, the Auctioneer shall incur no liability or obligation in carrying out the terms of the Auction Agreement and this Order, and as agent of the Receiver the Auctioneer shall have the benefit of the stay of proceedings, limitations of liability and other protections afforded the Receiver under the Receivership Order and at law. The stay of proceedings, limitations of liability and other protective provisions in the Receivership Order shall not be lifted, suspended or amended, as they apply to the Auctioneer, except with the written consent of the Auctioneer or leave of this Court granted on not less than seven (7) days' prior notice to the Auctioneer.

DISTRIBUTION OF SALE PROCEEDS

14. **THIS COURT ORDERS** that the Receiver is authorized to distribute the proceeds from the Sale of Assets to the Auctioneer, in accordance with the Auction Agreement. Any proceeds from a Sale of Assets which is payable to the Receiver pursuant to the Auction Agreement shall be dealt with and distributed in accordance with a future distribution application to the Court, to be made by the Receiver following the Auction.

SEALING ORDER

15. **THIS COURT ORDERS** that **Confidential Appendix “1”** to the First Report, shall be sealed, kept confidential and not form part of the public record, but shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order up and until a further order of the Court.

MISCELLANEOUS

16. **THIS COURT ORDERS** that the actions of the Receiver with respect to the sales process for the Auction Agreement, as particularized in the First Report, are hereby approved and ratified. No action lies against the Receiver by reason of this Order or arising from the performance of any act authorized by this Order.

17. **THIS COURT ORDERS** that the Receiver, the Auctioneer, or any Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order, and to assist with the completion of any Sale of Assets contemplated by the Auction Agreement and this Order.

18. **THIS COURT ORDERS** that this Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order and to provide such assistance to the Receiver, as an officer of the 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.

RECEIVER'S ACTIVITIES

19. **THIS COURT ORDERS** that the First Report and the activities of the Receiver, as described in the First Report, be and are hereby approved.

20. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and Dentons, as set out in the First Report and in the Fee Affidavits, are hereby approved.

21. **THIS COURT ORDERS** that the Interim R&D is hereby approved.

SCHEDULE "A"

ASSET LIST

Attached.

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	CZ8016189	
Trailer	Edmonton, AB (Genalta)	2009	Terex ALS000	4ZJSL151391000232	
Vehicle	Edmonton, AB (Genalta)	2008	Chevrolet Express G3500	1GBHG31K681200746	

ROYAL BANK OF CANADA

- and -

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

Applicant

Respondents

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

PROCEEDING COMMENCED AT TORONTO

ORDER

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ROYAL BANK OF CANADA

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NATIONAL RECYCLING INC., SCRAPORT INC. and
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Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

MOTION RECORD
(returnable March 6, 2020)

DENTONS CANADA LLP
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