

Court File No. 35-1979333T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.

Defendants

**FIRST REPORT TO THE COURT SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS RECEIVER OF
ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.**

August 5, 2016

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1.0 Introduction and Purpose of Report

1.1 Introduction

1.1.1 Entropex is a general partnership carrying on business as a plastics recycler from the land known municipally as 1271 Lougar Avenue, Sarnia, Ontario (the “**Lougar Property**”).

1.1.2 629728 Ontario Limited (“**629**”) and Unitec Inc. (“**Unitec**”) are corporations incorporated pursuant to the laws of the Province of Ontario and are the partners of Entropex.

1.1.3 Entropex, 629 and Unitec (collectively referred to as the “**Companies**”) are registered as the joint title holders to the Lougar Property.

1.1.4 Entropex is indebted to the Bank of Nova Scotia (“**BNS**”) for approximately \$3,500,000 CDN. Entropex is indebted to Roynat Inc. (“**Roynat**”) for approximately \$3,260,000 million USD. The debts owing by Entropex to BNS and Roynat are guaranteed by 629 and Unitec.

1.1.5 The debt owing to BNS is secured by the following:

- A collateral charge registered against the Lougar Property in the principal amount of \$5,000,000 CDN;
- General security agreements dated May 13, 2014 from Entropex, 629 and Unitec; and,
- Guarantees and general security agreements from various parties related to the Companies, including Nxgen Holdings Inc., Entropex Logistics Inc. and Entropex Rigidreclaim Inc. (collectively referred to as the “**Guarantors**”).

1.1.6 The debt owing to Roynat is secured by the following:

- A debenture, granting a security interest in all real and personal property, registered against the Lougar Property in the principal amount of \$3,863,000 USD; and,
- Guarantees dated July 31, 2014 from 629 and Unitec.

In addition, Roynat has received guarantees of its indebtedness from Nxgen Holdings Inc., Entropex Logistics Inc. and Entropex Rigidreclaim Inc.

1.1.7 According to a PPSA search, the Companies’ secured creditors include the following:

Entropex

- Roynat has registered its debenture against twelve forklifts as well as against all equipment, inventory, receivables and accounts due for rent (also registered against Unitec and 629);
- BNS has registered a general security agreement;
- Unitec has registered a general security agreement;

- Delage Landen Financial Services Inc. has registered a charge against two forklifts (also registered against Unitec);
- Xerox has registered a charge against equipment with no description; and,
- Ryder Truck Rental Canada Ltd. has registered a charge against a vehicle.

Unitec (excluding registrations against both Unitec and Entropex listed above)

- Roynat has registered its debenture;
- BNS has registered a general security agreement;
- Kevin, Timothy, Keith and Christopher Bechard, as well as Carolyn Hannon, Patricia Pequegnat and Joan Hett have registered a general security agreement;
- Deragon Leasing Inc. has registered a charge against one vehicle; and,
- National Leasing Inc. has registered a charge against lighting as described in a lease agreement.

629 (excluding registrations against both 629 and Entropex listed above)

- Roynat has registered a general security agreement; and
- BNS has registered a general security agreement.

- 1.1.8** On March 18, 2016, due to various events of default under the terms of the financing agreement, BNS issued demand for payment and notice of intention to enforce security to the Companies and the Guarantors.
- 1.1.9** On April 8, 2016, BNS, the Companies and the Guarantors entered into a forbearance agreement, wherein, among other terms, BNS provided a period of forbearance to July 8, 2016 to permit Entropex to complete the sale of its business and/or refinance.
- 1.1.10** On March 23, 2016, Roynat issued a demand for payment and a notice of intention to enforce security to Entropex. Entropex and Roynat also entered into a forbearance agreement dated April 8, 2016 (the "**Forbearance Agreement**"), which expired on July 8, 2016.
- 1.1.11** The Companies were unable to finalize a sale or refinance by the end of the forbearance period. On July 7, 2016, counsel for BNS and Roynat advised Entropex, 629 and Unitec that neither lender would extend the forbearance agreements or ongoing credit.
- 1.1.12** During the week of July 10, 2016, due to the lack of ongoing credit and inability to pay suppliers, Entropex initiated a wind down of its operations.
- 1.1.13** On July 14, 2016, the Honourable Justice Grace of the Ontario Superior Court of Justice, issued an Order appointing MNP Ltd. as receiver (the "**Receiver**") of the Companies (the "**Initial Order**"). A copy of the Initial Order is attached as **Appendix A**. The Initial Order is substantially in the form of the Model Receivership Order.

1.1.14 The Initial Order authorized, but did not obligate, the Receiver, among other things, to do the following where the Receiver considers it necessary or desirable:

- Take possession of and exercise control over the property of the Companies;
- Manage, operate and carry on the business of the Companies;
- 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 Companies, the Property or the Receiver, and to settle or compromise any such proceedings; and,
- Market any or all of the property of the Companies and negotiate such terms and conditions of sale as the Receiver may deem appropriate.

1.2 Purpose of the Receiver's First Report

1.2.1 This constitutes the Receiver's First Report to the Court (the "**First Report**") in this matter and is filed to:

- Seek approval of the First Report and the Supplement to the First Report, and the Receiver's activities as outlined therein;
- Seek approval of the proposed changes to the environmental Protocols as outlined therein; and,
- Report to the Court in respect of the realization strategy and process being undertaken by the Receiver and obtain approval of same.

2.0

Initial Receiver Activities

2.1 Possession

- 2.1.1 Upon its appointment the Receiver attended the Lougar Property to serve the principal, Keith Bechard, with a copy of the Initial Order and take possession.
- 2.1.2 The Receiver changed the locks and photographed the Lougar Property and all assets located therein.
- 2.1.3 The Receiver temporarily engaged a security company to conduct period site visits of the Lougar Property.
- 2.1.4 The Receiver conducted a count of Entropex's inventory and prepared lists of the equipment and vehicles.
- 2.1.5 Entropex leased offsite office space where the accounting team worked, and the books and records were stored. The Receiver relocated these books and records to the Lougar Property. The Receiver did not occupy or take possession of the offsite office space.

2.2 Operations

- 2.2.1 Upon the expiry of the Forbearance Agreement on July 8, 2016, BNS and Roynat advised Entropex there would be no more credit under the existing facilities. As such, management of Entropex stopped purchasing new material and began to wind down operations during the week preceding the receivership.
- 2.2.2 Entropex was operating in a cash deficit. Based on an internally prepared forecast, Entropex was expected to lose an average of \$74,600 per week through July and August.
- 2.2.3 The Entropex workforce was unionized and the Receiver faced potential exposure for successor employer liability if operations were carried on by the Receiver.
- 2.2.4 In 2013, after a heavy rain, plastic pellets were washed off the Lougar Property into the municipal drain and sewer system. Entropex spent approximately \$1.4 million to clean the spill. The MOE issued an order requiring Entropex to develop a plan to improve the storm water management and drainage capabilities of the Lougar Property. A plan was submitted and approved by the MOE; however, the enhancements to the Lougar Property have not yet begun. Entropex put in temporary measures to prevent another leak, discussed in more detail below. However, the risk of another environmental spill remains. The Receiver felt this risk would be higher if operations were continued.
- 2.2.5 For these reasons set out above the Receiver did not continue the operations of Entropex. Operations were shut down immediately upon the appointment of the Receiver.

2.3 Environmental

- 2.3.1 Although the operations of Entropex were wound down, the Lougar Property is contaminated with small plastic pellets (Entropex's finished product) from pre-receivership operations and there continues to be risk that these pellets could be washed into the municipal sewer and drainage system in the event of a heavy rain.

2.4 Existing Environmental Protocols

2.4.1 Following the 2013 spill, Entropex initiated environmental protocols (“the **Protocols**”) to mitigate this risk, including:

- Screens were placed in drains to filter plastic pellets from water that flowed through before it was released to the municipal drainage system;
- In the event of rain a team of Unionized employees would go to the parking lot to direct water to these filtered drains and scrape the screens to prevent them getting clogged; and,
- Sandbags were placed around portions of the driveway to contain water while it was filtered and drained properly.

2.4.2 Management of Entropex advised the Receiver that a team of at least four people must be onsite at Entropex 24 hours a day, seven days a week, to ensure the Protocols were followed if it rained.

2.4.3 On July 9, 2016 the Receiver advised the Ministry of the Environment (the “**MOE**”) of the Receivership, the termination of the unionized employees and shut down of the plant.

2.4.4 The Receiver engaged Pinchin Ltd. (“**Pinchin**”), an environmental engineering and consulting firm to attend the Lougar Property, identify risks of environmental contamination and provide advice and recommendations on how to mitigate these risks.

2.4.5 The Receiver has retained sufficient former Entropex staff members and temporary employees through an agency to maintain the Protocols at a cost of approximately \$90,000 per month.

2.5 Lougar Property Clean Up

2.5.1 The Receiver has engaged Diresco Inc. (“**Diresco**”) a local remediation and restoration company to:

- Sweep the entire paved area in front of the plant to remove plastic pellets;
- Sweep all corners and edges to remove plastic pellets;
- Sweep to remove all plastic pellets from outside machinery;
- Clean the screened area in the catch basins to remove plastic pellets; and,
- Vacuum and clean water and pellets in catch basins.

2.5.2 The Receiver and Diresco contacted the MOE to advise of the planned cleanup efforts outlined above. The MOE advised the cleanup efforts were reasonable.

2.5.3 Pinchin is conducting a review of the site for any other potential improvements to redirect and contain water in the event of rain.

2.6 Alternate Environmental Protocols

- 2.6.1 As an alternative to the Protocols, Diresco has provided a quote to supply a response team of five people that would attend the Lougar Property in the event of rain to manage the water flow and carry out the Protocols (the “**Alternate Plan**”). Diresco would require the Receiver maintain one site supervisor familiar with the existing storm water management procedures at the Lougar Property 24 hours a day, 7 days a week, who would alert Diresco when the response team is needed and then immediately commence dealing with the rain water. This would significantly reduce costs to the receivership to monitor and respond to the storm water, from approximately \$90,000 per month to approximately \$22,000 per month.
- 2.6.2 The Receiver has reviewed the Alternate Plan with Pinchin and the MOE. Pinchin has advised that since Entropex is no longer operational and the site has been cleaned by Diresco, thereby significantly reducing the risks of pellet contamination into the municipal sewer and drainage system, the Alternate Plan is a reasonable and appropriate response plan to respond to a storm. The MOE had no concerns with the plan; however, would not provide specific instruction on the appropriate level of monitoring after the cleanup.
- 2.6.3 As such, the Receiver recommends reducing the coverage maintained on the Lougar Property from four people on location 24 hours a day, 7 days a week, to one person, with the Diresco five person response team on standby to attend as needed. This change is expected to save the estate approximately \$68,000 per month in ongoing occupancy costs while at the same time providing sufficient water management coverage given the changed circumstances at the Lougar Property.

2.7 Ube Warehouse

- 2.7.1 Entropex leased a warehouse at 21 Ube Drive, Sarnia, Ontario (the “**Ube Warehouse**”). The warehouse contained some equipment and over 2.0 million kilograms of plastic that could not be used in Entropex’s recycling operations (the “**Ube Inventory**”).
- 2.7.2 Management advised the Receiver that the Ube Inventory had a book value of approximately \$2.3 million; but was not usable and should be disposed of. Management estimated the costs to dispose of the Ube Inventory would be approximately \$175,000.
- 2.7.3 The Receiver met with the landlord of the Ube Warehouse to advise the equipment would be removed and relocated to the Lougar Property and that the Receiver would not occupy the Ube Warehouse or take possession of the Ube Inventory. The Receiver offered that if so requested by the landlord, it would try and find a buyer for the Ube Inventory so it would be removed from the Ube Warehouse. The landlord has not yet confirmed this request of the Receiver.

2.8 Accounts Receivable

- 2.8.1 The book value of accounts receivable at the date of receivership was \$3,742,000.
- 2.8.2 The Receiver, and/or a representative of Entropex, contacted customers who depended on ongoing supply from Entropex to advise of the receivership and shut down. The Receiver felt that receivable collections would be maximized if customers had as much time as possible to find alternate supply.
- 2.8.3 The Receiver engaged the former Entropex Accounts Receivable Clerk to process all outstanding invoices and interact with customers to collect all accounts outstanding.

2.8.4 The Receiver notified the accounts receivable insurer of the receivership.

2.8.5 The Receiver has collected \$954,288 in accounts receivable to date.

2.9 Inventory Liquidation

2.9.1 The book value of raw material and finished goods inventory, excluding the UBE inventory, at the date of receivership was \$168,000 and \$285,000 respectively.

2.9.2 The Receiver engaged the former Entropex Sales Manager to sell the inventory. All sales were conducted on an “as-is/where-is” basis with no representations or warranties by the Receiver.

2.9.3 The Receiver has sold and collected \$127,000 in inventory sales post receivership.

2.10 Employees

2.10.1 Prior to the receivership, Entropex had approximately 30 non-union and 115 unionized employees. Upon the appointment of the Receiver, Entropex management met the employees to advise they had been terminated as a result of the receivership and plant shut down.

2.10.2 The Receiver retained the former Entropex Human Resources Manager to prepare and issue T4's and Records of Employment to all employees, and calculate employee claims for unpaid wages, vacation, and notice pay under the Wage Earner Protection Program (“WEPP”).

2.10.3 The Receiver has begun the claim process for the employees as required under the WEPP legislation.

2.10.4 The Receiver released all personally owned tools to former employees.

2.10.5 The Receiver retained 25 former Entropex employees. Eighteen of these individuals were retained to carry out the environmental Protocols that require four people onsite 24/7. The remainder were retained to assist with the inventory count, sales, accounting support and asset identification.

2.11 Insurance

2.11.1 MNP notified the existing insurance provider of its appointment as Receiver and requested to be added to the policy as named insured, which the insurance provider has done. The Receiver is reviewing coverage levels to determine any deficiencies or potential reductions.

2.12 Third Party Assets

2.12.1 Upon receiving confirmation of ownership, the Receiver has released certain third party assets that were at the Lougar Property upon its appointment. These assets included vending machines and employee tools and belongings.

2.13 Cash and Banking

2.13.1 Immediately after its appointment the Receiver requested all BNS accounts be frozen and set to accept deposits only.

2.13.2 The Receiver is not aware of bank accounts at any other institution.

2.13.3 The Receiver opened a trust account to handle all receipts and disbursements with respect to the Receivership administration.

2.14 Potential Sale Negotiation

2.14.1 On July 27, 2016 the Receiver received an offer to purchase the assets of the Companies. The offer contemplated the Receiver would conduct a two-week marketing campaign under a stalking horse sales process. The Receiver worked to negotiate terms of the sale; however, the prospective purchaser was ultimately unable to waive conditions included in the offer.

2.15 Notice

2.15.1 On July 22, 2016, the Receiver issued notice of its appointment pursuant to Section 245 of the *Bankruptcy and Insolvency Act* to all known creditors of the Companies and the Office of the Superintendent of Bankruptcy. A copy of the Section 245 notice is attached hereto as **Appendix B**.

2.15.2 The Receiver has setup a page on it's website at mnpdebt.ca to publically post all relevant receivership documents, including the Initial Order.

2.16 Independent Counsel

2.16.1 The Receiver has retained Advocates LLP ("**Advocates**") as independent counsel to provide an opinion to the Receiver on the validity and enforceability of the secured creditors' claims.

2.16.2 Advocates has reviewed all leases entered into by the Companies for various assets and has advised that all but the following are valid and enforceable:

- Ryder Truck Lease dated June 30, 2015;
- Xerox Lease dated November 9, 2012;
- Pitney Bowes Lease dated November 21, 2013;
- Waste Management Compactor Lease dated November 9, 2011;
- MCS Equipment Lease dated July 25, 2014;
- De Lage Landen Lease dated March 17, 2015;
- Hewitt Material Handling Lease dated July 14, 2014;
- Modspace Lease No. 073812;
- Modspace Lease No. 099726;
- Modspace Lease No. 099726F;
- Modspace Lease No. 154970;
- Modspace Lease dated February 4, 2015; and,

- Procor Lease dated February 1, 2016.

(collectively referred to as the “**Challenged Leases**”)

2.16.3 The Receiver will make arrangements to release or buyout the validly registered leases. The Receiver will notify the impacted leasing companies of the Challenged Leases and the issues identified therein and request additional information, if available.

3.0

Marketing and Sale of Assets

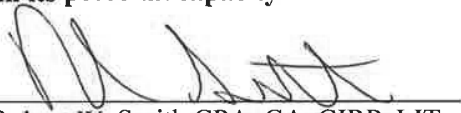
- 3.1 Pursuant to the Initial Order, the Receiver is authorized to market any or all of the assets and operations of the Companies, including advertising and soliciting offers and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- 3.2 The Receiver describes herein, the sale process it wishes to undertake and will be seeking the Court's approval of same (the "Sale Process").
- 3.3 Working with MNP Corporate Finance, the Receiver developed a list of 124 parties potentially interested in purchasing the assets and undertakings of the Companies (including competitors and other industry players). The Receiver intends to mail the individuals on this list a notice of the Sale Process and invitation for proposals (the "Invitation for Proposals").
- 3.4 The Receiver proposes that it advertise the Invitation for Proposals for the sale of the Companies' assets and/or operations in the financial section of the national edition of the Globe & Mail within one week of the Court's approval of the proposed marketing process.
- 3.5 The deadline to submit offers has been established as 2:00 p.m. on Friday, September 16, 2016. This provides prospective bidders 30 days to complete their due diligence and prepare an offer.
- 3.6 The Receiver has prepared a Confidential Information Memorandum (the "CIM") which provides a brief overview of the Companies' operations and assets, and the Receiver's terms and conditions of sale. Due to the confidential nature of the CIM, the Receiver is disclosing it to the Court via supplementary report, which we request that the Court keep sealed. The Companies' assets being offered for sale include the Receiver's right, title and interest, if any, in the Lougar Property, inventory, equipment, vehicles and intellectual property owned by Entropex.
- 3.7 In addition to the CIM, interested parties must execute a confidentiality agreement (the "Confidentiality Agreement") if they wish to obtain more detailed financial information and perform due diligence. Upon receipt of the executed Confidentiality Agreement potential purchasers will be provided with access to a virtual data room that will provide further details relating to, among other things, the Companies' current and historical financial operating results and position.
- 3.8 A copy of the Invitation for Proposals and the Confidentiality Agreement including legal terms for the use of the data room are attached as **Appendix C**.
- 3.9 The Receiver has commissioned an appraisal of the Lougar Property.
- 3.10 The Receiver anticipates a high number of offers will be received for the personal property from industry players and liquidators. These offers will be used to determine the current realizable value of the personal property, and as such the Receiver does not intend to commission an appraisal of the equipment, inventory or vehicles.

4.0***Order Sought***

- 4.1 We submit this **First Report** to this Honourable Court in support of our Motion respectfully requesting this Honourable Court to:
- (a) Approve the First Report of the Receiver and the Supplement to the First Report of the Receiver, and the activities of the Receiver described herein;
 - (b) Seek approval of the proposed changes to the environmental Protocols as outlined therein;
 - (c) Approve the Sales Process described in Section 3.0 of this First Report; and,
 - (d) Approve the sealing of the Supplement to the First Report and its contents.

All of which is respectfully submitted this 5th day of August, 2016.

**MNP Ltd. in its capacity as
Receiver of
Entropex, 629728 Ontario Limited and Unitec Inc.
and not in its personal capacity**

Per: 
Robert W. Smith CPA, CA, CIRP, LIT
Senior Vice President



Court File No. 35-1979333T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE)

THURSDAY, THE 14

JUSTICE GRACE)

DAY OF JULY, 2016

THE BANK OF NOVA SCOTIA

Plaintiff

- and -

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

ORDER
(appointing Receiver)

THIS MOTION made by the ^{Moving party - 21} Plaintiff 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 MNP Ltd. ("MNP") as receiver [and manager] (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Entropex, 629728 Ontario Limited ("629") and Unitec Inc. ("Unitec") (collectively, the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 80 Dundas Street, London, Ontario.

ON READING the affidavit of Paul Waters sworn July 11, 2016 and the Exhibits thereto, the affidavit of service of Kelly Bryant sworn July 12, 2016, the consent of MNP to act as the Receiver and on hearing submissions of counsel for the ^{Moving party - 21} Plaintiff, ~~and 21~~

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, MNP is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all 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 Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

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

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the

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

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

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

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

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days^{1, 2} notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

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

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (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 and to ^{purchases money} any security interest entitled to priority ^{over} to the moving party under the Personal Property Security Act. D

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. (in Bankruptcy and Insolvency I.)

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 \$250,000 (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 ^{and to any purchase money security interest entitled to priority over the moving party under the Personal Property Security Act.}

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 by MNP and found at MNP.debt.ca.

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

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

GENERAL

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

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


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

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

31. THIS COURT ORDERS that ^{moving party} 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 ^{moving party} the Plaintiff's security or, if not so provided by the Plaintiff's security, then ^{moving party} 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.



Justice – Ontario Superior Court of Justice
– In Bankruptcy and Insolvency
Grace J.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of the assets, undertakings and properties Entropex, 629728 Ontario Limited and Unitec Inc. (collectively, the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (In Bankruptcy and Insolvency) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

of

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

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

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

DATED the _____ day of _____, 20__.

MNP Ltd., solely in its capacity
as Receiver of Entropex, 629728 Ontario
Limited and Unitec Inc., and not in its personal
capacity or corporate capacity.

Per: _____

Name:

Title:



THE BANK OF NOVA SCOTIA

v.

ENTROPEX ET AL

Plaintiff

Defendants

Court File No. 35-1979333T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

Proceeding commenced at London

ORDER

Harrison Pensa ^{LLP}
Barristers and Solicitors
450 Talbot Street, P.O. Box 3237
London, Ontario N6A 4K3

Timothy C. Hogan LSUC #36553S
Tel: (519) 679-9660
Fax: (519) 667-3362

Solicitors for the Plaintiff
165075/kbu

**Notice and Statement of Receiver
(Subsection 245 & 246 (1) of the
Bankruptcy and Insolvency Act)**

IN THE MATTER OF THE RECEIVERSHIP OF
ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.

THE RECEIVER GIVES NOTICE AND DECLARES THAT:

1. On the 14th day of July, 2016, the undersigned MNP Ltd. became receiver (the "Receiver") of the assets and undertakings of Entropex, 629728 Ontario Limited and Unitec Inc. (collectively referred to as the "Companies"), an insolvent corporation, that is described below:

	<u>Book Value</u>
Accounts Receivable	\$ 4,282,000
Inventory	4,085,000
Machinery & Equipment	7,730,000
Real property	1,253,000
(collectively referred to as the "Property")	

2. The undersigned was appointed receiver in respect of the Property described above by Order of the Ontario Superior Court of Justice granted on July 14, 2016 on application by the secured creditor, The Bank of Nova Scotia.

3. The Receiver took possession and control of the Property described above on July 14, 2016.

4. The following information relates to the receivership:

- (a) Address of insolvent corporation: 1271 Lougar Avenue
Sarnia, ON N7S 5N5
- (b) Principal Line of Business: Reprocessing of plastics
- (c) Location of Business: 1271 Lougar Avenue
Sarnia, ON N7S 5N5
- (d) Estimated amount owed by the Companies to each creditor who holds a security on the property described above:

The Bank of Nova Scotia	\$ 3,800,000
Roynat Capital Inc.	4,400,000
Deragon Leasing Inc.	Unknown
National Leasing Group Inc.	Unknown
Kevin Bechard	Unknown
Christopher Bechard	Unknown
Timothy Bechard	Unknown

Keith Bechar	Unknown
Carolyn Hannon	Unknown
Patricia Pequegnat	Unknown
Joan Hett	Unknown
De Lage Landen Financial Services Canada Inc.	Unknown
<u>Xerox Canada Inc.</u>	<u>Unknown</u>

- (e) The list of other creditors of the insolvent corporation and the amount owed to each creditor and the total amount due by the insolvent corporation is attached.

- (f) The intended plan of action of the Receiver during the receivership, to the extent that such a plan has been determined, is as follows:

The Receiver has taken possession of the Property and will realize on those assets through a court approved sale process.

- (g) Contact person for Receiver:

MNP Ltd.
Receiver of Entropex, 629728 Ontario Limited and Unitec Inc.
1002 – 148 Fullarton Street
London, ON N6A 5P3

Attention: Rob Smith

- Telephone (519) 964-2212
- Facsimile (519) 964-2210
- Email: rob.smith@mnp.ca

Dated at Sarnia, Ontario this 22nd day of July, 2016.

MNP Ltd.
In its capacity as Receiver of
Entropex, 629728 Ontario Limited and Unitec Inc.



John Athanasiou CPA, CMA, CIRP, LIT
Vice President

IN THE MATTER OF THE RECEIVERSHIP OF
ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.

CREDITOR LISTING

Creditor Name	Amount Due in Cdn \$
1732077 ON Limited	\$1,998.06
2446128 ON Limited	\$75,873.21
A & W Locksmith Ltd.	\$16.95
A&R Transport	\$38,788.69
A-1 Security Systems and Communications Inc.	\$1,367.30
Accent Wire	\$3,464.60
Accent Wire	\$9,004.52
Acklands - Grainger	\$1,399.75
ACUREN GROUP INC.	\$2,413.68
Advanced Innovative Solutions Inc.	\$7,800.00
AGF ACCESS INC.	\$8,038.02
Air Liquide Canada Inc.	\$1,052.64
Alpha Technologies	\$4,862.39
American Cutting Edge	\$2,989.99
Ampro Electric Ltd.	\$13,483.84
APEX INC.	\$61.68
APPLIED INDUSTRIAL TECHNOLOGIES	\$55,063.60
Aqua Pools, Patios & Spas	\$33.88
AT-TEC	\$3,916.69
B&M Recycling	\$1,898.40
Baleforce Recycling Equipment Inc.	\$62,820.18
Bale-tec	\$25,360.32
Battlefield Equipment Rentals	\$1,704.04
Bell Canada	\$2,523.09
Berga Recycling Inc.	\$182,279.76
Bison Transport Inc.	\$6,300.00
Blackbridge Investments	\$17,894.19
Bluewater International Group	\$13,437.45
BLUEWATER PLUMBING CO.	\$1,666.75
Bluewater Power	\$364,936.85
Bluewater Recycling Assoc.,	\$26,246.96
Bond Petroleum	\$3,465.10
Brevini	\$72,362.33
BS&B Radiator	\$452.00
Butler Paper Recycling, Inc.	\$16,532.23
BWP Transport, Inc.	\$19,057.17
C.H. Robinson Worldwide, Inc.	\$30,135.39
Cadillac Industrial Cleaning Services	\$4,294.00
Canada Revenue Agency	Unknown
Canada Steel Service Centre	\$11,385.72
Canadian Bearings Ltd.	\$7.13
Canadian Pacific	\$8,610.72
Canadian Plastic Recycling Inc	\$47,670.53
Canadian Resin Recovery	\$6,410.48
CANUSA Hershman Recycling Company	\$55,172.56
CAN-WELD Training & Testing Centre	\$988.75
Cardinal Couriers	\$3,400.13
Carleton Farms Landfill	\$30,266.36
CarQuest	\$91.53

Creditor Name	Amount Due in Cdn \$
Carr Industrial Inc.	\$1,356.00
Carrier Truck Centers	\$511.43
Cascades Recovery	\$71,288.85
CellMark, Inc	\$63,745.40
Central Machine & Marine Inc.	\$49,744.56
Central Sanitation	\$3,228.98
Centre de technologie minerale et de plasturgie inc.	\$2,401.25
Century Services Inc.	\$8,825.53
Chemroy Canada Inc.	\$25,119.90
Chippewa Recycling	\$9,767.10
CN	\$23,082.56
CN	\$41,506.21
Cogeco	\$506.43
Cogeco Cable Canada LP	\$1,898.40
Cohen Highley LLP	\$762.84
Complete Turf Equipment	\$564.54
Compressor Engineering Group	\$21,709.92
ControlChem Canada	\$1,648.41
Corporate Express	\$1,864.61
CSX Transportation	\$68,485.51
Destination Logistics	\$6,600.00
Dobbin Transportation	\$565.00
Domino's Pizza #10307	\$75.00
DOR CO GARAGE DOORS	\$3,282.65
Economical Insurance Company	\$7,275.00
Ekman Recycling	\$104,475.48
Electrical Safety Authority	\$1,190.46
Electrozad Supply Co. (Sarnia)	\$2,116.56
Emmet County Dept of Public Works	\$6,471.01
EMTERRA Environmental	\$72,993.60
Entec Resins	\$1,661.44
ERIKS Industrial Services LP Co	\$13,931.76
Ernst & Young LLP	\$32,572.25
Essex Windsor Solid Waste Authority Recycling Centre	\$47,055.97
Exi-Plast	\$904.00
Expeditors Int'l of Washington	\$4,881.50
F.F.P. Systems Inc.	\$3,367.40
Fastenal Canada	\$11,861.44
Fastenal Canada - (Vending)	\$8,666.77
Federal Express	\$271.14
Ferrera Precast Concrete Prod.	\$855.41
Fibernetics Corp. (Newt)	\$215.96
First Star Recycling	\$52,073.92
Flash Freight Systems	\$6,700.00
Fulger Transport Inc.	\$77,350.00
G & K Services Canada Inc. (Acct # 2393106)	\$2,193.10
G&K Services Canada Inc. (Acct # 1607683)	\$438.02
Gala Industries, Inc.	\$11,730.42
GDI Services (Canada) LP	\$11,367.43
Gemcraft Screen Products	\$62,861.90
GFL Environmental Inc.	\$31,395.38
Grace Transport Inc.	\$12,660.50
Grand Rapids Iron & Metal	\$3,189.03

Creditor Name	Amount Due in Cdn \$
Green Circle Recycling	\$4,728.36
GreenForest Recycling Resources, LLC	\$25,633.32
Guillevin International Inc.	\$4,794.79
Gulfstream Services	\$2,042.56
H.S.E. Integrated Ltd.	\$7,095.78
Harmon Associates ULC	\$14,997.27
Heaters Controls & Sensors	\$6,572.71
Heather Carswell	\$28.64
Helmar Canada LLC	\$3,237.95
Herbold Meckesheim USA	\$26,565.84
Hertz Equipment Rentals	\$1,023.78
Hewitt Material Handling Inc.	\$66,541.39
HGC Management Inc.	\$91,367.10
Hyndman	\$2,800.00
IA Supplies Ltd.	\$284.31
Industrial Alliance	\$13,502.52
Industrial Breakdown Couriers Ltd.	\$412.45
Industrial Metal Fabricators	\$10,460.96
INEOS Styrolution Canada Ltd.	\$6,203.70
Integrity Millwrights	\$1,891.62
ISG Transportation Inc.	\$21,027.50
JDM Industrial Inc.	\$455.00
JDW International	\$101,220.07
John A. Ford Trucking Ltd.	\$3,713.78
JOHN BROOKS COMPANY LTD	\$2,304.86
Journey Freight International	\$71,254.50
Junior's Delivery Ltd.	\$113.00
Kent County Recycling Facility	\$30,638.79
Kern Water Systems Inc.	\$13.50
Keypak	\$2,771.29
Kingston Area Recycling Center	\$34,660.16
Kooi Trucking Inc.	\$45,400.00
Lambton College	\$12,186.45
Lambton Scientific	\$1,467.87
Lawson Products Inc. (ON)	\$216.39
Lehder Environmental Services	\$25,052.60
Lehigh Valley Rail Management	\$1,898.00
Liftow Limited	\$85.77
Linde Canada Ltd., T4070	\$1,721.70
Lubo USA, LLC	\$962.00
M&L Testing Equipment Inc.	\$148.02
Machinex Recycling Services Eastern Inc.	\$17,027.46
Mackenzie Milne	\$2,723.86
Mackenzie Oil Limited	\$11,684.24
Magnacharge Battery Corporation	\$1,783.48
Mammoet Crane Inc	\$2,456.68
Manitoulin Transport	\$635.06
MANLEYS BASICS	\$1,476.28
Matrix Transportation Solutions	\$286,816.50
MATTHEWS PALLET	\$1,803.48
Mavi Food Inc.	\$15.00
McMaster-Carr Supply Company	\$1,600.94
Mettler-Toledo Inc.	\$565.41

Creditor Name	Amount Due in Cdn \$
Mid America Paper Recycling	\$86,219.12
Midland Davis	\$10,120.70
Mill Creek Motor Freight LP	\$2,050.00
Millennium Credit Risk Management Limited	\$15,093.75
Miller Thomson LLP, Barristers & Solicitors	\$1,112.67
Modspace	\$5,897.25
Motion Canada T8046	\$5,344.72
MS Transportation Inc.	\$86,430.60
Municipal Waste Association	\$1,412.50
NAPA/CMAX Central Administration Department	\$1,446.87
NATIONAL CONTROL DEVICES	\$1,117.61
Newport CH International, LLC	\$78,465.14
Northumberland County	\$14,813.92
NOVA CHEMICALS CORPORATION	\$99,771.61
Nuera Industrial	\$3,094.39
Occupational Safety Group Inc.	\$2,710.87
Ogie's Lift Truck Service & Repairs Ltd.	\$10,665.03
ON Court of Justice	\$1,000.00
Ottawa Valley Waste Recovery Centre	\$11,963.99
Park Polymers Inc	\$189,616.80
Parmerit Inc.	\$7,672.38
PEST-AWAY INC	\$1,745.85
Pinwood Truck Parts Inc.	\$796.40
PIONEER FUELS	\$982.12
Pitney Bowes	\$291.42
PitneyWorks	\$10.89
Pollutech Enviroquatics Ltd.	\$565.00
PolyVora	\$3,265.08
Preferred Towing	\$2,087.68
Procor Limited	\$37,124.13
Progressive Waste	\$41,697.51
Purolator Courier Ltd.	\$53.97
QPS Evaluation Services Inc.	\$415.28
R.P.S. Machine & Sales	\$2,122.71
Radwell International - Canada, ULC	\$1,797.65
Randy's Environmental Services	\$2,213.12
ReCommunity Recycling	\$145,734.68
Recyclable Material Marketing (ReMM)	\$120,810.21
Recyclable Materials Marketing....	\$28,020.65
Recycling Revolution	\$4,808.51
Region of Waterloo	\$63,727.02
Reliance Home Comfort	\$148.74
Rematech Ind.	\$16,704.79
Ricova	\$140,188.09
Right Choice Logistics	\$5,361.17
Robert E. Dale Ltd.	\$4,463.50
ROCHESTER ABRASIVES INDUSTRIES	\$2,461.23
Rock Technical Solutions	\$11,467.49
RockTenn Recycling	\$4,500.55
Rogers Wireless	\$512.36
Rotem Industrial Products Inc.	\$1,700.65
Ryder Material Handling ULC	\$1,316.80
Ryder Truck Rentals Canada	\$6,573.99

Creditor Name	Amount Due in Cdn \$
S.M. Hewitt (Sarnia) Limited	\$36,256.50
Sandrin Services Inc.	\$1,525.50
Sarnia Concrete Products	\$847.50
Sarnia Paving Stone Ltd	\$45,420.31
Sarnia Piping Specialties Ltd.	\$0.00
Sarnia Tire Inc.	\$1,724.39
Sarnia Truck Centre	\$900.71
Saucier Plumbing & Heating Ltd.	\$412.45
Savco Food Services Ltd.	\$533.54
Scotia Recycling Inc. (NL)	\$8,170.58
Scotia Recycling Limited	\$75,071.54
Serv-A-Yard Ltd.	\$11,478.59
Shelley Machine & Marine	\$4,400.22
Sims Brothers Recycling	\$18,451.80
SIMS Metal Management	\$57,446.74
SM Polymers	\$29,994.48
SNS Industrial Group	\$936.14
SOCRRA Recycling	\$1,366.56
Spectrum Communications Ltd.	\$2,138.56
Spectrum Wireless Sarnia	\$344.62
Stoke's Inland Bar & Grill	\$120.00
Street Cartage Limited	\$857.67
Superior Propane	\$4,665.70
Sweco Canada Inc.	\$3,899.00
Sweep Cleaning Solutions	\$4,164.05
Swiss Chalet Sarnia	\$90.00
Tandet Logistics Inc.	\$74,148.72
TELUS Mobility	\$2,415.76
Tenaquip Limited	\$1,486.27
The County of Lambton CDC	\$1,498.53
The Open Grill	\$150.00
The Treasurer, City Of Toronto	\$15,954.25
Thermal Resources Inc.	\$341.67
TKM Canada Industries, Inc.	\$42,669.85
Tony's Diesel and Electric	\$858.80
TransPro Freight Systems Ltd.	\$2,386.00
Trash Taxi	\$2,147.00
TST Overland Express	\$153.86
UAW Local 251	Unknown
Union Gas Limited	\$717.36
United Parcel Service	\$3,823.49
United Taxi	\$871.30
Universal Commodity Services Inc	\$10,691.43
UPS FREIGHT	\$260.91
VACUUM TRUCKS OF CANADA ULC	\$37,290.00
Van Dyk Baler Corp.	\$22,381.94
Vanguard Global Services ULC	\$7,367.00
Vecoplan, LLC	\$9,742.50
Veolia ES Canada Industrial Service	\$167.19
Village Gardens	\$165.00
Vincent Corporation	\$6,224.73
Waste Management	\$265,941.21
What's Your Sign Co.	\$2,170.98

Creditor Name	Amount Due in Cdn \$
WM Recycle America	\$68,127.67
Work Authority	\$2,630.25
Xerox Canada Ltd	\$1,341.69
XPO Logistics	\$28,835.06
Yale Industrial Trucks Inc.	\$14,188.30
ADAMS, CORY	Unknown
ADEMUJIMI, ADEDOTUN	Unknown
ALEXANDER, CHRIS	Unknown
ATTARDI, ROBERTO	Unknown
BASTIEN, BRANT	Unknown
BEAUDOIN, ARMAND	Unknown
BECHARD, KEITH	Unknown
BECHARD, NORMA	Unknown
BENOTELLI, WILLIAM	Unknown
BRASHKO, JOHN	Unknown
BROWN, MICHAEL	Unknown
BROWN, NICK	Unknown
BRUCE, JASON	Unknown
BULLEN, CAMERON	Unknown
BUNDA, DARRYL	Unknown
BUSH, JAMES	Unknown
CALVERT, KODY	Unknown
CARON, MARY	Unknown
CARTER, JEFF	Unknown
CAUDLE, CURTIS	Unknown
COLE, CRAIG	Unknown
COLLINS, STEVE	Unknown
COUNTERMAN, ANDREW	Unknown
DAVIDSON, ROB	Unknown
DELISLE, ANDREA	Unknown
DEWULF, STEPHEN	Unknown
DIGNAM, ADAM	Unknown
DION, DANIEL	Unknown
DNETTO, TERRY	Unknown
DOLSON, JOHN	Unknown
DUNCAN, MICHAEL	Unknown
DURLING, STAN	Unknown
ENGLISH, ANTHONY	Unknown
ESCALANTE, JOSE MANUEL	Unknown
EWING, DEREK	Unknown
FORD, LARRY	Unknown
FOURNIER, WESLEY	Unknown
FRANCOEUR, JOEL	Unknown
FRAWLEY, RYAN	Unknown
FULKERSON, JACE	Unknown
GEORGE, WILLIAM	Unknown
GIBBS, TODD	Unknown
GINGERICH, COLTON	Unknown
GOODALL, CAMERON	Unknown
GOODHAND, MICHAEL	Unknown
GRANDIS, JESSE	Unknown
GRANT, JASON	Unknown
GUIGNARD, LORRAINE	Unknown
HEATH, JASON	Unknown
HICKS, ROB	Unknown

Creditor Name	Amount Due in Cdn \$
HILL, SAM	Unknown
HILLIER, DAVID	Unknown
HUFFMAN, DOUG	Unknown
HUNTER, JOSHUA	Unknown
HUSSAR, RUSTY	Unknown
JANES, JAMIE	Unknown
JENKEN, NICKOLAS	Unknown
JOHNSON, CHAD	Unknown
JOLLY, JASON	Unknown
JOSE, CONSTANCIO	Unknown
KLYNE, STEVE	Unknown
KOSMAC, FRANK	Unknown
KROHM, EDWARD	Unknown
KUSHNIER, MATTHEW	Unknown
LABELLE, TIM	Unknown
LACROIX, SCOTT	Unknown
LAKER, BRIAN	Unknown
LAMBERT, MAURICE	Unknown
LAROCQUE, JAMIE	Unknown
LATIF, SHAWN	Unknown
LAWRENCE, TERRY	Unknown
LEWIS, KYLE	Unknown
LEWIS, MARK	Unknown
LOUGH, JAMES	Unknown
LUNN, MIKE	Unknown
MACAULAY, TERESA	Unknown
MACDONALD, DAVID	Unknown
MACDOUGALL, CALLUM	Unknown
MACGREGOR, KEVIN	Unknown
MacKINNON, ADAM	Unknown
MacKINNON, SANDY	Unknown
MACKLIN, SEAN	Unknown
MAINVILLE, FABIEN	Unknown
MAINVILLE, KYLE	Unknown
MANDEVILLE, ROBERT	Unknown
MARKS, JASON	Unknown
MARTIN, BARRY	Unknown
MAXFIELD, JUSTIN	Unknown
MCCONNELL, JESSE	Unknown
MCD AID, NEIL	Unknown
MCKEEGAN, PAMELA	Unknown
MCKEGNEY, MATT	Unknown
McKELLAR, TIM	Unknown
MCLINCHEY, JEFF	Unknown
MCMULLEN, DAN	Unknown
MCNALL, BRIAN	Unknown
MCQUARRIE, RICHARD	Unknown
MEAWASIGE, LAWRENCE	Unknown
METCALFE, RODNEY	Unknown
MEYSAMI, MOHAMMAD	Unknown
MILLER, SHANE	Unknown
MOOREHOUSE, ROBERT	Unknown
MORRISON, HEATHER	Unknown
MOSS, CHRIS	Unknown
MOWAT	Unknown

Creditor Name	Amount Due in Cdn \$
MURPHY, SARAH	Unknown
MYERS, DAVID	Unknown
NEELY, WILMA	Unknown
NOELS, CHAD	Unknown
O'CONNOR, PATRICK	Unknown
OLSON, NICK	Unknown
ORTINS, MATTHEW	Unknown
PELLEY, DAMIEN	Unknown
PEREZ	Unknown
PERRY, BRYAN	Unknown
PERRY, MICHAEL	Unknown
PHILLIPS, RYAN	Unknown
POIRIER, GUY	Unknown
POIRIER, NATHAN	Unknown
POWELL, MICHAEL	Unknown
RATHMELL, APRIL	Unknown
RIDLEY, TIM	Unknown
RITCHIE, LARISSA	Unknown
ROBINSON, CONNOR	Unknown
ROCHON, TYLER	Unknown
ROMERO, MANUEL	Unknown
ROSS, KAELYN	Unknown
ROSS, LANCE	Unknown
RUSSELL, ANNETTE	Unknown
SANFORD, CHRIS	Unknown
SCHNARE, DALE	Unknown
SHEEHY, PATRICK	Unknown
SIMMS, TRAVIS	Unknown
SOLOMON, GARY	Unknown
SPINKS, ROBERT	Unknown
ST. JEAN, TYSON	Unknown
STOVER, TIM	Unknown
SWAIN, RON	Unknown
THOMPSON, JAMIE	Unknown
TRUSLER, RYAN	Unknown
VALIQUETTE, LUCIE	Unknown
VAN OMMEN, STEPHANIE	Unknown
VANDENBERGHE, DOUG	Unknown
VanDERGULIK, CASSANDRA	Unknown
VANGRIMBERGHE, JUSTIN	Unknown
VANKESTEREN, BRIAN	Unknown
VANKOUGHNETT, JULIE	Unknown
VERBEKE, BONNIE	Unknown
VERNIER, STEVE	Unknown
WADE, NICOLE	Unknown
WENT, JODY	Unknown
WHITE, ANDREW	Unknown
WHITTON, ANDREW	Unknown
WHYTE, SAMANTHA	Unknown
WILLIAMS, STEPHEN	Unknown
WILSON, DEREK	Unknown
Total	\$5,454,407.20

**INVITATION FOR PROPOSALS
TO PURCHASE THE ASSETS OF
ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.**

MNP Ltd. in its capacity as Court Appointed Receiver (the “Receiver”) of Entropex, 629728 Ontario Limited and Unitec Inc. (collectively referred to as the “Companies”) hereby invites written proposals for the purchase of the Receiver’s right, title and interest, if any, in the business operations, undertaking and assets of the Companies on an en bloc basis or otherwise, on an “as is, where is” basis.

The Companies own real estate and operated a plastic recycling plant in Samia, Ontario. Assets offered for sale include:

- Machinery & Equipment
- Inventory
- Vehicles
- Office Furniture & Equipment
- Land and Buildings
- Intellectual Property

All proposals must be sealed and received in writing by the Receiver at 1002-148 Fullarton Street, London, Ontario, N6A 5P3 no later than 2:00 p.m. (EST) on Friday September 16, 2016.

The highest or any proposal will not necessarily be accepted. En bloc proposals for the purchase of the entire assets and operations of the Companies will be given special consideration. Nothing contained in this Invitation for Proposals precludes the Receiver from entering into an agreement to sell any or all assets prior to September 16, 2016.

All offers must be accompanied by a refundable deposit of 10% of the purchase price offered and conform with the terms and conditions set out by the Receiver.

If you wish to arrange an inspection of the assets and operations and or to receive a copy of the assets for sale and terms and conditions of sale, please contact Mr. John Athanasiou at john.athanasiou@mnp.ca or via telephone at (905) 538-2190.



August 16, 2016

TO: All Prospective Purchasers

RE: **ENTROPEX, 629728 ONTARIO LIMITED, UNITEC INC.**

Thank you for your interest in the sale process for Entropex, 629728 Ontario Limited, and Unitec Inc. (collectively, "**Entropex**")

On the 14th day of July, 2016, the Ontario Superior Court of Justice (the "Court") issued an order (the "Order"), which among other things, appointed MNP Ltd., ("Receiver") as the receiver of all of the property, assets and undertaking of Entropex (collectively the "Property").

Pursuant to the Order, the Receiver is authorized to market any or all of the Property, including advertising and soliciting offers with respect to 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. The Order further authorizes the Receiver to sell, convey or transfer the Property or any part or parts thereof, subject to Court approval.

Prospective purchasers ("Offerors") are invited to submit offers for the purchase of the Property en bloc or in lots. The Property is being sold on an "as is, where is" basis as shall exist on the closing date of such sale. No representations, warranties or conditions will be expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, assignability, collectability, quantity, value or quality or in respect of any other matter or thing whatsoever concerning the Property or the right of the Receiver to sell same, save and except as expressly represented or warranted in a definitive agreement of purchase and sale executed by the parties.

Access to the available information concerning the Property that is being offered for sale will be provided to Offerors upon the execution and return to the Receiver of a Confidentiality and Non-Disclosure Agreement ("**NDA**"). A copy of the NDA is attached herewith as Appendix "A" for your execution and return by email or facsimile.

Upon receipt of the executed NDA by the Receiver, Offerors will be granted access to the electronic data room made available by the Receiver, via the internet. Access to the electronic data room is on the understanding and agreement by the respective Offerors to the Legal Terms of Use and Disclaimer which is attached herewith as Appendix "**B**".

Offerors are advised that the timetable for the sale process is as follows:

Marketing and due diligence period for all Offerors:	August 16 to September 16, 2016
Deadline for submission of offer(s) from Offerors:	September 16, 2016 at 2:00p.m. London Ontario Time
Review of Offerors' offer, finalize offer, and execution of Agreement of Purchase and Sale:	As soon as possible, but no later than September 30, 2016
Apply to the Court and obtain Approval and Vesting Order with respect to the sale:	As soon as possible following the execution of Agreement of Purchase and Sale
Closing of sale:	Immediately following Court approval of the sale or as may be reasonably agreed upon.

The Receiver reserves the right to amend this timetable at its discretion.

This sale process should NOT be construed as a Sale by Tender. For greater certainty, offers will be considered on an individual basis by the Receiver as and when received. The highest or any offer may not necessarily be accepted. Offers for either all of the assets of Entropex en bloc, are preferred. However, offers for individual lots will also be considered.

Under no circumstances shall Offerors or their representatives, employees or agents directly or indirectly contact any of the employees or former employees of Entropex: (i) to answer any questions regarding the possible acquisition of all or part of the Property, (ii) to request additional information regarding the contents of any of the information previously obtained, (iii) to request a facility tour or key employee meetings, or (iv) for any reason.

All communications, inquiries, facility tours, key employee meetings and requests for information relating to this sale process or a possible transaction related to the Property should be directed to the individuals listed below:

John Athanasiou
Tel: (905) 538-2190
Email: john.athanasiou@mnp.ca

Rob Smith
Tel: (519) 964-2212
Email: rob.smith@mnp.ca

Yours very truly,

MNP Ltd.
Court-appointed Receiver of
Entropex, 629728 Ontario Limited and Unitec Inc.

Per: Robert Smith CPA, CA, CIRP, LIT
Senior Vice-President

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

To: MNP Ltd., in its capacity as
Receiver of Entropex, 629728 Ontario Limited, and Unitec Inc.
1002-148 Fullarton Street
London, ON N6A 5P3

Attention: Rob Smith
Telephone: (519) 964-2212
Facsimile: (519) 964-2210
Email: rob.smith@mnp.ca

Re: Entropex, 629728 Ontario Limited, and Unitec Inc. (collectively "Entropex")

The undersigned hereby acknowledges having been advised that:

- i) On the 14th day of July, 2016, the Ontario Superior Court of Justice (the "**Court**") issued an order (the "**Order**"), which among other things, appointed MNP Ltd. as the receiver (the "Receiver") of all of the property, assets and undertaking of Entropex (collectively the "**Property**").
- ii) Pursuant to the Order, the Receiver was authorized 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.
- iii) The Order further authorized the Receiver to sell, convey or transfer the Property or any part or parts thereof, subject to Court approval.
- iv) The Receiver has in its possession certain proprietary, non-public or confidential information, reports, communications, books, records, documents, statements, and data relating to the Property and the business of Entropex (collectively the "**Information**") for the review and further investigation, where appropriate, of any person or corporation interested in acquiring the Property.
- v) The Information is sensitive and confidential in nature, and the disclosure thereof could adversely affect the value of the Property and the business of Entropex, as well as its on-going operations.

In consideration of the disclosure by the Receiver to the undersigned of all or any portion of the Information, the sufficiency of which consideration is hereby acknowledged, the undersigned hereby undertakes and agrees as follows:

1. To maintain the Information in the strictest of confidence and to control the dissemination of the Information, including any documents or copies (paper, electronic or otherwise) and communications thereof contained in the Information in accordance with the terms and conditions of this Confidentiality and Non-Disclosure Agreement ("**NDA**");

2. Not to supply nor disclose any data, communications or documents or portions of documents included in the Information or any information included therein or any information hereinafter obtained in the course hereof or with respect hereto to any person or corporation except to the Representatives (defined below) and as otherwise specifically provided for herein;
3. Not to use the Information in any manner whatsoever, in whole or in part, other than in connection with the investigation and evaluation of the Property and the business of Entropex in relation to the sales process;
4. The Information is to be used by the undersigned, its affiliates, and their respective directors, officers, employees, accountants, attorneys, solicitors, financing sources, consultants, agents, representatives and advisors and their respective representatives, to the extent the foregoing are actually provided access to the Information by the undersigned (collectively the "Representatives"), only in connection with the consideration of a possible acquisition of the Property and the business of Entropex;
5. To advise the Representatives of the confidential nature of the Information, and to provide to those Representatives to which or to whom the Information is provided a copy of the NDA, and if such Representative is not otherwise bound by restrictions on disclosure and use similar to the obligations hereunder, to have such Representatives agree to be bound by this NDA;
6. The undersigned shall be responsible for any breach of the provisions of this NDA directly and by any of the Representatives to whom the undersigned discloses Information;
7. Without the prior consent of the Receiver, the undersigned and its Representatives shall under no circumstances contact directly or indirectly any of the employees or former employees of Entropex: (i) to answer any questions regarding the possible acquisition of all or part of the Property, (ii) to request additional information (?) regarding the contents of any of the Information previously obtained, (iii) to request a facility tour or key employee meetings, or (iv) for any reason, except in the ordinary course of business;
8. In the event that the undersigned, or any of the Representatives, or any one to whom any of them furnish some or all of the Information, receives a request or demand to disclose all or any part of such Information by a governmental body or deposition, interrogatory, court order or directive, request for documents, subpoena, civil investigative demand or similar process, the undersigned agrees to first notify the Receiver (to the extent permitted to do so by applicable law) by delivering written notice to the address noted above, so that the Receiver or its legal representative may seek an appropriate protective order; provided, however, if such protective order or other remedy is not obtained, or the Receiver waives compliance with the provisions hereof, the undersigned or such Representative, as the case may be, may only disclose such Information which the undersigned or such Representative, as the case may be, is legally required to be disclosed;
9. The term "Information" does not include and this NDA will not apply to any information that: (a) at the time of disclosure or thereafter is generally available to or known by the public (other than as a result of a disclosure by the undersigned or any of its Representatives in violation of any obligation under this NDA); (b) was available to the undersigned or any of its Representatives on a non-confidential

basis from a source other than the Receiver who, insofar as was known to the undersigned or any of its Representatives, was not prohibited from transmitting the information to the undersigned or any of its Representatives by a contractual, legal or fiduciary obligation to Entropex, the Receiver or any third party; or (c) has been independently acquired or developed by the undersigned or any of its Representatives without violation of any obligation under this NDA;

10. The undersigned shall indemnify the Receiver, Entropex and their representatives against any loss, cost, damage, expense or liability suffered or incurred by any of them as a result of or in connection with any breach by the undersigned or any of its Representatives to whom the undersigned discloses Information, of any term or provision of this NDA;
11. The undersigned acknowledges and agrees that the execution and delivery of this NDA and the delivery of the Information does not give rise to any legal obligation of the Receiver or Entropex, whether in contract, in negligence or other tort, or by way of fiduciary duty or otherwise. Without limiting the generality of the foregoing, the undersigned acknowledges and agrees that the Receiver is not and will not be under any obligation, express or implied, to provide or to continue to provide Information, to entertain any offers or proposals for the purchase of any sale, or to complete a sale or other transaction with the undersigned, unless and until the Receiver and the undersigned execute and deliver a legally binding agreement expressly providing for such obligations. Without limiting the foregoing, the undersigned acknowledges and agrees that the Receiver has not and will not give any representations or warranties, either express or implied, concerning the accuracy or completeness of, or otherwise relating in any way to, the Information, and that the Receiver and Entropex shall not have any liability whatsoever to the undersigned or any Representatives for any transaction entered into, or not entered into, or any other act, omission or decision made or taken, relying upon or in any way affected by, the Information; the foregoing being subject to any representations and warranties concerning the Information expressly given in writing in a legally binding agreement executed and delivered by the Receiver providing for a sale of the Property or parts thereof (a "**Definitive Agreement**");
12. Upon receipt of a written request to the undersigned, the undersigned and its Representatives shall promptly return to the Receiver any and all Information received and copies thereof, printed, downloaded or otherwise copied together with personal notes including written materials and any notes of verbal conversations with representatives from Entropex or the Receiver obtained in the course of any investigation and/or inspection of the business and the Property being offered for sale. The undersigned agrees to return all copies made of the Information and destroy all documents prepared based on the Information;
13. The terms of this NDA shall expire, as it relates only to the Information associated with the Property or parts thereof purchased by the undersigned, upon the completion of a Definitive Agreement, otherwise it is one (1) year from the date hereof for the expiration of the obligations and duties arising herefrom;
14. The undersigned acknowledges and agrees that it has had an opportunity to obtain independent legal advice as to the terms and conditions of this NDA and has either received same or expressly waived its right to do so;

- 15. This NDA shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. This NDA shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein;
- 16. The undersigned acknowledges and agrees with the statements, disclaimers, and terms and conditions of the Legal Terms of Use and Disclaimer set-out in Appendix "B";
- 17. No failure or delay by the Receiver or Entropex in exercising any rights, powers or privileges under this NDA shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise of any rights, powers or privileges under this NDA;
- 18. No amendment to the terms and conditions of this NDA shall be valid and binding unless made in writing and signed by an authorized representative of each of the parties hereto;
- 19. This NDA may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument;
- 20. No title or interest in the Information shall pass to the undersigned;
- 21. In addition to all remedies available to the Receiver, it is agreed that the Receiver shall be entitled to equitable relief, including an injunction or specific performance in relation to a breach of this Agreement; and
- 22. Any party may deliver an executed copy of this NDA by facsimile or email.

DATED AT _____, _____, this ___ day of _____, 2016

 (Signature of Person – Individual) OR _____
 Name: Name of Corporation (Print)
 Per:

 (Signature of Witness) OR _____
 Name: (Signature of Authorized Signing Officer)
 Name:
 Title:

I have the authority to bind the corporation

Appendix B

LEGAL TERMS OF USE AND DISCLAIMER

The information being made available at this website has been prepared and assembled from information provided by Entropex, 629728 Ontario Limited and Unitec Inc. (collectively "Entropex", or the "Companies"). Access to this website is being provided to you as you have expressed an interest in acquiring the Companies' business and assets and have executed or will be executing a Non-Disclosure and Confidentiality Agreement ("NDA") in connection thereto.

Pursuant to an Order of the Ontario Superior Court of Justice dated July 14, 2016 pursuant to section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended MNP Ltd. was appointed as receiver (the "Receiver") of the property, assets and undertaking of the Companies. Solely in its capacity as Receiver, MNP Ltd. is inviting offers for the purchase of the going concern business and/or assets of Entropex.

The sole purpose of this website and any other information obtained in the course of any investigation and/or inspection of the assets and/or business for sale is being made available to assist you in deciding whether to proceed further with your purchase investigations. This website and any other information being made available does not purport to be all-inclusive or to necessarily contain all the information that a prospective purchaser may require in connection with its investigations into the operations of Entropex.

Except as otherwise indicated, no independent accountant has audited, reviewed, compiled or is in any way associated with any of the information being provided nor has an independent accountant expressed any conclusion thereon or given any other form of assurance with respect thereto. Notwithstanding, any forms of assurance that may be contained in any of the information provided or obtained in the course of any investigation and/or inspection of the assets and/or business for sale, the Companies and the Receiver, their officers, directors and employees, caution that such information may contain errors and/or omissions which may be material. The Information contained on this website is provided strictly for information purposes. You must rely entirely on your own due diligence.

The Companies and the Receiver, their officers, directors and employees, make no representations or warranties and each expressly disclaims any and all liability for any errors and/or omissions which may be contained in the information being made available at this website or any other information obtained in the course of any investigation and/or inspection of the assets and/or business for sale from the Companies or the Receiver.

In accordance with the terms of the NDA executed/to be executed by you, the information being made available to you at this website or any other information to be made available to you by Entropex or the Receiver is to be kept confidential and upon the express understanding that it will be used only for the purposes set forth above and in the NDA.

The information being made available at this website is confidential and may not be photocopied, reproduced, transmitted or distributed to any other person at any time, except for the purposes of obtaining professional advice, without the prior written consent of the Receiver. Upon receipt of a written request, you agree to promptly return to the Receiver all information received, printed, downloaded or personal notes including written materials and any notes of verbal conversations with representatives from Entropex or the Receiver obtained in the course of any investigation and/or inspection of the assets and/or business for sale.

In providing access to this website, neither Entropex nor the Receiver accepts any obligation to provide you with access to any additional information about the Companies, their business or operations. The information being made available to you at this website or any other information to be made available to you by the Companies or the Receiver shall not be deemed to be an indication of the current or future state of affairs of Entropex nor shall it constitute a representation that there has been no change in the business or affairs of Entropex since the date thereof.

The Receiver reserves the right to negotiate in its absolute discretion with one or more prospective buyers at any time and to enter into a definitive agreement for the sale of Entropex assets and/or business without prior notice to you or any other interested party all in accordance with the Invitation for Proposals. Also, the Receiver reserves the right not to sell the business or assets and to terminate, at any time, further participation in the investigation and sale process by you or any other party and to modify any data, documentation and other procedures relating to the proposed sale without assigning any reason thereto.

Under no circumstances shall any of Entropex employees be contacted directly to answer any questions regarding: (i) a possible acquisition of the assets; (ii) requests for additional information regarding the contents of any information previously provided; (iii) requests for facility tours or management meetings; or (iv) for any other reasons, other than in the ordinary course of business if you already had a pre-existing business relationship.

MNP Ltd. is providing access to, and the Information found on this website, solely in its capacity as Receiver and not in any other capacity or role.