

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

ANTHONY WHITEHOUSE

Plaintiff

and

BDO CANADA LLP

Defendant

**MOTION RECORD OF THE PLAINTIFF  
VOLUME 14 OF 20**

June 15, 2018

**ADAIR GOLDBLATT BIEBER LLP**

95 Wellington Street West  
Suite 1830, P.O. Box 14  
Toronto ON M5J 2N7

Simon Bieber (56219Q)

Tel: 416.351.2781

Email: sbieber@agbllp.com

Nathaniel Read-Ellis (63477L)

Tel: 416.351.2789

Email: nreadellis@agbllp.com

Iris Graham (69986C)

Tel: 416.351.2793

Email: igraham@agbllp.com

Tel: 416.499.9940

Fax: 647.689.2059

Lawyers for the Plaintiff  
Anthony Whitehouse

TO: **BLAKE CASSELS & GRAYDON LLP**  
Barristers and Solicitors  
199 Bay Street  
Suite 4000  
Box 25  
Commerce Court West  
Toronto ON M5L 1A9

Nigel Campbell  
Tel: 416.863.2429  
Email: [nigel.campbell@blakes.com](mailto:nigel.campbell@blakes.com)

Andrea Laing  
Tel: 416.863.4159  
Email: [andrea.laing@blakes.com](mailto:andrea.laing@blakes.com)

Doug McLeod  
Tel: 416.863.2705  
Email: [doug.mcleod@blakes.com](mailto:doug.mcleod@blakes.com)

Tel: 416.863.4300  
Fax: 416.863.2653

Lawyers for the Defendant  
BDO Canada LLP

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Court File No. CV-17-11779-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**ONTARIO SECURITIES COMMISSION**

Applicant

- and -

**CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CLJ EVEREST LTD., 1150752 ONTARIO LIMITED, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE FUND, and CHRYSALIS YOGA INC.**

Respondents

**Application under Section 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended**

**MOTION RECORD  
Volume 2 of 3**

Date: November 24, 2017

**AIRD & BERLIS LLP**  
Barristers & Solicitors  
Brookfield Place  
181 Bay Street, Suite 1800  
Toronto, Ontario M5J 2T9

**Steven L. Graff (LSUC # 31871V)**  
Tel: (416) 865-7726  
Fax: (416) 863-1515  
E-mail: [sgraff@airdberlis.com](mailto:sgraff@airdberlis.com)

**Mark van Zandvoort (LSUC # 59120U)**  
Tel: (416) 865-4742  
Fax: (416) 863-1515  
E-mail: [mvanzandvoort@airdberlis.com](mailto:mvanzandvoort@airdberlis.com)

**Timothy Jones (LSUC # 72265S)**  
Tel: (416) 865-3086  
Fax: (416) 863-1515  
E-mail: [tjones@airdberlis.com](mailto:tjones@airdberlis.com)

*Lawyers for Grant Thornton Limited, in its  
capacity as Court-Appointed Receiver of the  
Crystal Wealth Group*

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Court File No. CV-17-11779-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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**ONTARIO SECURITIES COMMISSION**

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Overseas European Holdings Limited  
145-157 St. John Street,  
London  
EC1V 4PW

Mandate Letter and Terms Sheet

To: Mr. Darcy Pahl / Managing Director,  
Dome Mountain Resources of Canada Inc.  
112 Cranston Drive SE, Calgary, Alberta, T3M 1A8, Canada  
("Borrower")

November 7th, 2015

**Dome Mountain – Acquisition of Gavin Mines Inc.**

We refer to the proposed acquisition ("**Acquisition**") by Dome Mountain Resources of Canada Inc ("**Dome**" and "**Borrower**") of Gavin Mines Inc (the "**Target**").

Overseas European Holdings Limited ("**OEHL**") (or one of its affiliates) has agreed in principle, and subject to the satisfaction of certain conditions, to issue a bond ("**Bond**") to finance the Acquisition and prior to the issue of the Bond to assist in procuring a provision of bridge funding to finance drilling operations of the Target ("**Bridge Funding**").

OEHL and its affiliate MGE Corporation Limited ("**MGE**") will work with Dome on a reasonable efforts basis subject (inter alia) to the conditions set out at clause 1 below to assist in raising finance for the Bridge Funding to be secured 100% of the Target assets.

OEHL has agreed to on-lend part of the Bond proceeds to be secured 100% of the Target assets and the Dome assets, subject (inter alia) to the conditions set out at clause 2 below, to the Borrower to fund the Acquisition, capital expenditure and refinance the Bridge Facility on the indicative terms set out in the attached terms sheet (headed the "**Acquisition Loan Terms Sheet**"). The loan to be made referred to in the Acquisition Loan Terms Sheet is referred to as the "**Acquisition Loan Facility**".

**1 Bridge Funding Conditions**

1.1 OEHL is willing to work with Dome on a reasonable efforts basis to procure provision of the Bridge Loan Facility subject to (without limitation):

- (a) Compliance by Dome and the Target with OEHL, MGE and their affiliates and agents client take on procedures;
- (b) Compliance by Dome and the Target with the provider of such Bridging Loan Facility ("**Bridge Funder**") their affiliates and agents client take on procedures;
- (c) Compliance by Dome and the Target with the Bridge Funder's conditions to Bridge Funding including all financial commercial and legal due diligence and provision of all necessary regulatory approvals in connection with the Bridging Loan Facility from any relevant authorities in any relevant jurisdictions;
- (d) The preparation, execution and delivery of the loan and security documents in form and substance satisfactory to the Bridge Funder; and
- (e) The Bridge Funder obtaining all relevant internal and external approvals with respect to the Bridging Loan Facility.



## **2 Bond Conditions**

- 2.1 OEHL is willing to provide the Acquisition Loan Facility subject to (without limitation):
- (a) Compliance by the Borrower with OEHL (and its affiliates and agents) client take on procedures;
  - (b) The preparation, execution and delivery of the loan and security documents referred to in the Terms Sheet in form and substance satisfactory to OEHL;
  - (c) OEHL obtaining all relevant internal and external approvals with respect to the Loan Facility;
  - (d) Successful issuance of the Bond;
  - (e) Completion of legal, technical, financial and regulatory due diligence in respect of the Borrower, Borrower and the Project (including without limitation, the supply to OEHL of technical, legal and financial reports on which OEHL can rely), the results being in all respects satisfactory to OEHL acting reasonably in the context of the potential securitisation of the Loan Facility; and
  - (f) the Borrower and OEHL obtaining all necessary regulatory approvals in connection with the Loan Facility and the Project from any relevant authorities in any relevant jurisdictions.

## **3 Fees, Costs and Expenses**

- 3.1 The Borrower shall be required to pay OEHL an arrangement fee on loan disbursement equal to 3% of the Loan Facility.
- 3.2 The Borrower shall issue to OEHL 30% of the equity share capital in the Borrower on loan disbursement.
- 3.3 The Borrower shall be responsible for payment of all 3<sup>rd</sup> party fees in relation to the Loan Facility and the Bond including, inter alia, legal fees, rating fees and accountancy fees. OEHL will negotiate and agree these fees on behalf of and with the Borrower.
- 3.4 By signing this letter, the Borrower agrees that if it does not proceed with the Loan Facility, it will within thirty Business Days of demand thereof indemnify OEHL against any reasonable direct cost, expense, loss or liability (including without limitation legal fees) incurred by OEHL in arranging the Loan Facility. OEHL's certification of such amount shall be final and binding in the absence of manifest error.

## **4 Payments**

- 4.1 All payments to be made under this letter:
- (a) shall be paid in the currency of invoice and in immediately available, freely transferable cleared funds to such account with such bank as OEHL may notify the Borrower;
  - (b) shall be paid without any deduction or withholding for or on account of tax (a "Tax Deduction") unless a Tax Deduction is required by law. If a Tax Deduction is required by law to be made, the amount of the payment due shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required; and
  - (c) are exclusive of any value added tax or similar charge ("VAT"). If VAT is chargeable, the Borrower shall also and at the same time pay to the recipient of the relevant payment an amount equal to the amount of the VAT.



## 5 Indemnity

- 5.1 Whether or not the full suite of financial documentation is signed, the Borrower agrees within thirty Business Days of demand to indemnify each Indemnified Person against any reasonable direct cost, expense, loss or liability (including without limitation legal fees) incurred by or awarded against that Indemnified Person in each case arising out of or in connection with any action, claim, investigation or proceeding commenced or threatened (including, without limitation, any action, claim, investigation or proceeding to preserve or enforce rights) (each a Loss) in relation to information supplied by or on behalf of the Borrower to OEHL in connection with the Loan Facility and the Bond.
- 5.2 The Borrower will not be liable under clause 4.1 for any loss that results directly from negligence, fraud or wilful misconduct of that Indemnified Person.
- 5.3 OEHL shall not have any duty or obligation, whether as fiduciary for any Indemnified Person or otherwise, to recover any payment made or required to be made under this paragraph 4.
- 5.4 The Borrower agrees that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Borrower or any of its affiliates for or in connection with the matters contemplated by this letter unless such liability is finally judicially determined to have resulted directly from the gross negligence or wilful misconduct of that Indemnified Person.
- 5.5 Notwithstanding clause 4.4 above, neither the Borrower nor any Indemnified Person shall be responsible or have any liability for indirect loss or consequential losses or damages such as loss of profit etc. unless caused by gross negligence or wilful misconduct.
- 5.6 OEHL undertakes promptly to notify the Borrower upon becoming aware of any circumstances which may give rise to a claim for indemnification by any Indemnified Person and to consult with the Borrower (and procure that any other Indemnified Person consults with the Borrower) with respect to the conduct of any dispute, proceedings or litigation (save in each case in relation to information which is attorney/client privileged or in respect of which OEHL is under a duty of non-disclosure) and shall not settle any such dispute, proceedings or litigation without the Borrower's prior written consent (not to be unreasonably withheld or delayed).
- 5.7 Each Indemnified Person shall in consultation with the Borrower take all reasonable steps to mitigate any loss.
- 5.8 "Indemnified Person" means OEHL and their affiliates and each of their (or its affiliates') directors, officers, employees and agents.
- 5.9 The Contracts (Rights of Third Parties) Act 1999 shall apply to this paragraph but only for the benefit of the Indemnified Persons who are not a party to this letter.

## 6 Information

- 6.1 The Borrower represents and warrants that:
  - (a) any factual information provided to OEHL by or on behalf of it is complete and accurate in all material respects as at the date it is provided or as at the date (if any) at which it is stated;
  - (b) nothing has occurred or been omitted and no information has been given or withheld that results in the information being untrue or misleading in any material respect; and
  - (c) any financial projections that have been or will be prepared and provided OEHL have been or will be prepared on the basis of recent historical information and on the basis of reasonable assumptions.



6.2 The representations and warranties set out in paragraph 5.1 above are deemed to be made by the Borrower daily by reference to the facts and circumstances then existing commencing on the date of this letter and continuing until the date on which the Loan Facility is entered into ("Signing Date").

6.3 The Borrower shall within reasonable time notify OEHL in writing if any representation and warranty set out in paragraph 5.1 above is incorrect or misleading and agrees to amend such information promptly from time to time to ensure that each such representation and warranty is correct when made. Should the Borrower amend incorrect or misleading information within reasonable time then the information shall be deemed to be in accordance with paragraph 5.1 above.

## **7 Confidentiality**

7.1 The Loan Facility, this Mandate Letter, the Bond and the Project are confidential. Neither OEHL nor the Borrower or the Borrower's affiliates shall disclose them or their contents or any information relating to or concerning them to any other person without the prior written consent of the other parties to this letter except:

- (a) as required by law or by any applicable governmental or other regulatory authority or by any applicable stock exchange; and
- (b) to its employees, agents, sub-contractors and professional advisers for the purposes of the Facility who have been made aware of and agreed to be bound by the obligations under this paragraph or are in any event subject to confidentiality obligations as a matter of law or professional practice.

## **8 Publicity/Announcements**

8.1 All publicity in connection with the Loan Facility shall be managed by OEHL after written approval of the Borrower.

8.2 No announcements regarding the Financing or any roles shall be made without the prior written consent of OEHL unless required pursuant to clause 6.1(a).

## **9 Assignments**

The parties may not assign or transfer any of its rights or obligations under the Commitment Documents without the prior written consent of the other party.

## **10 Termination**

10.1 Following execution by each party of this letter and up to the Signing Date:

- (a) OEHL may terminate its obligations under this letter with immediate effect by notifying the Borrower in writing if the Borrower is in material breach of any provision of this letter or if any of the conditions in clause 1 of this letter are not met;
- (b) the Borrower may terminate the appointment of OEHL with immediate effect by notifying OEHL in writing if OEHL is in material breach of any provision of this letter or if OEHL indicates that it is not prepared to proceed with the Loan Facility; and
- (c) The Borrower shall remain liable following termination for all fees costs and expenses then due and payable by it under this letter.

10.2 Unless terminated earlier, the obligations under this letter shall expire and terminate on the earliest of:

- (a) the date falling on the first anniversary of this letter ("Termination Date"); and



(b) the Signing Date.

# **11 Survival**

Except for clause 1(Conditions), 4(Indemnity) and 9(Termination) the terms of this letter shall survive and continue after the Signing Date.

# **12 Miscellaneous**

12.1 The failure to exercise or delay in exercising a right or remedy under this letter shall not constitute a waiver of the right or remedy or a waiver of any other rights or remedies and no single or partial exercise of any right to remedy shall preclude any further exercise thereof, or the exercise of any other right or remedy. Except as expressly provided in this letter, the rights and remedies contained in this Letter are cumulative and not exclusive of any rights or remedies provided by law.

12.2 This letter sets out the entire agreement between the Borrower and OEHL as to the Loan Facility and supersedes any prior oral and/or written understandings or arrangements relating to the Loan Facility.

12.3 Any provision of this letter may only be amended or waived in writing signed by the Borrower and OEHL.

# **13 Third Party Rights**

13.1 Except as otherwise expressly provided in this letter, the terms of this letter may be enforced only by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.

13.2 Notwithstanding any term of this letter, no consent of a third party is required for any termination or amendment of this letter.

# **14 Notices**

14.1 Any communication to be made under or in connection with any Commitment Document shall be made in writing and, unless otherwise stated in the relevant Commitment Document, may be made by fax or letter.

14.2 Communications or documents to be given to the Borrower or OEHL under this letter shall be sent to it at the address set out with its signature below.

14.3 Communications or documents made or delivered by one person to another under or in connection with the Commitment Documents will be effective:

- (a) by way of email to the email address on the signing pages of this letter;
- (b) if by way of fax, when received in legible form; or
- (c) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post, postage prepaid, in an envelope addressed to the relevant recipient at that address.

# **15 Counterparts**

This letter may be executed in any number of counterparts and all those counterparts taken together shall be deemed to constitute one and the same letter.

# **16 Governing Law and Jurisdiction**

16.1 This letter and any non -contractual obligations arising out of or in connection with it is



governed by and construed in all respects in accordance with English law. The parties submit to the non-exclusive jurisdiction of the English courts.

The Borrower agrees to the above terms and conditions and acknowledges its agreement and acceptance of the offer by signing and returning the enclosed copy of this letter.

Yours faithfully

For and on behalf of

**Overseas European Holdings Limited**

Address:

145-157 St. John Street,  
London  
EC1V 4PW

Attention: Chris Brierley

[Chris.brierley@wragge-law.com](mailto:Chris.brierley@wragge-law.com)

The Borrower acknowledges and agrees to the above

for and on behalf of

**Dome Mountain Resources of Canada Inc.**

112 Cranston Drive SE, Calgary, Alberta, T3M 1A8, Canada

Attention: Mr. Darcy Pahl, Managing Director,

Email: [ddp.icc@gmail.com](mailto:ddp.icc@gmail.com)



governed by and construed in all respects in accordance with English law. The parties submit to the non-exclusive jurisdiction of the English courts.

The Borrower agrees to the above terms and conditions and acknowledges its agreement and acceptance of the offer by signing and returning the enclosed copy of this letter.

Yours faithfully

For and on behalf of

**Overseas European Holdings Limited**

Address:

145-157 St. John Street,  
London  
EC1V 4PW

Attention: Chris Brierley

[Chris.brierley@wragge-law.com](mailto:Chris.brierley@wragge-law.com)

The Borrower acknowledges and agrees to the above

  
for and on behalf of

**Dome Mountain Resources of Canada Inc.**

112 Cranston Drive SE, Calgary, Alberta, T3M 1A8, Canada

Attention: Mr. Darcy Pahl, Managing Director,

Email: [ddp.icc@gmail.com](mailto:ddp.icc@gmail.com)



**INDICATIVE TERM SHEET  
(ACQUISITION LOAN FACILITY)**

|                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>TERMS OF THE FACILITY</b>                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Lender</b>                                         | OEHL affiliate of bond issuer                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Borrower:</b>                                      | Dome Mountain Resources of Canada Inc.<br>112 Cranston Drive SE, Calgary, Alberta,<br>T3M 1A8, Canada<br>(the "Borrower").                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Loan Amount:</b>                                   | Total US\$[80] million                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Interest Rate:</b>                                 | 8.5% per annum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Interest Payments:</b>                             | Bi-annually                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Facility Type:</b>                                 | Amortising Term Loan facilities ("Facility")                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Purpose:</b>                                       | To finance the acquisition of 100% of the issued share capital of [Target], to refinance the Bridging Facility and capex                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Drawdown Availability:</b>                         | May 31, 2016 or 30 days after drilling program, whichever date is later.                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Principal Repayment Schedule:</b>                  | The Facility will amortise down to zero by the Loan Maturity Date (as defined below) according to a semi-annual scheduled repayment schedule.                                                                                                                                                                                                                                                                                                                                                      |
| <b>Proposed payment priority waterfall:</b>           | <p>The Facility will contain a waterfall indicating the priority of application of cash receipts and payments to be agreed on each Interest Payment Date but to include and reflecting the following priorities:</p> <ul style="list-style-type: none"> <li>- Operating costs</li> <li>- Opex Reserve Account</li> <li>- Maintenance Reserve Account (pari passu)</li> <li>- Debt service costs</li> <li>- DSRA</li> <li>- Agreed non-priority operating costs</li> <li>- Distributions</li> </ul> |
| <b>Debt Service Reserve Account ("DSRA Account"):</b> | An account in the name of the Borrower in an amount to be agreed following final modelling Debt Service Costs during construction phase to                                                                                                                                                                                                                                                                                                                                                         |



# Overseas European Holdings Ltd.

|                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                       | <p>be placed in a blocked account with the Account Bank and charged to the Trustee</p> <p>DSRA Account shall be deposited in a charged account with a Moody's P-1 rated bank.</p> <p>DSRA Account will be subject to security under the Borrower Deed of Charge and remain under sole control of the Borrower Cash Manager.</p>                                                                                |
| <b>Opex Reserve Account ("Opex Reserve Account"):</b> | An account in the name of the Borrower in an amount to be agreed following final modelling                                                                                                                                                                                                                                                                                                                     |
| <b>Loan Payment Dates:</b>                            | Annually on each anniversary of the Loan                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Day Count:</b>                                     | ACT/ACT                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Loan Maturity Date:</b>                            | Loan Payment Date falling in [10 years from closing] 2026                                                                                                                                                                                                                                                                                                                                                      |
| <b>Repayment:</b>                                     | If not redeemed earlier, in full on the Loan Maturity Date                                                                                                                                                                                                                                                                                                                                                     |
| <b>Prepayment:</b>                                    | <p>Permitted at any time from the date 24 months from drawdown of the Facility and subject to:</p> <ul style="list-style-type: none"> <li>i. the whole of the Facility being prepaid;</li> <li>ii. 7 business days' notice; and</li> <li>iii. Payment of the Make-Whole Provision Amount (Spens).</li> </ul>                                                                                                   |
| <b>Make-Whole Provision Amount:</b>                   | Make-Whole Provision Amount will be calculated using Spens formula (mirroring repayment penalties under the Bond.                                                                                                                                                                                                                                                                                              |
| <b>Distributions:</b>                                 | Permitted subject to (i) all required payments to be made to the DSRA Account having been made so that the balance of the DSRA Account is no less than the required level at that time; and (ii) no events of default / DSCR Trigger having occurred and be continuing.                                                                                                                                        |
| <b>Other Bank Accounts:</b>                           | <p>All revenues will be paid directly into a common account held by the Borrower (the "Account").</p> <p>The Account will be subject to security under the Borrower Deed of Charge and will remain under the sole control of the Borrower Cash Manager at all times.</p> <p>The Borrower may also retain a General Account for working capital purposes. Each General Account will be subject to security.</p> |
| <b>Account Bank:</b>                                  | [To be agreed]                                                                                                                                                                                                                                                                                                                                                                                                 |



# Overseas European Holdings Ltd.

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Conditions Precedent:</b></p> | <p>As required for facilities of this nature to include</p> <p>Specifically, prior to completion, the following in a form and substance satisfactory to the Arranger:</p> <p>Full legal diligence including over title to real estate and ownership of intellectual property rights to use the system;</p> <p>Satisfaction with intellectual property rights for dual fuel system</p> <p>Satisfaction with fuel supply and off take arrangements;</p> <p>Satisfaction with equity share rights and exit strategy;</p> <p>Evidence of the existence or all approvals, permissions and licences required for the Project;</p> <p>Evidence that all insurance policies and documents are in place;</p> <p>The security documents;</p> <p>Bank account mandates;</p> <p>Approval of tax structure;</p> <p>Evidence of compliance with regulatory and Lender requirements for client adoption, account opening and money laundering purposes;</p> <p>Financial model review of the financial model;</p> <p>Confirmation of no other material financial indebtedness within the Borrower other than any intercompany loans which will be equity-like in effect and subject to appropriate inter-creditor deed; and</p> <p>Other due diligence requirement as reasonably required for a facility of this nature.</p> |
| <p><b>Security</b></p>              | <p>Standard security for a loan of this nature including, but not limited to the following and its equivalent in each relevant jurisdiction:</p> <p>Full fixed and floating debenture over the assets of the Borrower;</p> <p>Security over the shares in the Borrower by way of specific pledge;</p> <p>Assignment by way of security of all operating and supply contracts;</p> <p>Assignment of all insurance policies;</p> <p>Assignment of manufacturer warranties;</p> <p>Assignment of intellectual property rights over the system;</p> <p>Negative pledge in relation to all assets of the</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |



# Overseas European Holdings Ltd.

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                  | <p>Borrower;</p> <p>Step-in rights/direct agreements in favour of the Lender under all key contracts including feedstock supply and off takes;</p> <p>Subordination agreements with the Issuer, the Issuer Security Trustee, the Borrower Security Trustee and the Borrower;</p> <p>Security over bank accounts; and</p> <p>Intercreditor/subordination deed (where other parties have financial indebtedness to the Borrower) giving the Lender full priority (where relevant).</p>                                                  |
| <b>Debt Service Cover Ratio:</b> | <p>The Debt Service Cover Ratio ("DSCR") definition to be agreed but suggested as the ratio of Cashflow to Debt Service calculated as at each Interest Payment Date as follows and to include both measures below:</p> <p>12 month actual historic (beginning on 1st anniversary); and</p> <p>12 month forward-looking, based on forecast assumptions and numbers Projected in the agreed financial close model, as adjusted for 12 months historic data with respect to the performance ratio, availability and irradiance only.</p> |
| <b>Covenant Testing</b>          | Semi-annual on each loan payment date, to be certified by two directors of the Borrower.                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>DSCR Covenant:</b>            | <p>The DSCR Covenant to be agreed.</p> <p>An un-remedied breach of the DSCR Covenant constitutes an Event of Default.</p>                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>DSCR Trigger:</b>             | A DSCR Trigger occurs and is continuing at any time where the Debt Service Cover Ratio as at the then most recent Interest Payment Date is less than or equal to [to be agreed](the "DSCR Trigger Ratio").                                                                                                                                                                                                                                                                                                                            |
| <b>Cashflow:</b>                 | Definition to be agreed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Debt Service:</b>             | <p>To be agreed but suggested as, in respect of any Interest Period, the aggregate:</p> <ul style="list-style-type: none"> <li>a) all accrued interest, commissions, fees, discounts, premiums or charges and other finance payments in respect of the Facility; and</li> <li>b) all scheduled and mandatory repayments of Facility falling due,</li> </ul> <p>in each case during such Interest Period (and, for the avoidance of doubt, taking into account</p>                                                                     |



|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                | any indexation).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Cash Trap:</b>                              | <p>To be agreed but suggested as to the extent the DSCR Trigger has occurred and is not remedied within 10 business days all surplus Generation income after interest and principal obligations will be transferred to the Debt Service Reserve Account on the following Interest Payment Date with the amounts trapped released back to the Borrower Group once the DSCR is restored above [to be agreed] over two consecutive Interest Periods.</p> <p>The balance standing to the credit of the Debt Service Reserve Account is capped at the greater of:</p> <ol style="list-style-type: none"> <li>(1) [to be agreed]% of the Principal Amount Outstanding; and</li> <li>(2) the lower of (i) US\$[to be agreed] million or (ii) the Total Principal Amount Outstanding less the amount credited in the DSRA.</li> </ol> |
| <b>Property Covenants and Other Covenants:</b> | <p>As required for facilities of this nature, but to include:</p> <ol style="list-style-type: none"> <li>a) all income received from production to be credited to Project Accounts;</li> <li>b) maintenance of appropriate insurances; provision of information as required in Information Requirements;</li> <li>c) maintenance of and conformity to all government / regulatory / consents / licences;</li> <li>d) compliance with all material obligations in key agreements; and</li> <li>e) limitation on further indebtedness to Borrower.</li> </ol>                                                                                                                                                                                                                                                                   |
| <b>Information Requirements:</b>               | <p>Standard for a facility of this nature, including but not limited to annual audited accounts for the Borrower, updated cashflow model, annual meeting with the management of the Borrower, semi-annual report detailing technical, operating and financial performance of systems, cash management reports.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |



|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Events of Default:</b> | <p>Standard clauses for facilities of this nature (including, without limitation):</p> <ul style="list-style-type: none"> <li>a) failure to pay any sum when due;</li> <li>b) breach of DSCR Covenant;</li> <li>c) cross default of sum greater than £10,000;</li> <li>d) insolvency;</li> <li>e) major damage in circumstances where it is reasonably likely the Borrower will not be able to comply with its payment obligations under the financing or the cover ratios (having regard to sums available to it from available insurance proceeds); and</li> <li>f) cessation of business.</li> </ul> |
| <b>Costs</b>              | All legal and other fees, costs and expenses (plus VAT) incurred by the Arranger and approved by the Borrower in connection with the negotiation, preparation, execution and printing of the Documentation is for the account of the Borrower.                                                                                                                                                                                                                                                                                                                                                          |
| <b>Taxes</b>              | All payments to be made by the Borrower/Lender must be made free and clear of withholding and any other taxes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Governing law</b>      | England and Wales                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Jurisdiction</b>       | Courts of England and Wales                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

# TAB 20



ACTIVE CAPITAL  
REINSURANCE, LTD.

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INSURANCE COVER NOTE  
CAD-MGEC-112015

**TYPE:** Performance Guarantee Bond.

**INSURED:** MGE Corporation Limited, Level 18, 40 Bank Street, Canary Wharf, E14 5NR United Kingdom

**GUARANTOR:** Active Capital Re Ltd.

**UNDERWRITING AGENCY:** Global BRG, LLC (a Florida Company) - (Global)

**PERIOD:** From: 6<sup>th</sup> November 2015.  
To: 5<sup>th</sup> November 2016.  
Both days inclusive.

**SUM INSURED:** CAD 12,000,000.00

**LOCATION:** Canada

**BENEFICIARY:** Crystal Wealth Management System Limited (In Trust) whose registered office is at 3385 Harvester Road, Suite 200, Burlington, ON, L7N 3N2, as Lender.

**CONDITIONS:** As Per Performance Guarantee Wording as attached.  
Sanctions Limitation and Exclusion Clause as attached.  
Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (CL. 370).  
Institute Cyber Attack Exclusion Clause 10/11/03 (CL. 380).

**SUBJECTIVITIES:** Subject to sight of lender term sheet.



**ACTIVE CAPITAL  
REINSURANCE, LTD.**

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**CHOICE OF LAW  
& JURISDICTION:**

This insurance shall be governed by and construed in accordance with the law of England and Wales. Each party agrees to submit to the exclusive jurisdiction of any competent court within England and Wales.

**PREMIUM:** CAD 600,000

**PREMIUM PAYMENT**

**TERMS:** 90 day premium payment condition - LSW 3001(amended) as attached.

**PREMIUM PAYMENT:**

|                   |                        |
|-------------------|------------------------|
| Account Name:     | GLOBAL BRG LLC         |
| Bank::            | CITIBANK, N.A.         |
| Branch:           | Weston, FL 33326 - USA |
| Swift:            | CITIUS33               |
| ABA:              | 266086554              |
| Checking Account: | 9134601398             |



ACTIVE CAPITAL  
REINSURANCE, LTD.

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**PERFORMANCE GUARANTEE**

Date: 6<sup>th</sup> November 2015

To: Crystal Wealth Management System Limited (In Trust) whose registered office is at 3385 Harvester Road, Suite 200, Burlington, ON, L7N 3N2, as Lender, the "Beneficiary" or "you", or "Insured")

From: Active Capital Re, Ltd., (the "Guarantor" or "we");

Covered Period: 6<sup>th</sup> November 2015 to 5<sup>th</sup> November 2016

Total Premium: \$600,000

Underwriting Agency: Global BRG, LLC (a Florida Company) - (Global)

We refer to the CAD 12,000,000 Loan due 2016 (the "Loan") available on or around the date of this Guarantee by MGE Corporation Limited, whose registered office is at 145-147 St. John Street, London, EC1V 4PW (the "Issuer").

Words and expressions used in this Performance Guarantee shall have the meanings given in the Loan Agreement and the Conditions unless otherwise stated.

**1. Covenant to Pay:**

We hereby guarantee punctual payment of the principle payable by the Borrower under the Loan for the Loan maturity falling in November 2016 (the "Guaranteed Obligations") in the amount not in excess of the Guarantee Limit and otherwise in accordance with the terms of this Performance Guarantee.

**2. Guarantee Limit:**

Amount payable under this Performance Guarantee shall not exceed an aggregate amount of CAD 12,000,000 falling in November 2016, plus your reasonable costs of enforcement (if any) of this Performance Guarantee (the "Guarantee Limit").

**3. Claims:**

Any claim under this Performance Guarantee (any, a "Claim") shall be made in writing by the Beneficiary in accordance with Clause 13 (*Notices*) below within 10 (ten) Business Days following the Beneficiary's receipt of a notice that a payment default has occurred under Condition [9] of the Loan. Any Claim shall specify the



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due date for payment of such Guaranteed Obligation, the amount of such unpaid Guaranteed Obligation and that such Guaranteed Obligation remains unpaid. The Guarantor shall be entitled to assume that the information set out in the Claim demand is accurate and genuine and has been duly signed on behalf of the Beneficiary.

4. **Payment:**

Following receipt of a Claim from the Beneficiary in accordance with Clause 2 (*Claims*) above, the Guarantor shall pay to the Beneficiary the amount claimed no later than 10 (ten) Business Days in Canadian Dollars by wire transfer of immediately available funds to the account specified in the Schedule hereto (the "**Payment Account**") without setoff, counterclaim, deduction or withholding of any nature whatsoever.

5. **Primary and Independent Obligation:**

This Performance Guarantee constitutes our primary and independent obligation to make payment to you in accordance with the terms of this Performance Guarantee, and we hereby agree to pay you within 10 (ten) Business Days following receipt of your written demand, any cost, loss or liability suffered by you if any Guaranteed Obligation is or becomes unenforceable, invalid, illegal or uncollectible for any reason whatsoever. The amount of the cost, loss or liability shall be equal to the amount which you would otherwise have been entitled to recover, subject to the Guarantee Limit.

6. **Exclusion of Specific Defenses:**

This Performance Guarantee and our obligations hereunder shall not be contingent upon the legal relationship between the Beneficiary and the Insured or between the Insured and any other person and shall not be affected by an act, omission, matter or thing which, but for this Clause 6 (*Exclusion of Specific Defences*), would reduce, release or prejudice any of the Insured's obligations under or in respect of the Loan, the Conditions, the Loan Agreement, the Conditions (without limitation and whether or not known to the Guarantor or you) or the Guarantor's obligations under this Performance Guarantee, unless as defined in the conditions stated under this clause, including:

- (a) Any defect in any provision of the Loan, the Conditions, the Loan Agreement or any other document or instrument,
- (b) Any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Insured or any other person.



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- (c) Any inadequate representation of the Insured or any other person, not inclusive of fraud or misrepresentation of facts.
- (d) any absence of licences or other authorisations or any factual or legal restrictions or limitations currently existing or subsequently introduced in the jurisdiction of the Insured (including, but not limited to, force majeure or any event or action delaying or preventing any conversion or transfer to or receipt by you in the account agreed to by you),
- (e) the taking, existence, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any other collateral provided to you for the Indebtedness, and your legal relationship with any provider of such other collateral, or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security,
- (f) any time, waiver or consent granted to, or composition with, the Insured or any other person.
- (g) any supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement of the Loan, the Conditions, the Loan Agreement or any other document or instrument, provided that no such amendment or other modification shall (i) increase the amount payable by the Guarantor hereunder or (ii) without the consent of the Guarantor, change the timing of the payment of any Guaranteed Obligation by the Guarantor hereunder.
- (h) Guarantor can and will reinsure all or part of this Performance Guarantee. Reinsurer terms and condition will be stated on the "Reinsurance Cover Note".
- (i) any insolvency or similar proceedings in respect of the Insured or any other person.

**7. No setoff, Withholding, etc.:**

Any amount payable by us hereunder will be paid free and clear of and without set-off, counterclaim, deduction or withholding unless compelled by law, in which event we will pay such additional amounts as will result in the receipt by you of the amounts which you would otherwise have been payable by us to you in accordance with this Performance Guarantee in the absence of any such set-off, counterclaim, deduction or withholding.

**8. Limitation of Subrogation:**

So long as any amount remains payable by the Insured to you under or in connection with the Loan, we undertake not to assert any claim we may have against the Insured



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by reason of the performance of our obligations under this Performance Guarantee, whether on contractual grounds or on any other legal basis, until the Secured Obligations have been satisfied and all amounts payable to you in respect of the Secured Obligations have been fully received or recovered. Until the Secured Obligations have been fully and irrevocably received or recovered, any amount received or recovered by us from the Insured shall be held in trust for and immediately paid to you. If we make any payment to you hereunder, we shall only be subrogated in your rights against the Insured once all Secured Obligations have been fully and irrevocably received or recovered by you.

**9. Beneficiary's Discretion:**

The Beneficiary may determine from time to time whether or not it will enforce the Performance Guarantee, which it may do without making any demand of or taking any proceedings against the Insured or the Guarantor and may from time to time make any arrangement or compromise with the Guarantor in relation to the Performance Guarantee which the Beneficiary may consider expedient in the interests of the Lender.

**10. Anti-avoidance clause:**

It is agreed that you will not have any duty or obligation to make any representation, warranty or disclosure of any nature, express or implied (such duty and obligation being expressly waived by us) and you shall have no liability of any nature to us for any information provided by any other parties and any such information provided by or non-disclosure by other parties shall not be a ground or grounds for avoidance of our obligations under this Performance Guarantee.

**11. Reinstatement:**

If any payment by the Insured or any discharge given by the Beneficiary (whether in respect of the obligations of the Insured or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of the Insured shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) you shall be entitled to recover the value or amount of that security or payment from the Insured, as if the payment, discharge, avoidance or reduction had not occurred.

**12. Representations:**

The Guarantor hereby makes the following representations and warranties as at the

Worthing Corporate Center, Worthing Main Road  
BB15008, Christchurch  
Barbados



ACTIVE CAPITAL  
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date of this Performance Guarantee.

12.1 It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation. It has the power to execute, deliver and perform this Performance Guarantee.

12.2 The obligations expressed to be assumed by it in this Performance Guarantee are (subject to the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors) legal, valid, binding and enforceable obligations.

12.3 The entry into and performance by it, and the transactions contemplated by, this Performance Guarantee do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets.

12.4 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Performance Guarantee.

12.5 All consents, approvals and authorisations or every person and regulatory authority required to enable the Guarantor lawfully to enter into and perform its obligations under this Performance Guarantee and to make this Performance Guarantee admissible in evidence in

12.6 The Guarantor's obligations under this Performance Guarantee constitute its unconditional, direct and unsecured obligations and rank and will rank *pari passu* with all of its other outstanding unsecured and unsubordinated obligations, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

13. Notices:

13.1 Any communication to be made under or in connection with this Performance Guarantee shall be made in writing and, unless otherwise stated, may be made by fax or letter.

13.2 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each of the Guarantor and the



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Beneficiary for any communication or document to be made or delivered under or in connection with this Performance Guarantee is that identified with its name below or any substitute address or fax number or department or officer as the Guarantor or the Beneficiary may notify to each other by not less than five Business Days' notice.

13.3 Any communication or document made or delivered by one person to another under or in connection with this Performance Guarantee will only be effective:

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

13.4 Any communication or document to be made or delivered to the Guarantor will be effective only when actually received by the Guarantor and then only if it is expressly marked for the attention of Global BRG, LLC (or any substitute department or officer as the Guarantor shall specify for this purpose).

13.5 Any communication or document which becomes effective, in accordance with paragraph (a) or (b) of Clause above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

13.6 Any communication to be made between the Guarantor and the Beneficiary under or in connection with this Performance Guarantee may be made by electronic mail or other electronic means to the extent that the Guarantor and the Beneficiary agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if they:

- (a) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (b) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

13.7 Any electronic communication made between the Guarantor and the Beneficiary will be effective only when actually received in readable form and in the case of any electronic communication made by the Beneficiary only if it is addressed in such a manner as the Guarantor shall specify for this purpose.

13.8 Any electronic communication which becomes effective, in accordance with Clause 11.6 above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.



ACTIVE CAPITAL  
REINSURANCE, LTD.

13.9 Any notice given hereunder must be in English.

**14. Partial Invalidity:**

Should any provision of this Performance Guarantee be unenforceable or invalid, the other provisions hereof shall remain in force.

**15. Governing Law, Jurisdiction:**

15.1 This Performance Guarantee and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

15.2 The parties hereto agree that the courts of England shall have jurisdiction to hear and determine any disputes, and the parties hereto waive any objection to proceedings in such courts whether on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum. The Guarantor hereby irrevocably submits to the jurisdiction of such courts.

15.3 This Clause 0 (Governing Law, Jurisdiction) is for your benefit and nothing in this Section 0 (Governing Law, Jurisdiction) prevents you from taking proceedings in any other courts with jurisdiction. To the extent allowed by law, you may take concurrent proceedings in any number of jurisdictions.

15.4 Without prejudice to any other mode of service allowed under any relevant law, the Guarantor irrevocably appoints Global BRG, LLC as its agent for service of process in relation to any proceedings before the English courts in connection with this Performance Guarantee and agrees that failure by a process agent to notify the Guarantor of the process will not invalidate the proceedings concerned.

**16. Contracts (Rights of Third Parties) Act (1999):**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Performance Guarantee and no person not party to this Performance Guarantee shall have or acquire any right to enforce any term of it pursuant to that Act, unless this Performance Guarantee expressly provides that such person has rights under it or is entitled to benefit from its provisions.

**17. Premium Payment Clause LSW3001 (Amended):**

17.1 Notwithstanding any provision to the contrary within this Performance Guarantee or any endorsement hereto, in respect of non-payment of



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premium only the following clause will apply.

- 17.2 The Insured undertakes that premium will be paid in full to Global BRG, LLC (Global) in accordance with clause "Total Premium". The premium will be paid direct by the Original Insured to Global.
- 17.3 If the premium due under this contract has not been so paid within 30 days of this contract (and, in respect of instalment premiums, by the date they are due), the Guarantor and/or the Reinsurer shall have the right to cancel this contract upon being notified in writing by Global about such non-payment.
- 17.4 The Insured has the right to cancel this Contract within 90 days of the Premium Payment date. Such cancellation Premium Refund will be made net of administrative and underwriting fees of the Guarantor.

**18. Sanction Limitation and Exclusion Clause:**

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

**19. Claims Cut Through Agreement Clause:** Addendum No. 1 (attached)

*Signature Page to Follow:*

Worthing Corporate Center, Worthing Main Road  
BB15008, Christchurch  
Barbados

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ACTIVE CAPITAL  
REINSURANCE, LTD.

Signed on behalf of:

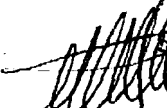
MGE Corporation Limited.  
("the Original Insured")

  
Authorized Signatory  
Name: Stephen Miller  
Date: November 6th 2015.

Active Capital Reinsurance, Ltd.  
("the Reinsured")

  
Authorized Signatory  
Name: Juan A. Niño  
Date: Nov. 6, 2015

Best Meridian Insurance Company  
("the Reinsurer")

  
Authorized Signatory  
Name: Luis Escobar  
Date: November 6, 2015



Worthing Corporate Center, Worthing Main Road  
BB15008, Christchurch  
Barbados

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**ACTIVE CAPITAL  
REINSURANCE, LTD.**

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**ADDENDUM No. 1  
CLAIMS CUT THROUGH AGREEMENT  
ATTACHING TO AND FORMING PART OF PERFORMANCE GUARANTEE BOND  
REINSURANCE AGREEMENT  
Slip No. CAD-MGEC-112015  
("The Reinsurance Agreement")**

Between  
**MGE Corporation Limited.**  
London, England  
("the Original Insured")

and  
**Active Capital Reinsurance, Ltd.**  
Christ Church, Barbados  
("the Reinsured")

and  
**Best Meridian Insurance Company**  
Miami, Florida USA  
("the Reinsurer")

Whereas The Reinsured has issued a Performance Guarantee Bond to MGE CORPORATION LIMITED. ("The Original Insured") effective 6<sup>th</sup> November 2015.

Whereas the Reinsurer has also entered into a Reinsurance Agreement with the Reinsured, whereby the Reinsurer agrees to reinsure 100% of the Reinsured liability to the Original Insured under the Reinsurance Agreement.

Now therefore, the Original Insured, the Reinsured, and the Reinsurer, agree as follows:

The Reinsurer agrees that, at the request of the Original Insured, the Reinsurer will immediately become liable to the Original Insured for any loss to the Reinsurance Agreement otherwise applies:

The Reinsurer will make payment of such loss directly to the Original Insured, but only at the same time and in the same manner as the Reinsurer would be obligated to make payment pursuant to the terms of the Reinsurance Agreement.

The Original Insured agrees that the Reinsured shall have no obligation to pay any amount to the Original Insured for claim, losses, or any other reason, if the Reinsured has not previously received from the Reinsurer the amount of the claim, and in any event the Reinsured shall only pay the Original Insured to the extent of the amounts previously received from the Reinsurer, up to the limit of the Sum indicated in the Reinsurance Agreement. In respect of such loss, such payment shall fully discharge the Reinsured of any and all liability to the Original Insured under the Performance Guarantee Bond contractual and any other extra contractual obligations that could arise. Also, it is further understood and agreed that, in the event of the insolvency of the Reinsurer, the reinsurance under this contract shall be payable directly by the Reinsurer to the Original Insured through its

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BB15008, Christchurch  
Barbados

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**ACTIVE CAPITAL  
REINSURANCE, LTD.**

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liquidator, receiver, conservator or statutory successor, and therefore fully discharging the Reinsured from any current or further liability regarding the COVER NOTE CAD-MGEC-112015.

*Signature Page to Follow:*

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Worthing Corporate Center, Worthing Main Road  
BB15008, Christchurch  
Barbados

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ACTIVE CAPITAL  
REINSURANCE, LTD.

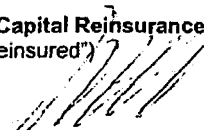
---

Signed on behalf of:

MGE Corporation Limited.  
("the Original Insured")

  
Authorized Signatory  
Name: Stephen Miller  
Date: November 6th 2015.

Active Capital Reinsurance, Ltd.  
("the Reinsured")

  
Authorized Signatory  
Name: Juan A. Nino  
Date: Nov. 6, 2015

Best Meridian Insurance Company  
("the Reinsurer")

  
Authorized Signatory  
Name: Luis Escobar  
Date: November 6, 2015

Worthing Corporate Center, Worthing Main Road  
BB15008, Christchurch  
Barbados

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**REINSURANCE COVER NOTE**  
**ACRE - CAD-MGEC-112015**

**TYPE:** Performance Guarantee Bond.

**INSURED:** MGE Corporation Limited

**REINSURED:** Active Capital Re Ltd. (ACRe)

**REINSURER:** Best Meridian Insurance Company (BMI)

**UNDERWRITING AGENCY:** Global BRG, LLC (a Florida Company) - (Global)

**PERIOD:** From: 6<sup>th</sup> November 2015.  
To: 5<sup>th</sup> November 2016.  
Both days inclusive.

**SUM INSURED:** CAD 12,000,000.00

**LOCATION:** Canada  
Crystal Wealth Management System Limited (In Trust) whose registered office is at 3385 Harvester Road, Suite 200, Burlington, ON, L7N 3N2, as Lender.

**CONDITIONS:** As Per Performance Guarantee Wording as ANNEX 1.  
Sanctions Limitation and Exclusion Clause as attached.  
Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (CL: 370).  
Institute Cyber Attack Exclusion Clause 10/11/03 (CL: 380).

**SUBJECTIVITIES:** Subject to sight of lender term sheet.

**CHOICE OF LAW & JURISDICTION:** This insurance shall be governed by and construed in accordance with the law of England and Wales. Each party agrees to submit to the exclusive jurisdiction of any competent court within England and Wales.

# GLOBAL BRG

**PREMIUM:** CAD 600,000

**PREMIUM PAYMENT**

**TERMS:** 90 day premium payment condition - LSW 3001(amended) as attached.

**PREMIUM PAYMENT:**

|                   |                        |
|-------------------|------------------------|
| Account Name:     | GLOBAL BRG LLC         |
| Bank::            | CITIBANK, N.A.         |
| Branch:           | Weston, FL 33326 - USA |
| Swift:            | CITIUS33               |
| ABA:              | 266086554              |
| Checking Account: | 9134601398             |



# ANNEX 1

## PERFORMANCE GUARANTEE

Date: 6<sup>th</sup> November 2015

To: Crystal Wealth Management System Limited (In Trust) whose registered office is at 3385 Harvester Road, Suite 200, Burlington, ON, L7N 3N2, as Lender, the "Beneficiary" or "you", or "Insured")

From: Active Capital Re, Ltd., (the "Guarantor" or "we");

Covered Period: 6<sup>th</sup> November 2015 to 5<sup>th</sup> November 2016

Total Premium: \$600,000

Underwriting Agency: Global BRG, LLC (a Florida Company) - (Global)

We refer to the CAD 12,000,000 Loan due 2016 (the "Loan") available on or around the date of this Guarantee by MGE Corporation Limited, whose registered office is at 145-147 St. John Street, London, EC1V 4PW (the "Issuer").

Words and expressions used in this Performance Guarantee shall have the meanings given in the Loan Agreement and the Conditions unless otherwise stated.

### 1. Covenant to Pay:

We hereby guarantee punctual payment of the principle payable by the Borrower under the Loan for the Loan maturity falling in November 2016 (the "Guaranteed Obligations") in the amount not in excess of the Guarantee Limit and otherwise in accordance with the terms of this Performance Guarantee.

### 2. Guarantee Limit:

Amount payable under this Performance Guarantee shall not exceed an aggregate amount of CAD 12,000,000 falling in November 2016, plus your reasonable costs of enforcement (if any) of this Performance Guarantee (the "Guarantee Limit").

### 3. Claims:

Any claim under this Performance Guarantee (any, a "Claim") shall be made in writing by the Beneficiary in accordance with Clause 13 (Notices) below within 10 (ten) Business Days following the Beneficiary's receipt of a notice that a payment default has occurred under Condition [9] of the Loan. Any Claim shall specify the due date for payment of such Guaranteed Obligation, the amount of such unpaid Guaranteed Obligation and that such Guaranteed Obligation remains



unpaid. The Guarantor shall be entitled to assume that the information set out in the Claim demand is accurate and genuine and has been duly signed on behalf of the Beneficiary.

**4. Payment:**

Following receipt of a Claim from the Beneficiary in accordance with Clause 2 (*Claims*) above, the Guarantor shall pay to the Beneficiary the amount claimed no later than 10 (ten) Business Days in Canadian Dollars by wire transfer of immediately available funds to the account specified in the Schedule hereto (the "**Payment Account**") without setoff, counterclaim, deduction or withholding of any nature whatsoever.

**5. Primary and Independent Obligation:**

This Performance Guarantee constitutes our primary and independent obligation to make payment to you in accordance with the terms of this Performance Guarantee, and we hereby agree to pay you within 10 (ten) Business Days following receipt of your written demand, any cost, loss or liability suffered by you if any Guaranteed Obligation is or becomes unenforceable, invalid, illegal or uncollectible for any reason whatsoever. The amount of the cost, loss or liability shall be equal to the amount which you would otherwise have been entitled to recover, subject to the Guarantee Limit.

**6. Exclusion of Specific Defenses:**

This Performance Guarantee and our obligations hereunder shall not be contingent upon the legal relationship between the Beneficiary and the Insured or between the Insured and any other person and shall not be affected by an act, omission, matter or thing which, but for this Clause 6 (*Exclusion of Specific Defences*), would reduce, release or prejudice any of the Insured's obligations under or in respect of the Loan, the Conditions, the Loan Agreement, the Conditions (without limitation and whether or not known to the Guarantor or you) or the Guarantor's obligations under this Performance Guarantee, unless as defined in the conditions stated under this clause, including:

- (a) Any defect in any provision of the Loan, the Conditions, the Loan Agreement or any other document or instrument,
- (b) Any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Insured or any other person,
- (c) Any inadequate representation of the Insured or any other person, not inclusive of fraud or misrepresentation of facts.

# GLOBAL BRG

- (d) any absence of licences or other authorisations or any factual or legal restrictions or limitations currently existing or subsequently introduced in the jurisdiction of the Insured (including, but not limited to, force majeure or any event or action delaying or preventing any conversion or transfer to or receipt by you in the account agreed to by you),
- (e) the taking, existence, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any other collateral provided to you for the Indebtedness, and your legal relationship with any provider of such other collateral, or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security,
- (f) any time, waiver or consent granted to, or composition with, the Insured or any other person,
- (g) any supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement of the Loan, the Conditions, the Loan Agreement or any other document or instrument, provided that no such amendment or other modification shall (i) increase the amount payable by the Guarantor hereunder or (ii) without the consent of the Guarantor, change the timing of the payment of any Guaranteed Obligation by the Guarantor hereunder,
- (h) Guarantor can and will reinsure all or part of this Performance Guarantee. Reinsurer terms and condition will be stated on the "Reinsurance Cover Note".
- (i) any insolvency or similar proceedings in respect of the Insured or any other person.

## 7. No setoff, Withholding, etc.:

Any amount payable by us hereunder will be paid free and clear of and without set-off, counterclaim, deduction or withholding unless compelled by law, in which event we will pay such additional amounts as will result in the receipt by you of the amounts which you would otherwise have been payable by us to you in accordance with this Performance Guarantee in the absence of any such set-off, counterclaim, deduction or withholding.

## 8. Limitation of Subrogation:

So long as any amount remains payable by the Insured to you under or in connection with the Loan, we undertake not to assert any claim we may have against the Insured by reason of the performance of our obligations under this Performance Guarantee, whether on contractual grounds or on any other legal

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Global BRG, 8950 SW 74 Ct. Suite 2400, Miami, FL 33156, USA; Tel: +1 305 443-2898; Fax: +1 305-442-8486.

# GLOBAL BRG

basis, until the Secured Obligations have been satisfied and all amounts payable to you in respect of the Secured Obligations have been fully received or recovered. Until the Secured Obligations have been fully and irrevocably received or recovered, any amount received or recovered by us from the Insured shall be held in trust for and immediately paid to you. If we make any payment to you hereunder, we shall only be subrogated in your rights against the Insured once all Secured Obligations have been fully and irrevocably received or recovered by you.

**9. Beneficiary's Discretion:**

The Beneficiary may determine from time to time whether or not it will enforce the Performance Guarantee, which it may do without making any demand of or taking any proceedings against the Insured or the Guarantor and may from time to time make any arrangement or compromise with the Guarantor in relation to the Performance Guarantee which the Beneficiary may consider expedient in the interests of the Lender.

**10. Anti-avoidance clause:**

It is agreed that you will not have any duty or obligation to make any representation, warranty or disclosure of any nature, express or implied (such duty and obligation being expressly waived by us) and you shall have no liability of any nature to us for any information provided by any other parties and any such information provided by or non-disclosure by other parties shall not be a ground or grounds for avoidance of our obligations under this Performance Guarantee.

**11. Reinstatement:**

If any payment by the Insured or any discharge given by the Beneficiary (whether in respect of the obligations of the Insured or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of the Insured shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) you shall be entitled to recover the value or amount of that security or payment from the Insured, as if the payment, discharge, avoidance or reduction had not occurred.

**12. Representations:**

The Guarantor hereby makes the following representations and warranties as at the date of this Performance Guarantee.

# GLOBAL BRG

12.1 It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation. It has the power to execute, deliver and perform this Performance Guarantee.

12.2 The obligations expressed to be assumed by it in this Performance Guarantee are (subject to the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors) legal, valid, binding and enforceable obligations.

12.3 The entry into and performance by it, and the transactions contemplated by, this Performance Guarantee do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets.

12.4 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Performance Guarantee.

12.5 All consents, approvals and authorisations or every person and regulatory authority required to enable the Guarantor lawfully to enter into and perform its obligations under this Performance Guarantee and to make this Performance Guarantee admissible in evidence in

12.6 The Guarantor's obligations under this Performance Guarantee constitute its unconditional, direct and unsecured obligations and rank and will rank *pari passu* with all of its other outstanding unsecured and unsubordinated obligations, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

## 13. Notices:

13.1 Any communication to be made under or in connection with this Performance Guarantee shall be made in writing and, unless otherwise stated, may be made by fax or letter.

13.2 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each of the Guarantor and the Beneficiary for any communication or document to be made or delivered under or in connection with this Performance Guarantee is that identified with its name below or any substitute address or fax number or department or officer as the Guarantor or the Beneficiary may notify to each other by not less than five Business Days' notice.

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Global BRG, 8950 SW 74 Ct. Suite 2400, Miami, FL 33156, USA; Tel: +1 305 443-2898; Fax: +1 305-442-8486.

# GLOBAL BRG

13.3 Any communication or document made or delivered by one person to another under or in connection with this Performance Guarantee will only be effective:

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

13.4 Any communication or document to be made or delivered to the Guarantor will be effective only when actually received by the Guarantor and then only if it is expressly marked for the attention of Global BRG, LLC (or any substitute department or officer as the Guarantor shall specify for this purpose).

13.5 Any communication or document which becomes effective, in accordance with paragraph (a) or (b) of Clause above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

13.6 Any communication to be made between the Guarantor and the Beneficiary under or in connection with this Performance Guarantee may be made by electronic mail or other electronic means to the extent that the Guarantor and the Beneficiary agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if they:

- (a) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (b) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

13.7 Any electronic communication made between the Guarantor and the Beneficiary will be effective only when actually received in readable form and in the case of any electronic communication made by the Beneficiary only if it is addressed in such a manner as the Guarantor shall specify for this purpose.

13.8 Any electronic communication which becomes effective, in accordance with Clause 11.6 above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

13.9 Any notice given hereunder must be in English.

## 14. Partial Invalidity:

Should any provision of this Performance Guarantee be unenforceable or invalid, the other provisions hereof shall remain in force.

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Global BRG, 8950 SW 74 Ct. Suite 2400, Miami, FL 33156, USA: Tel: +1 305 443-2898; Fax: +1 305-442-8486.

# GLOBAL BRG

**15. Governing Law, Jurisdiction:**

- 15.1 This Performance Guarantee and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.
- 15.2 The parties hereto agree that the courts of England shall have jurisdiction to hear and determine any disputes, and the parties hereto waive any objection to proceedings in such courts whether on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum. The Guarantor hereby irrevocably submits to the jurisdiction of such courts.
- 15.3 This Clause 0 (Governing Law, Jurisdiction) is for your benefit and nothing in this Section 0 (Governing Law, Jurisdiction) prevents you from taking proceedings in any other courts with jurisdiction. To the extent allowed by law, you may take concurrent proceedings in any number of jurisdictions.
- 15.4 Without prejudice to any other mode of service allowed under any relevant law, the Guarantor irrevocably appoints Global BRG, LLC as its agent for service of process in relation to any proceedings before the English courts in connection with this Performance Guarantee and agrees that failure by a process agent to notify the Guarantor of the process will not invalidate the proceedings concerned.

**16. Contracts (Rights of Third Parties) Act (1999):**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Performance Guarantee and no person not party to this Performance Guarantee shall have or acquire any right to enforce any term of it pursuant to that Act, unless this Performance Guarantee expressly provides that such person has rights under it or is entitled to benefit from its provisions.

**17. Premium Payment Clause LSW3001 (Amended):**

- 17.1 Notwithstanding any provision to the contrary within this Performance Guarantee or any endorsement hereto, in respect of non-payment of premium only the following clause will apply.
- 17.2 The Insured undertakes that premium will be paid in full to Global BRG, LLC (Global) in accordance with clause "Total Premium". The premium will be paid direct by the Original Insured to Global.
- 17.3 If the premium due under this contract has not been so paid within 30 days of this contract (and, in respect of instalment premiums, by the date



they are due), the Guarantor and/or the Reinsurer shall have the right to cancel this contract upon being notified in writing by Global about such non-payment.

- 17.4 The Insured has the right to cancel this Contract within 90 days of the Premium Payment date. Such cancellation Premium Refund will be made net of administrative and underwriting fees of the Guarantor.

**18. Sanction Limitation and Exclusion Clause:**

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

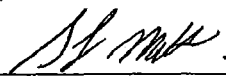
**19. Claims Cut Through Agreement Clause:** Addendum No. 1 (attached)

*Signature Page to Follow:*

# GLOBAL BRG

Signed on behalf of:

**MGE Corporation Limited.**  
("the Original Insured")

  
Authorized Signatory  
Name: **Stephen Miller**  
Date: **November 6th 2015**

**Active Capital Reinsurance, Ltd.**  
("the Reinsured")

  
Authorized Signatory  
Name: **JUAN A. NIÑO**  
Date: **Nor. 6, 2015**

**Best Meridian Insurance Company**  
("the Reinsurer")

  
Authorized Signatory  
Name: **Luis Escobar**  
Date: **November 6, 2015**





**ADDENDUM No. 1  
CLAIMS CUT THROUGH AGREEMENT  
ATTACHING TO AND FORMING PART OF PERFORMANCE GUARANTEE BOND  
REINSURANCE AGREEMENT  
Slip No. CAD-MGEC-112015  
("The Reinsurance Agreement")**

Between  
**MGE Corporation Limited.**  
London, England  
("the Original Insured")

and  
**Active Capital Reinsurance, Ltd.**  
Christ Church, Barbados  
("the Reinsured")

and  
**Best Meridian Insurance Company**  
Miami, Florida USA  
("the Reinsurer")

Whereas The Reinsured has issued a Performance Guarantee Bond to MGE CORPORATION LIMITED. ("The Original Insured") effective 6<sup>th</sup> November 2015.

Whereas the Reinsurer has also entered into a Reinsurance Agreement with the Reinsured, whereby the Reinsurer agrees to reinsure 100% of the Reinsured liability to the Original Insured under the Reinsurance Agreement.

Now therefore, the Original Insured, the Reinsured, and the Reinsurer, agree as follows:

The Reinsurer agrees that, at the request of the Original Insured, the Reinsurer will immediately become liable to the Original Insured for any loss to the Reinsurance Agreement otherwise applies:

The Reinsurer will make payment of such loss directly to the Original Insured, but only at the same time and in the same manner as the Reinsurer would be obligated to make payment pursuant to the terms of the Reinsurance Agreement.

The Original Insured agrees that the Reinsured shall have no obligation to pay any amount to the Original Insured for claim, losses, or any other reason, if the Reinsured has not previously received from the Reinsurer the amount of the claim, and in any event the Reinsured shall only pay the Original Insured to the extent of the amounts previously received from the Reinsurer, up to the limit of the Sum indicated in the Reinsurance Agreement. In respect of such loss, such payment shall fully discharge the Reinsured of any and all liability to the Original Insured under the Performance Guarantee Bond contractual and any other extra contractual obligations that could arise. Also, it is further understood and agreed that, in the event of the insolvency of the Reinsurer, the reinsurance under this contract shall be payable directly by the Reinsurer to the Original Insured through its liquidator, receiver, conservator or statutory successor, and therefore fully discharging the Reinsured from any current or further liability regarding the COVER NOTE CAD-MGEC-112015.



*Signature Page to Follow:*

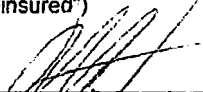
# GLOBAL BRG

Signed on behalf of:

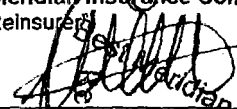
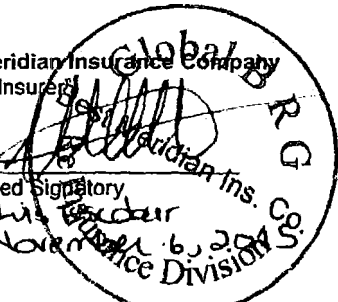
**MGE Corporation Limited.**  
("the Original Insured")

  
Authorized Signatory  
Name: Stephen Miller  
Date: November 6th 2015

**Active Capital Reinsurance, Ltd.**  
("the Reinsured")

  
Authorized Signatory  
Name: Jan A. Niño  
Date: Nov. 6, 2015

**Best Meridian Insurance Company**  
("the Reinsured")

  
Authorized Signatory  
Name: Luis Escobar  
Date: November 6, 2015  


# TAB 21

4433

Date \_\_\_\_\_

November 5, 2016

To

MGE Corporation LTD

## Terms

## Instructions

Please direct payment to:

Frontline Factoring Inc.

230 – 719 4<sup>th</sup> Ave S

Lethbridge AB T1J 0P1

[illegible]

Thank you for your business!

# TAB 22



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 Level 18, 40 Bank Street  
 Canary Wharf E14-5NR  
 United Kingdom  
 Phone 44 (0) 2030594517  
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### Mandate Letter and Terms Sheet

To: Mr. Darcy Pahl / Managing Director,  
 Dome Mountain Resources of Canada Inc.  
 112 Cranston Drive SE, Calgary, Alberta, T3M 1A8, Canada  
 ("Borrower")

November 3<sup>rd</sup> 2016

#### **Dome Mountain – Acquisition of [mining target]**

We refer to the proposed acquisition ("Acquisition") by [Dome Mountain] ("Dome" and "Borrower") of [target] (the "Target").

MGE Capital Corporation PLC ("MGE") (or one of its affiliates) has agreed in principle, and subject to the satisfaction of certain conditions, to issue a bond ("Bond") to finance the Acquisition and prior to the issue of the Bond to assist in procuring a provision of bridge funding to finance drilling operations of the Target ("Bridge Funding").

MGE and its affiliate Overseas European Holdings Limited ("OEHL") will work with Dome on a reasonable efforts basis subject (inter alia) to the conditions set out at clause 1 below to assist in raising finance for the Bridge Funding to be secured 100% of the Target assets. MGE will seek to provide an Insurance guarantee to be provided to the lender to secure the loan to Dome Mountain.

MGE has agreed to on-lend part of the Bond proceeds to be secured 100% of the Target assets and the Dome assets, subject (inter alia) to the conditions set out at clause 2 below, to the Borrower to fund the Acquisition Capital Expenditure and refinance the Bridge Facility on the indicative terms set out in the attached terms sheet (headed the "Acquisition Loan Terms Sheet"). The loan to be made referred to in the Acquisition Loan Terms Sheet is referred to as the "Acquisition Loan Facility".

#### **1 Bridge Funding Conditions**

1.1 MGE is willing to work with Dome on a reasonable efforts basis to procure provision of the Bridge Loan Facility subject to (without limitation):

- (a) Compliance by Dome and the Target with MGE, OEHL and their affiliates and agents client take on procedures;
- (b) Compliance by Dome and the Target with the provider of such Bridging Loan Facility ("Bridge Funder") their affiliates and agents client take on procedures;
- (c) Compliance by Dome and the Target with the Bridge Funder's conditions to Bridge Funding including all financial commercial and legal due diligence and provision of all necessary regulatory approvals in connection with the Bridging Loan Facility from any



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relevant authorities in any relevant jurisdictions;

- (d) The preparation, execution and delivery of the loan and security documents referred to in the Terms Sheet in form and substance satisfactory to the Bridge Funder; and
- (e) The Bridge Funder obtaining all relevant internal and external approvals with respect to the Bridging Loan Facility.

## **2 Bond Conditions**

2.1 MGE is willing to provide the Acquisition Loan Facility subject to (without limitation):

- (a) Compliance by the Borrower with MGE (and its affiliates and agents) client take on procedures;
- (b) The preparation, execution and delivery of the loan and security documents referred to in the Terms Sheet in form and substance satisfactory to MGE;
- (c) MGE obtaining all relevant internal and external approvals with respect to the Loan Facility;
- (d) Successful issuance of the Bond;
- (e) Completion of legal, technical, financial and regulatory due diligence in respect of the Borrower, Borrower and the Project (including without limitation, the supply to MGE of technical, legal and financial reports on which MGE can rely), the results being in all respects satisfactory to MGE acting reasonably in the context of the potential securitisation of the Loan Facility; and
- (f) the Borrower and MGE obtaining all necessary regulatory approvals in connection with the Loan Facility and the Project from any relevant authorities in any relevant jurisdictions.

## **3 Fees, Costs and Expenses**

- 3.1 The Borrower shall be required to pay MGE an arrangement fee on loan disbursement equal to 3% of the Loan Facility.
- 3.2 The Borrower shall issue to MGE 30% of the equity share capital in the Borrower on loan disbursement.
- 3.3 The Borrower shall be responsible for payment of all 3<sup>rd</sup> party fees in relation to the Loan Facility and the Bond including, inter alia, legal fees, rating fees and accountancy fees. MGE will negotiate and agree these fees on behalf of and with the Borrower.
- 3.4 By signing this letter, the Borrower agrees that if it does not proceed or comply with the terms of the Loan Facility, it will within thirty Business Days of demand thereof indemnify against any reasonable direct cost, expense, loss or liability (including without limitation legal fees)



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incurred by MGE in arranging the Loan Facility. MGE's certification of such amount shall be final and binding in the absence of manifest error.

#### **4 Payments**

##### **4.1 All payments to be made under this letter:**

- (a) shall be paid in the currency of invoice and in immediately available, freely transferable cleared funds to such account with such bank as MGE may notify the Borrower;
- (b) shall be paid without any deduction or withholding for or on account of tax (a "Tax Deduction") unless a Tax Deduction is required by law. If a Tax Deduction is required by law to be made, the amount of the payment due shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required; and
- (c) are exclusive of any value added tax or similar charge ("VAT"). If VAT is chargeable, the Borrower shall also and at the same time pay to the recipient of the relevant payment an amount equal to the amount of the VAT.

#### **5 Indemnity**

- 5.1 Whether or not the full suite of financial documentation is signed, the Borrower agrees within thirty Business Days of demand to indemnify each Indemnified Person against any reasonable direct cost, expense, loss or liability (including without limitation legal fees) incurred by or awarded against that Indemnified Person in each case arising out of or in connection with any action, claim, investigation or proceeding commenced or threatened (including, without limitation, any action, claim, investigation or proceeding to preserve or enforce rights) (each a Loss) in relation to information supplied by or on behalf of the Borrower to MGE in connection with the Loan Facility and the Bond.
- 5.2 The Borrower will not be liable under clause 4.1 for any loss that results directly from negligence, fraud or wilful misconduct of that Indemnified Person.
- 5.3 MGE shall not have any duty or obligation, whether as fiduciary for any Indemnified Person or otherwise, to recover any payment made or required to be made under this paragraph 4.
- 5.4 The Borrower agrees that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Borrower or any of its affiliates for or in connection with the matters contemplated by this letter unless such liability is finally judicially determined to have resulted directly from the gross negligence or wilful misconduct of that Indemnified Person.
- 5.5 Notwithstanding clause 4.4 above, neither the Borrower nor any Indemnified Person shall be responsible or have any liability for indirect loss or consequential losses or damages such as loss of profit etc. unless caused by gross negligence or wilful misconduct.
- 5.6 MGE undertakes promptly to notify the Borrower upon becoming aware of any circumstances



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which may give rise to a claim for indemnification by any Indemnified Person and to consult with the Borrower (and procure that any other Indemnified Person consults with the Borrower) with respect to the conduct of any dispute, proceedings or litigation (save in each case in relation to information which is attorney/client privileged or in respect of which MGE is under a duty of non-disclosure) and shall not settle any such dispute, proceedings or litigation without the Borrower's prior written consent (not to be unreasonably withheld or delayed).

5.7 Each Indemnified Person shall in consultation with the Borrower take all reasonable steps to mitigate any loss.

5.8 "**Indemnified Person**" means MGE and their affiliates and each of their (or its affiliates') directors, officers, employees and agents.

5.9 The Contracts (Rights of Third Parties) Act 1999 shall apply to this paragraph but only for the benefit of the Indemnified Persons who are not a party to this letter.

## **6 Information**

6.1 The Borrower represents and warrants that:

- (a) any factual information provided to MGE by or on behalf of it is complete and accurate in all material respects as at the date it is provided or as at the date (if any) at which it is stated;
- (b) nothing has occurred or been omitted and no information has been given or withheld that results in the information being untrue or misleading in any material respect; and
- (c) any financial projections that have been or will be prepared and provided MGE have been or will be prepared on the basis of recent historical information and on the basis of reasonable assumptions.

6.2 The representations and warranties set out in paragraph 5.1 above are deemed to be made by the Borrower daily by reference to the facts and circumstances then existing commencing on the date of this letter and continuing until the date on which the Loan Facility is entered into ("**Signing Date**").

6.3 The Borrower shall within reasonable time notify MGE in writing if any representation and warranty set out in paragraph 5.1 above is incorrect or misleading and agrees to amend such information promptly from time to time to ensure that each such representation and warranty is correct when made. Should the Borrower amend incorrect or misleading information within reasonable time then the information shall be deemed to be in accordance with paragraph 5.1 above.

## **7 Confidentiality**

7.1 The Loan Facility, this Mandate Letter, the Bond and the Project are confidential. Neither MGE nor the Borrower or the Borrower's affiliates shall disclose them or their contents or any information relating to or concerning them to any other person without the prior written consent of the other parties to this letter except:



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- (a) as required by law or by any applicable governmental or other regulatory authority or by any applicable stock exchange; and
- (b) to its employees, agents, sub-contractors and professional advisers for the purposes of the Facility who have been made aware of and agreed to be bound by the obligations under this paragraph or are in any event subject to confidentiality obligations as a matter of law or professional practice.

## **8 Publicity/Announcements**

- 8.1 All publicity in connection with the Loan Facility shall be managed by MGE after written approval of the Borrower.
- 8.2 No announcements regarding the Financing or any roles shall be made without the prior written consent of MGE unless required pursuant to clause 6.1(a).

## **9 Assignments**

The parties may not assign or transfer any of its rights or obligations under the Commitment Documents without the prior written consent of the other party.

## **10 Termination**

- 10.1 Following execution by each party of this letter and up to the Signing Date:
  - (a) MGE may terminate its obligations under this letter with immediate effect by notifying the Borrower in writing if the Borrower is in material breach of any provision of this letter or if any of the conditions in clause 1 of this letter are not met;
  - (b) the Borrower may terminate the appointment of MGE with immediate effect by notifying MGE in writing if MGE is in material breach of any provision of this letter or if MGE indicates that it is not prepared to proceed with the Loan Facility; and
  - (c) The Borrower shall remain liable following termination for all fees costs and expenses then due and payable by it under this letter.
- 10.2 Unless terminated earlier, the obligations under this letter shall expire and terminate on the earliest of:
  - (a) the date falling on the first anniversary of this letter ("**Termination Date**"); and
  - (b) the Signing Date.

## **11 Survival**

Except for clause 1(Conditions), 4(Indemnity) and 9(Termination) the terms of this letter shall survive and continue after the Signing Date.



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## **12 Miscellaneous**

- 12.1 The failure to exercise or delay in exercising a right or remedy under this letter shall not constitute a waiver of the right or remedy or a waiver of any other rights or remedies and no single or partial exercise of any right to remedy shall preclude any further exercise thereof, or the exercise of any other right or remedy. Except as expressly provided in this letter, the rights and remedies contained in this Letter are cumulative and not exclusive of any rights or remedies provided by law.
- 12.2 This letter sets out the entire agreement between the Borrower and MGE as to the Loan Facility and supersedes any prior oral and/or written understandings or arrangements relating to the Loan Facility.
- 12.3 Any provision of this letter may only be amended or waived in writing signed by the Borrower and MGE.

## **13 Third Party Rights**

- 13.1 Except as otherwise expressly provided in this letter, the terms of this letter may be enforced only by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.
- 13.2 Notwithstanding any term of this letter, no consent of a third party is required for any termination or amendment of this letter.

## **14 Notices**

- 14.1 Any communication to be made under or in connection with any Commitment Document shall be made in writing and, unless otherwise stated in the relevant Commitment Document, may be made by fax or letter.
- 14.2 Communications or documents to be given to the Borrower or MGE under this letter shall be sent to it at the address set out with its signature below.
- 14.3 Communications or documents made or delivered by one person to another under or in connection with the Commitment Documents will be effective:
- (a) by way of email to the email address on the signing pages of this letter;
  - (b) if by way of fax, when received in legible form; or
  - (c) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post, postage prepaid, in an envelope addressed to the relevant recipient at that address.

## **15 Counterparts**

This letter may be executed in any number of counterparts and all those counterparts taken together shall be deemed to constitute one and the same letter.



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**16 Governing Law and Jurisdiction**

- 16.1 This letter and any non -contractual obligations arising out of or in connection with it is governed by and construed in all respects in accordance with English law. The parties submit to the non-exclusive jurisdiction of the English courts.

The Borrower agrees to the above terms and conditions and acknowledges its agreement and acceptance of the offer by signing and returning the enclosed copy of this letter.

Yours faithfully

For and on behalf of

**MGE Capital Corporation (PLC)**

Address:

Level 18, 40 Bank Street  
 Canary Wharf, London E14 5NR

Attention: Stephen Miller

[stephenmiller@mgecorporation.com](mailto:stephenmiller@mgecorporation.com)

The Borrower acknowledges and agrees to the above

for and on behalf of

**Dome Mountain Resources of Canada Inc.**

112 Cranston Drive SE, Calgary, Alberta, T3M 1A8, Canada

Attention: Mr. Darcy Pahl, Managing Director,

Email: [ddp.icc@gmail.com](mailto:ddp.icc@gmail.com)



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[stephenmiller@mgecorporation.com](mailto:stephenmiller@mgecorporation.com)

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for and on behalf of

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112 Cranston Drive SE, Calgary, Alberta, T3M 1A8, Canada

Attention: Mr. Darcy Pahl, Managing Director,

Email: [ddp.icc@gmail.com](mailto:ddp.icc@gmail.com)



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**INDICATIVE TERM SHEET**  
**(ACQUISITION LOAN FACILITY)**

| <b>TERMS OF THE FACILITY</b>                |                                                                                                                                                                                         |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Lender</b>                               | <b>(MGE) or its affiliate</b>                                                                                                                                                           |
| <b>Borrower:</b>                            | Dome Mountain Resources of Canada Inc.<br>112 Cranston Drive SE, Calgary, Alberta,<br>T3M 1A8, Canada<br>(the "Borrower").                                                              |
| <b>Loan Amount:</b>                         | Total USD \$[36] million                                                                                                                                                                |
| <b>Interest Rate:</b>                       | 12.5% per annum                                                                                                                                                                         |
| <b>Interest Payments:</b>                   | Bi-annually                                                                                                                                                                             |
| <b>Facility Type:</b>                       | Amortising Term Loan facilities ("Facility")                                                                                                                                            |
| <b>Purpose:</b>                             | To finance the drilling and acquisition of 100% of the issued share capital of [Target], to refinance the Bridging Facility and capex                                                   |
| <b>Drawdown Availability:</b>               | March 31, 2017: subject to acceptable Feasibility study provided by December 1 <sup>st</sup> 2016                                                                                       |
| <b>Principal Repayment Schedule:</b>        | The Facility will amortise down to zero by the Loan Maturity Date (as defined below) according to a semi-annual scheduled repayment schedule.                                           |
| <b>Proposed payment priority waterfall:</b> | The Facility will contain a waterfall indicating the priority of application of cash receipts and payments to be agreed on each Interest Payment Date but to include and reflecting the |



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|                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                       | following priorities:<br>- Operating costs<br>- Opex Reserve Account<br>- Maintenance Reserve Account (pari passu)<br>- Debt service costs<br>- DSRA<br>- Agreed non-priority operating costs<br>- Distributions                                                                                                                                                                                                                                               |
| <b>Debt Service Reserve Account ("DSRA Account"):</b> | An account in the name of the Borrower in an amount to be agreed following final modelling<br>Debt Service Costs during construction phase to be placed in a blocked account with the Account Bank and charged to the Trustee<br>DSRA Account shall be deposited in a charged account with a Moody's P-1 rated bank.<br>DSRA Account will be subject to security under the Borrower Deed of Charge and remain under sole control of the Borrower Cash Manager. |
| <b>Opex Reserve Account ("Opex Reserve Account"):</b> | An account in the name of the Borrower in an amount to be agreed following final modelling                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Loan Payment Dates:</b>                            | Annually on each anniversary of the Loan                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Day Count:</b>                                     | ACT/ACT                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Loan Maturity Date:</b>                            | Loan Payment Date falling in [10 years from closing] 2026                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Repayment:</b>                                     | If not redeemed earlier, in full on the Loan Maturity Date                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Prepayment:</b>                                    | Permitted at any time from the date 24 months from drawdown of the Facility and subject to:<br>I. the whole of the Facility being prepaid;                                                                                                                                                                                                                                                                                                                     |



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|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                     | ii. 7 business days' notice; and<br>iii. Payment of the Make-Whole Provision Amount (Spens).                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Make-Whole Provision Amount:</b> | Make-Whole Provision Amount will be calculated using Spens formula (mirroring repayment penalties under the Bond.                                                                                                                                                                                                                                                                                                                                                                |
| <b>Distributions:</b>               | Permitted subject to (i) all required payments to be made to the DSRA Account having been made so that the balance of the DSRA Account is no less than the required level at that time; and (ii) no events of default / DSCR Trigger having occurred and be continuing.                                                                                                                                                                                                          |
| <b>Other Bank Accounts:</b>         | <p>All revenues will be paid directly into a common account held by the Borrower (the "Account").</p> <p>The Account will be subject to security under the Borrower Deed of Charge and will remain under the sole control of the Borrower Cash Manager at all times.</p> <p>The Borrower may also retain a General Account for working capital purposes. Each General Account will be subject to security.</p>                                                                   |
| <b>Account Bank:</b>                | [To be agreed]                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Conditions Precedent:</b>        | <p>As required for facilities of this nature to include</p> <p>Specifically, prior to completion, the following in a form and substance satisfactory to the Arranger:</p> <p>Full legal diligence including over title to real estate and ownership of intellectual property rights to use the system;</p> <p>Satisfaction with equity share rights and exit strategy;</p> <p>Evidence of the existence or all approvals, permissions and licences required for the Project;</p> |



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|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | <p>Evidence that all insurance policies and documents are in place;</p> <p>The security documents;</p> <p>Bank account mandates;</p> <p>Approval of tax structure;</p> <p>Evidence of compliance with regulatory and Lender requirements for client adoption, account opening and money laundering purposes;</p> <p>Financial model review of the financial model;</p> <p>Confirmation of no other material financial indebtedness within the Borrower other than any intercompany loans which will be equity-like in effect and subject to appropriate inter-creditor deed; and</p> <p>Borrower providing resource reports as to JORC or N1-43101 which can be relied upon.</p> <p>The reports must show valuations and reserves to service the debt of the bond to 1.5 times payments of principal and interest over the term of the bond.</p> <p>Other due diligence requirement as reasonably required for a facility of this nature.</p> |
| <b>Security</b> | <p>Standard security for a loan of this nature including, but not limited to the following and its equivalent in each relevant jurisdiction:</p> <p>Full fixed and floating debenture over the assets of the Borrower;</p> <p>Security over the shares and assets of the Borrower by way of specific pledge;</p> <p>Assignment by way of security of all operating and supply contracts;</p> <p>Assignment of all insurance policies;</p> <p>Assignment of manufacturer warranties;</p> <p>Assignment of intellectual property rights over</p>                                                                                                                                                                                                                                                                                                                                                                                                |



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|                                  | <p>the system;</p> <p>Negative pledge in relation to all assets of the Borrower;</p> <p>Step-in rights/direct agreements in favour of the Lender under all key contracts including off takes;</p> <p>Subordination agreements with the Issuer, the Issuer Security Trustee, the Borrower Security Trustee and the Borrower;</p> <p>Security over bank accounts; and</p> <p>Intercreditor/subordination deed (where other parties have financial indebtedness to the Borrower) giving the Lender full priority (where relevant).</p>   |
| <b>Debt Service Cover Ratio:</b> | <p>The Debt Service Cover Ratio ("DSCR") definition to be agreed but suggested as the ratio of Cashflow to Debt Service calculated as at each Interest Payment Date as follows and to include both measures below:</p> <p>12 month actual historic (beginning on 1st anniversary); and</p> <p>12 month forward-looking, based on forecast assumptions and numbers Projected in the agreed financial close model, as adjusted for 12 months historic data with respect to the performance ratio, availability and irradiance only.</p> |
| <b>Covenant Testing</b>          | Semi-annual on each loan payment date, to be certified by two directors of the Borrower.                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>DSCR Covenant:</b>            | <p>The DSCR Covenant to be agreed.</p> <p>An un-remedied breach of the DSCR Covenant constitutes an Event of Default.</p>                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>DSCR Trigger:</b>             | A DSCR Trigger occurs and is continuing at any time where the Debt Service Cover Ratio as at                                                                                                                                                                                                                                                                                                                                                                                                                                          |



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|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                      | the then most recent Interest Payment Date is less than or equal to [to be agreed](the "DSCR Trigger Ratio").                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Cashflow:</b>     | Definition to be agreed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Debt Service:</b> | <p>To be agreed but suggested as, in respect of any Interest Period, the aggregate:</p> <ul style="list-style-type: none"> <li>a) all accrued interest, commissions, fees, discounts, premiums or charges and other finance payments in respect of the Facility; and</li> <li>b) all scheduled and mandatory repayments of Facility falling due,</li> </ul> <p>in each case during such Interest Period (and, for the avoidance of doubt, taking into account any indexation).</p>                                                                                                                                                                                                                                                                                                                                            |
| <b>Cash Trap:</b>    | <p>To be agreed but suggested as to the extent the DSCR Trigger has occurred and is not remedied within 10 business days all surplus Generation income after interest and principal obligations will be transferred to the Debt Service Reserve Account on the following Interest Payment Date with the amounts trapped released back to the Borrower Group once the DSCR is restored above [to be agreed] over two consecutive Interest Periods.</p> <p>The balance standing to the credit of the Debt Service Reserve Account is capped at the greater of:</p> <ul style="list-style-type: none"> <li>(1) [to be agreed]% of the Principal Amount Outstanding; and</li> <li>(2) the lower of (i) US\$[to be agreed] million or (ii) the Total Principal Amount Outstanding less the amount credited in the DSRA.</li> </ul> |



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|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Property Covenants and Other Covenants:</b> | <p>As required for facilities of this nature, but to include:</p> <ul style="list-style-type: none"> <li>a) all income received from production to be credited to Project Accounts;</li> <li>b) maintenance of appropriate insurances; provision of information as required in Information Requirements;</li> <li>c) maintenance of and conformity to all government / regulatory / consents / licences;</li> <li>d) compliance with all material obligations in key agreements; and</li> <li>e) limitation on further indebtedness to Borrower.</li> </ul>                                             |
| <b>Information Requirements:</b>               | <p>Standard for a facility of this nature, including but not limited to annual audited accounts for the Borrower, updated cashflow model, annual meeting with the management of the Borrower, semi-annual report detailing technical, operating and financial performance of systems, cash management reports.</p>                                                                                                                                                                                                                                                                                      |
| <b>Events of Default:</b>                      | <p>Standard clauses for facilities of this nature (including, without limitation):</p> <ul style="list-style-type: none"> <li>a) failure to pay any sum when due;</li> <li>b) breach of DSCR Covenant;</li> <li>c) cross default of sum greater than £10,000;</li> <li>d) insolvency;</li> <li>e) major damage in circumstances where it is reasonably likely the Borrower will not be able to comply with its payment obligations under the financing or the cover ratios (having regard to sums available to it from available insurance proceeds); and</li> <li>f) cessation of business.</li> </ul> |



**MGE Corporation Limited**  
Level 18, 40 Bank Street  
Canary Wharf E14-5NR  
United Kingdom  
Phone 44 (0) 2030594517  
[www.mgegroun.net](http://www.mgegroun.net)

|                      |                                                                                                                                                                                                                                                |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Costs</b>         | All legal and other fees, costs and expenses (plus VAT) incurred by the Arranger and approved by the Borrower in connection with the negotiation, preparation, execution and printing of the Documentation is for the account of the Borrower. |
| <b>Taxes</b>         | All payments to be made by the Borrower/Lender must be made free and clear of withholding and any other taxes.                                                                                                                                 |
| <b>Governing law</b> | England and Wales                                                                                                                                                                                                                              |
| <b>Jurisdiction</b>  | Courts of England and Wales                                                                                                                                                                                                                    |

# TAB 23



**REINSURANCE COVER NOTE**  
**MGE - 112017-000016**

**TYPE:** Performance Guarantee.

**INSURED:** MGE Corporation Limited, Level 18, 40 Bank Street, Canary Wharf, E14 5NR United Kingdom.

**BENEFICIARY:** Crystal Wealth Management System Limited (in trust) whose registered office is at 3385 Harvester Road, Suite 200, Burlington, ON, L7N 3N2.

**REINSURED:** Active Capital Reinsurance Ltd – (ACRE)

**REINSURER:** Best Meridian International Insurance Company SPC– (BMIIC)

**UNDERWRITING AGENCY:** Global BRG, LLC (a Florida Company) - (Global)

**INTERMEDIARY:** Insured has the right to assign an Intermediary or Broker.

**PERIOD:** From: 04 November 2016  
To: 06 November 2021  
Both days inclusive.

**SUM INSURED:** CAD18,000,000.00

**LOCATION:** Canada

**CONDITIONS:** As Per Performance Guarantee Wording as ANNEX 1.  
Sanctions Limitation and Exclusion Clause as attached.  
Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (CL. 370).  
Institute Cyber Attack Exclusion Clause 10/11/03 (CL. 380).

**SUBJECTIVITIES:** Subject to sight of the term sheet.  
Cover Note MGE-112017-0016 supersedes Cover Note CAD-MGEC-112015.

**CHOICE OF LAW & JURISDICTION:** This insurance shall be governed by and construed in accordance with the law of England and Wales. Each party agrees to submit to the exclusive jurisdiction of any competent court within England and Wales.

**PREMIUM:** CAD630,000.00

**PREMIUM PAYMENT**

# GLOBAL BRG

**TERMS:** 10 day premium payment condition - LSW 3001(amended) as attached.

**PREMIUM PAYMENT:**

|                  |                        |
|------------------|------------------------|
| Bank             | CITIBANK, N.A.         |
| Branch           | Weston, FL 33326 - USA |
| Account name     | GLOBAL BRG LLC         |
| Checking Account | 9134601398             |
| Swift code       | CITIUS33               |
| ABA              | 266086554              |



**ANNEX 1  
PERFORMANCE GUARANTEE**

Date: 04 November 2016

To: MGE Corporation Limited, Level 18, 40 Bank Street, Canary Wharf, E14 5NR United Kingdom; (the "Insured" or "you")

From: Active Capital Reinsurance Ltd, (the "Guarantor" or "we");

Covered Period: 04 November 2016 to 06 November 2017

Total Premium: CAD630,000.00

Underwriting Agency: Global BRG, LLC (a Florida Company) - (Global)

Intermediary: Insured has the right to assign an Intermediary or Broker to represent them.

We refer to the CAD18,000,000.00 Loan due 06 November 2017, (the "Loan") available on or around the date of this Guarantee by MGE Corporation Limited, whose registered office is at Level 18, 40 Bank Street, Canary Wharf, E14 5NR United Kingdom (the "Issuer").

Words and expressions used in this Performance Guarantee shall have the meanings given unless otherwise stated.

**1. Covenant to Pay:**

We hereby guarantee punctual payment of the principle payable by the Borrower under the Loan for the Loan maturity falling on 06 November 2017 (the "Guaranteed Obligations") in the amount not in excess of the Guarantee Limit and otherwise in accordance with the terms of this Performance Guarantee.

**2. Guarantee Limit:**

Amount payable under this Performance Guarantee shall not exceed an aggregate amount of CAD18,000,000.00 falling on 06 November 2017, plus your reasonable costs of enforcement (if any) of this Performance Guarantee (the "Guarantee Limit").

**3. Claims:**

Any claim under this Performance Guarantee (any, a "Claim") shall be made in writing by the Insured in accordance with Clause 12 (*Notices*) below following the Insured's receipt of a notice that a payment default has occurred under the Loan. Any Claim shall specify the due date for payment of such Guaranteed Obligation, the amount of such unpaid Guaranteed Obligation and that such Guaranteed Obligation remains unpaid. The Guarantor shall be entitled to assume that the information set out in each Claim demand is accurate and genuine and has been duly signed on behalf of the Insured.

**4. Payment:**

Following receipt of a Claim from the Insured in accordance with Clause 3 (*Claims*) above, the Guarantor shall pay to the order of the Insured the amount claimed only at the same time

# GLOBAL BRG

as the settlement or advance of funds under the Guarantor's and / or Reinsurer's own facultative reinsurance contract (s). Payment will be made in Canadian Dollars by wire transfer of immediately available funds to the account specified in the Schedule 1 hereto (the "Payment Account") without setoff, counterclaim, deduction or withholding of any nature whatsoever.

## 5. Primary and Independent Obligation:

This Performance Guarantee constitutes our primary and independent obligation to make payment to you in accordance with the terms of this Performance Guarantee, and we hereby agree to pay you following receipt of your written demand, any cost, loss or liability suffered by you if any Guaranteed Obligation is or becomes unenforceable, invalid, illegal or uncollectible for any reason whatsoever. The amount of the cost, loss or liability shall be equal to the amount which you would otherwise have been entitled to recover, subject to the Guarantee Limit.

## 6. Exclusion of Specific Defenses:

This Performance Guarantee and our obligations hereunder shall not be contingent upon the legal relationship between the Insured and any other person and shall not be affected by an act, omission, matter or thing which, but for this Clause 6 (*Exclusion of Specific Defences*), would reduce, release or prejudice any of the Borrower's obligations under or in respect of the Loan, (without limitation and whether or not known to the Guarantor or you) or the Guarantor's obligations under this Performance Guarantee, unless as defined in the conditions stated under this clause, including:

- (a) Any defect in the provisions of the Loan, the Conditions or the Loan Agreement, causes the whole of that Loan, Conditions or Loan Agreement to be void
- (b) Any incapacity or lack of power, authority or legal personality of the Insured to enforce the Loan, Conditions or the Loan Agreement, or dissolution of the Insured,
- (c) any absence of the required licences or such other authorisations or any factual or legal restrictions or limitations currently or subsequently required of the Insured in its jurisdiction of the Insured (including, but not limited to, force majeure or any event or action delaying beyond reasonable time or preventing any conversion or transfer to or receipt by you in the account agreed to by you),
- (d) the taking, existence, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any other collateral provided to you for the Indebtedness, and your legal relationship with any provider of such other collateral, or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security,
- (e) any supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement of the Loan, the Conditions, the Loan Agreement or any other document or instrument, provided that no such amendment or other modification shall (i) increase the amount payable by the Guarantor hereunder or (ii) without the consent of the Guarantor, change the timing of the payment of any Guaranteed Obligation by the Guarantor hereunder.

# GLOBAL BRG

(f) Guarantor can and will reinsure all or part of this Performance Guarantee. Reinsurer terms and condition will be stated on the "Reinsurance Cover Note".

(g) any insolvency or similar proceedings in respect of the Insured.

## **7. No setoff, Withholding, etc.:**

Any amount payable by us hereunder will be paid free and clear of and without set-off, counterclaim, deduction or withholding unless compelled by law, in which event we will pay such additional amounts as will result in the receipt by you of the amounts which you would otherwise have been payable by us to you in accordance with this Performance Guarantee in the absence of any such set-off, counterclaim, deduction or withholding.

## **8. Limitation of Subrogation:**

So long as any amount remains payable by the Insured to you under or in connection with the Loan, we undertake not to assert any claim we may have against the Insured by reason of the performance of our obligations under this Performance Guarantee, whether on contractual grounds or on any other legal basis, until the Secured Obligations have been satisfied and all amounts payable to you in respect of the Secured Obligations have been fully received or recovered. Until the Secured Obligations have been fully and irrevocably received or recovered, any amount received or recovered by us from the Insured shall be held in trust for and immediately paid to you. If we make any payment to you hereunder, we shall only be subrogated in your rights against the Insured once all Secured Obligations have been fully and irrevocably received or recovered by you.

## **9. Anti-avoidance clause:**

It is agreed that you will not have any duty or obligation to make any representation, warranty or disclosure of any nature, express or implied (such duty and obligation being expressly waived by us) and you shall have no liability of any nature to us for any information provided by any other parties and any such information provided by or non-disclosure by other parties shall not be a ground or grounds for avoidance of our obligations under this Performance Guarantee.

## **10. Reinstatement:**

If any payment by the Insured or any discharge given by the Insured (in respect of the obligations of the Insured for this security) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of the Insured shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) you shall be entitled to recover the value or amount of that security or payment from the Insured, as if the payment, discharge, avoidance or reduction had not occurred.

## **11. Representations:**

The Guarantor hereby makes the following representations and warranties as at the date of this Performance Guarantee.

# GLOBAL BRG

11.1 It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation. It has the power to execute, deliver and perform this Performance Guarantee.

11.2 The obligations expressed to be assumed by it in this Performance Guarantee are (subject to the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors) legal, valid, binding and enforceable obligations.

11.3 The entry into and performance by it, and the transactions contemplated by, this Performance Guarantee do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets.

11.4 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Performance Guarantee.

11.5 All consents, approvals and authorisations of every person and regulatory authority required to enable the Guarantor lawfully to enter into and perform its obligations under this Performance Guarantee and to make this Performance Guarantee admissible in evidence in

11.6 The Guarantor's obligations under this Performance Guarantee constitute its unconditional, direct and unsecured obligations and rank and will rank *pari passu* with all of its other outstanding unsecured and unsubordinated obligations, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

## 12. Notices:

12.1 Any communication to be made under or in connection with this Performance Guarantee shall be made in writing and, unless otherwise stated, may be made by fax or letter.

12.2 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each of the Guarantor and the Insured for any communication or document to be made or delivered under or in connection with this Performance Guarantee is that identified with its name below or any substitute address or fax number or department or officer as the Guarantor or the Insured may notify to each other by not less than five Business Days' notice.

12.3 Any communication or document made or delivered by one person to another under or in connection with this Performance Guarantee will only be effective:

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

# GLOBAL BRG

12.4 Any communication or document to be made or delivered to the Guarantor will be effective only when actually received by the Guarantor and then only if it is expressly marked for the attention of Global BRG, LLC (or any substitute department or officer as the Guarantor shall specify for this purpose).

12.5 Any communication or document which becomes effective, in accordance with paragraph (a) or (b) of Clause above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

12.6 Any communication to be made between the Guarantor and the Insured under or in connection with this Performance Guarantee may be made by electronic mail or other electronic means to the extent that the Guarantor and the Insured agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if they:

- (a) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (b) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

12.7 Any electronic communication made between the Guarantor and the Insured will be effective only when actually received in readable form and in the case of any electronic communication made by the Insured only if it is addressed in such a manner as the Guarantor shall specify for this purpose.

12.8 Any electronic communication which becomes effective, in accordance with Clause 12.6 above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

12.9 Any notice given hereunder must be in English.

## 13. **Partial Invalidity:**

Should any provision of this Performance Guarantee be unenforceable or invalid, the other provisions hereof shall remain in force.

## 14. **Governing Law, Jurisdiction:**

14.1 This Performance Guarantee and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

14.2 The parties hereto agree that the courts of England shall have jurisdiction to hear and determine any disputes, and the parties hereto waive any objection to proceedings in such courts whether on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum. The Guarantor hereby irrevocably submits to the jurisdiction of such courts.

14.3 This Clause 14 [Governing Law, Jurisdiction] is for your benefit and nothing in this Section 14 [Governing Law, Jurisdiction] prevents you from taking proceedings in any other courts with jurisdiction. To the extent allowed by law, you may take concurrent proceedings in any number of jurisdictions.

# GLOBAL BRG

- 14.4 Without prejudice to any other mode of service allowed under any relevant law, the Guarantor irrevocably appoints Global BRG, LLC as its agent for service of process in relation to any proceedings before the English courts in connection with this Performance Guarantee and agrees that failure by a process agent to notify the Guarantor of the process will not invalidate the proceedings concerned.

**15. Contracts (Rights of Third Parties) Act (1999):**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Performance Guarantee and no person party to or not party to or other implied third party to this Performance Guarantee shall have or acquire any right to enforce any term of it pursuant to that Act.

**16. Premium Payment Clause LSW3001 (Amended):**

- 16.1 Notwithstanding any provision to the contrary within this Performance Guarantee or any endorsement hereto, in respect of non-payment of premium only the following clause will apply.
- 16.2 The Insured undertakes that premium will be paid in full to Global BRG, LLC (Global) in accordance with clause "Total Premium". The premium will be paid direct by the Original Insured to Global.
- 16.3 If the premium due under this contract has not been so paid within 10 days of this contract (and, in respect of instalment premiums, by the date they are due), the Guarantor and/or the Reinsurer shall have the right to cancel this contract upon being notified in writing by Global about such non-payment.
- 16.4 The Insured has the right to cancel this Contract within 90 days of the Premium Payment date. Such cancelation Premium Refund will be made net of administrative and underwriting fees of the Guarantor. The Guarantor is not responsible for the refund of commissions paid to Intermediaries and or Brokers as a result of this Insurance Cover Note.

**17. Sanction Limitation and Exclusion Clause:**

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

**18. Claims Cut Through Agreement Clause: Addendum No. 1 (attached)**

*Signature Page to Follow:*

# GLOBAL BRG

Signed on behalf of:

**MGE Corporation Limited**  
 ("the Original Insured")



Authorized Signatory

Name: Stephen Miller

Date: 4/11/2016.

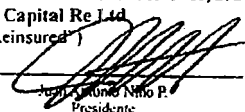
**Active Capital Reinsurance Ltd**  
 ("the Insurer")



ACTIVE CAPITAL REINSURANCE, LTD

Active Capital Re Ltd

("the Reinsured")



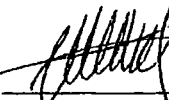
Juan Antonio Nino P.  
 Presidente

Authorized Signatory

Name:

Date:

**Best Meridian International Insurance Company SPC**  
 ("the Reinsurer")



Authorized Signatory

Name: Luis Escobar

Date:



# GLOBAL BRG

**ADDENDUM No. 1**  
**CLAIMS CUT THROUGH AGREEMENT**  
**ATTACHING TO AND FORMING PART OF PERFORMANCE GUARANTEE**  
**REINSURANCE AGREEMENT**  
**Slip No. MGE-112017-000016**  
**("The Reinsurance Agreement")**

Between  
**MGE Corporation Limited**  
 London, England  
 ("the Original Insured")

and  
**Active Capital Reinsurance, Ltd.**  
 Christ Church, Barbados  
 ("the Reinsured")

and  
**Best Meridian International Insurance Company SPC**  
 Grand Cayman, Cayman Islands  
 ("the Reinsurer")

Whereas The Reinsured has issued a Performance Guarantee Bond to MGE Corporation Limited ("The Original Insured") effective 04 November 2016.

Whereas the Reinsurer has also entered into a Reinsurance Agreement with the Reinsured, whereby the Reinsurer agrees to reinsure 100% of the Reinsured liability to the Original Insured under the Reinsurance Agreement. In the event of a claim under this reinsurance contract, all parties agree that payments hereon shall take place only at the same time as the settlement or advance of funds under the Reinsurer's own facultative retrocession contract (s). The Reinsurer can or will retrocede any volume of liability at its sole discretion.

Now therefore, the Original Insured, the Reinsured, and the Reinsurer, agree as follows:

The Reinsurer agrees that, at the request of the Original Insured, the Reinsurer will immediately become liable to the Original Insured for any loss to the Reinsurance Agreement otherwise applies;

The Reinsurer will make payment of such loss directly to the Original Insured, but only at the same time and in the same manner as the Reinsurer would be obligated to make payment pursuant to the terms of the Reinsurance Agreement.

The Original Insured agrees that the Reinsured shall have no obligation to pay any amount to the Original Insured for claim, losses, or any other reason, if the Reinsured has not previously received from the Reinsurer the amount of the claim, and in any event the Reinsured shall only pay the Original Insured to the extent of the amounts previously received from the Reinsurer, up to the limit of the Sum indicated in the Reinsurance Agreement. In respect of such loss, such payment shall fully discharge the Reinsured of any and all liability to the Original Insured under the Performance Guarantee Bond contractual and any other extra contractual obligations that could arise. Also, it is further understood and agreed that, in the event of the insolvency of the Reinsurer, the reinsurance under this contract shall be payable directly by the Reinsurer to the order of the Original Insured through its liquidator, receiver, conservator or statutory successor, and therefore fully discharging the Reinsured from any current or further liability regarding the COVER NOTE MGE-112017-000016.

*Signature Page to Follow:*

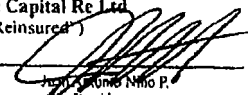
# GLOBAL BRG

Signed on behalf of:

**MGE Corporation Limited**  
("the Original Insured")

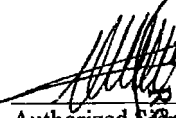
  
\_\_\_\_\_  
Authorized Signatory  
Name: Stephen Miller  
Date: 4/11/2016

**Active Capital Reinsurance Ltd**  
("the Insurer")

 ACTIVE CAPITAL REINSURANCE, LTD.  
Active Capital Re Ltd  
("the Reinsured")  
  
\_\_\_\_\_  
Juan Antonio Nino P.  
Presidente

\_\_\_\_\_  
Authorized Signatory  
Name:  
Date:

**Best Meridian International Insurance Company SPC**  
("the Reinsurer")

  
\_\_\_\_\_  
Authorized Signatory  
Name: Luis Escobar  
Date:





## SCHEDULE 1

## PAYMENT ACCOUNT:

|              |                       |
|--------------|-----------------------|
| Bank         | [Banking Coordinates] |
| Address      |                       |
| Account name |                       |
| Account No.  |                       |
| Swift code   |                       |
| IBAN         |                       |

# TAB 24

November 22, 2016

**RE: Crystal Wealth Invoices Summary for Dome Mountain**

|                                                                                      |                                                                             |
|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <b>Fund:</b>                                                                         | <b>Crystal Wealth Enlightened Factoring Strategy</b>                        |
| <b>Merchant:</b>                                                                     | <b>Dome Mountain Resources of Canada Ltd.</b>                               |
| <b>Invoice #:</b>                                                                    | <b>206</b>                                                                  |
| <b>Debtor:</b>                                                                       | <b>MGE Corporation Limited</b>                                              |
| <b>Invoice Total</b>                                                                 | <b>\$36,000,000.00</b>                                                      |
| <b>Total Gross Forwarded:</b>                                                        | <b>\$13,808,835.23</b>                                                      |
| <b>Forward Percent:</b>                                                              | <b>38.35787564%</b>                                                         |
| <b>Total Net Forwarded:</b>                                                          | <b>\$13,550,032.23 (includes \$45,731.35 -<br/>previous Frontline Fees)</b> |
| <b>CW 30 Day Rate:</b>                                                               | <b>1.561643835% = \$211,603.24</b>                                          |
| <b>Frontline 30 Day Rate:</b>                                                        | <b>0.3483368839% = \$47,199.76</b>                                          |
| <b>Total 30 Day Rate:</b>                                                            | <b>1.9099807189% = \$258,803.00</b>                                         |
| <b>CW Daily Rate After 30 Days:</b>                                                  | <b>0.0520547945% = \$7,053.44</b>                                           |
| <b>Gross Forwarded Distribution:</b>                                                 |                                                                             |
| Dome Mountain Total Outstanding to Crystal<br>Wealth Enlightened Factoring Strategy: | \$10,127,675.88                                                             |
| Dome Mountain Total Outstanding to<br>ACM Income Fund:                               | \$2,380,000.00                                                              |
| Dome Mountain Total Outstanding to<br>Crystal Wealth Enlightened Hedge Fund:         | \$996,625.00                                                                |
| CW 30 Day Rate:                                                                      | \$211,603.24                                                                |
| Frontline 30 Day Rate:                                                               | \$47,199.76 (Has been wired)                                                |
| Frontline Fees Due from Last Invoice:                                                | \$45,731.35 (Has been wired)                                                |

This summary is new agreement and invoice that will payout the old invoice including a new insurance policy. MGE Corporation Limited (MGE) was unable to close on the funding of Gavin mines as the numbers did not substantiate the purchase price, although we had an insurance policy covering the performance of MGE. As the deal has been restructured at a lower price, MGE will now be able to fund the share purchase and the insurance company is willing to reissue a new policy at an increased amount to cover the added factoring fees. The fees will be at the same annual rate as the last deal although it will be prorated with early payout.

**Previously sent:**

- Security Agreement
- Mandate Letter
- Deed of Guarantee
- Coverage email from BMI Reinsurance Division committing that executed insurance documents will be received from the head office later today
- Draft of Lawyer Confirming Insurance
- Signed Insurance Cover Note
- Signed Reinsurance Cover Note
- Signed Deed of Guarantee

**Attached:**

- Factoring Agreement
- Term Sheet

Sincerely,



Steven Bandola  
Frontline Factoring Inc.  
403 715-3901

# TAB 25



November 28, 2016

**Re: Insurance Cover Note MGE-112017-000016**

**Insured: MGE Corporation Limited, Level 18, 40 Bank Street, Canary Wharf,  
E14 5NR United Kingdom.**

**Beneficiary: Crystal Wealth Management System Limited (in trust) whose registered  
office is at 3385 Harvester Road, Suite 200, Burlington, ON, L7N 3N2.**

Dear Sirs,

We issue this communication to confirm with immediate effect the cancellation ab initio of the above referenced Insurance / Reinsurance Cover Notes due to non-payment of premium within the allotted time period as per Clause 16, (Premium Payment Clause LSW3001 (Amended) subparagraph 16.3), of the Performance Guarantee.

This notice will be remitted to all relevant parties.

Sincerely,

  
Luis A. Escobar  
Director



# TAB 26

October 19, 2017

BY EMAIL (stephenmiller06@outlook.com)

MGE Corporation Limited  
Tower Bridge House, St. Katharine's Way  
London, United Kingdom E1W 1DD

Grant Thornton Limited  
11 Floor, 200 King Street West  
Box 11  
Toronto, ON  
M5H 3T4  
T (416) 366-0100  
F (416) 360-4949  
www.GrantThornton.ca

Attention: Stephen Miller, Director

Dear Mr. Miller:

**Re: Receivership of Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund  
Ontario Superior Court of Justice Court File No. CV-17-1179-00CL**

---

As you know, Grant Thornton Limited was appointed by the Ontario Superior Court of Justice (Commercial List) as receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of, among other entities, Crystal Wealth Management System Limited (the “**Company**”), Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) (the “**Factoring Fund**”), and the Crystal Wealth Enlightened Hedge Fund (the “**Hedge Fund**”, together with the Factoring Fund, the “**Funds**”).

In your email sent to the Receiver on August 31, 2017, you denied having any knowledge of invoice no. 205 which was rendered to MGE Corporation Ltd. (“**MGE**”) by Dome Mountain Resources of Canada Inc. (“**Dome Mountain**”), which receivable was indicated in the Company’s records as having been purchased by, and assigned to, the Funds pursuant to their factoring arrangements with Dome Mountain.

In light of your response, and upon further investigation, the Receiver understands that MGE’s indebtedness to the Funds arises, in part, as a result of a policy of insurance in the amount of CAD \$18,000,000 which was to be obtained by MGE, to ensure the repayment of certain indebtedness owing to the Funds (described below) as a result of their lending arrangements with Dome Mountain. In this regard, we enclose a Reinsurance Cover Note (MGE-112017-000016) and Performance Guarantee dated November 4, 2016 (the “**Performance Guarantee**”), which was obtained by MGE, and in which the Company, in trust for the Funds, is the named beneficiary. The sum insured under the Performance Guarantee, pursuant to which Best Meridian International Insurance Company SPC (“**BMIIC**”) is the reinsurer and Global BRG, LLC (“**Global BRG**”) is the named underwriting agent, is CAD \$18,000,000.

As you are aware, MGE and Dome Mountain also executed a Deed of Guarantee dated November 4, 2016 (enclosed), wherein MGE expressly acknowledged that Dome Mountain was borrowing funds from the Company (in trust for the Funds), in the form of an interest-bearing loan (the “**Loan**”) to the amount of CAD \$18,000,000. The Deed of Guarantee expressly provides that MGE had procured the Performance Guarantee “to ensure repayment of the Loan” and all interest due to the Company (in trust for the Funds). You personally executed both the Performance Guarantee and the Deed of Guarantee on behalf of MGE.

Consistent with the Deed of Guarantee, on November 4, 2016 MGE effected a registration under the *Personal Property Security Act*, R.S.O. 1990, c. P.10 in Alberta, Canada, registering MGE as a secured party of Dome Mountain with the following description:

100% of the share capital of [Dome Mountain], secured party has charge over the total share capital of the Debtor, Dome Mountain Resources of Canada Inc., as collateral for a loan of C\$18,000,000 starting on 4 November 2016, as per Deed of Guarantee of the same Date.

On November 11, 2016, days following the execution of the Deed of Guarantee and the issuance of the Performance Guarantee, the Factoring Fund advanced CAD \$12,600,606.99 and the Hedge Fund advanced CAD \$996,625 of the Loan, in reliance on the representation by MGE that the \$18 million Performance Guarantee was in place to ensure that these advances, and all accrued interest, would be repaid to the Funds. Additional Loan advances were similarly made by the Factoring Fund in reliance on the representation by MGE that a Performance Guarantee was in place.

As the Loan has not been repaid to the Funds, a claim ought to be submitted by MGE pursuant to the Performance Guarantee, to ensure that the principal amount of the Loan, and all accrued interest, is repaid to the Funds as the beneficiaries of the Performance Guarantee.

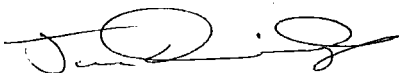
The Receiver has recently made inquiry with Global BRG to confirm that the Performance Guarantee is in place. In response, Global BRG provided the enclosed cancellation letter dated November 28, 2016, which purports to confirm that the Performance Guarantee was cancelled with immediate effect, due to MGE's failure to pay the CAD \$630,000 policy premium.

The Receiver demands that MGE provide forthwith, and in any event, by no later than 5 p.m. EST on Friday, October 20, 2017, a written explanation to the Receiver advising of: (i) the circumstances which gave rise to MGE's failure to pay the premium required by the Performance Guarantee; (ii) whether notice was given by MGE to the Company, the Funds, Dome Mountain, and/or to Frontline Factoring Inc. that the premium had not been paid, and that the Performance Guarantee had been cancelled, and produce in your response to the Receiver all written communications in this regard; (iii) the reason MGE registered its security interest against Dome Mountain as per the Deed of Guarantee, despite its failure to secure the Performance Guarantee as required and contrary to MGE's representations in the Deed of Guarantee; and (iv) whether a replacement policy of insurance, or performance guarantee, has been obtained by MGE or any other party to secure repayment of the Loan indebtedness owing to the Funds as set out above.

In its capacity as Receiver, the Receiver continues to reserve all rights of the Company and of the Funds, including to pursue MGE for all amounts owing to the Funds by Dome Mountain and MGE.

Sincerely,

**GRANT THORNTON LIMITED,**  
**In its capacity as the Court-appointed Receiver and Manager of**  
**Crystal Wealth Management System Limited and the Funds,**  
**and not in its personal or corporate capacity and without personal or corporate liability**



**Jason Knight, CPA, CA**  
**Manager**

Encls.

# GLOBAL BRG

## REINSURANCE COVER NOTE MGE - 112017-000016

**TYPE:** Performance Guarantee.

**INSURED:** MGE Corporation Limited, Level 18, 40 Bank Street, Canary Wharf, E14 5NR United Kingdom.

**BENEFICIARY:** Crystal Wealth Management System Limited (in trust) whose registered office is at 3385 Harvester Road, Suite 200, Burlington, ON, L7N 3N2.

**REINSURED:** Active Capital Reinsurance Ltd – (ACRE)

**REINSURER:** Best Meridian International Insurance Company SPC– (BMIIC)

**UNDERWRITING AGENCY:** Global BRG, LLC (a Florida Company) - (Global)

**INTERMEDIARY:** Insured has the right to assign an Intermediary or Broker.

**PERIOD:** From: 04 November 2016  
To: 06 November 2021  
Both days inclusive.

**SUM INSURED:** CAD18,000,000.00

**LOCATION:** Canada

**CONDITIONS:** As Per Performance Guarantee Wording as ANNEX 1.  
Sanctions Limitation and Exclusion Clause as attached.  
Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (CL. 370).  
Institute Cyber Attack Exclusion Clause 10/11/03 (CL. 380).

**SUBJECTIVITIES:** Subject to sight of the term sheet.  
Cover Note MGE-112017-0016 supersedes Cover Note CAD-MGEC-112015.

**CHOICE OF LAW & JURISDICTION:** This insurance shall be governed by and construed in accordance with the law of England and Wales. Each party agrees to submit to the exclusive jurisdiction of any competent court within England and Wales.

**PREMIUM:** CAD630,000.00

**PREMIUM PAYMENT**

# GLOBAL BRG

**TERMS:** 10 day premium payment condition - LSW 3001(amended) as attached.

**PREMIUM PAYMENT:**

|                  |                        |
|------------------|------------------------|
| Bank             | CITIBANK, N.A.         |
| Branch           | Weston, FL 33326 - USA |
| Account name     | GLOBAL BRG LLC         |
| Checking Account | 9134601398             |
| Swift code       | CITIUS33               |
| ABA              | 266086554              |



**ANNEX 1  
PERFORMANCE GUARANTEE**

Date: 04 November 2016

To: MGE Corporation Limited, Level 18, 40 Bank Street, Canary Wharf, E14 5NR United Kingdom; (the "Insured" or "you")

From: Active Capital Reinsurance Ltd, (the "Guarantor" or "we");

Covered Period: 04 November 2016 to 06 November 2017

Total Premium: CAD630,000.00

Underwriting Agency: Global BRG, LLC (a Florida Company) - (Global)

Intermediary: Insured has the right to assign an Intermediary or Broker to represent them.

We refer to the CAD18,000,000.00 Loan due 06 November 2017, (the "Loan") available on or around the date of this Guarantee by MGE Corporation Limited, whose registered office is at Level 18, 40 Bank Street, Canary Wharf, E14 5NR United Kingdom (the "Issuer").

Words and expressions used in this Performance Guarantee shall have the meanings given unless otherwise stated.

**1. Covenant to Pay:**

We hereby guarantee punctual payment of the principle payable by the Borrower under the Loan for the Loan maturity falling on 06 November 2017 (the "Guaranteed Obligations") in the amount not in excess of the Guarantee Limit and otherwise in accordance with the terms of this Performance Guarantee.

**2. Guarantee Limit:**

Amount payable under this Performance Guarantee shall not exceed an aggregate amount of CAD18,000,000.00 falling on 06 November 2017, plus your reasonable costs of enforcement (if any) of this Performance Guarantee (the "Guarantee Limit").

**3. Claims:**

Any claim under this Performance Guarantee (any, a "Claim") shall be made in writing by the Insured in accordance with Clause 12 (*Notices*) below following the Insured's receipt of a notice that a payment default has occurred under the Loan. Any Claim shall specify the due date for payment of such Guaranteed Obligation, the amount of such unpaid Guaranteed Obligation and that such Guaranteed Obligation remains unpaid. The Guarantor shall be entitled to assume that the information set out in each Claim demand is accurate and genuine and has been duly signed on behalf of the Insured.

**4. Payment:**

Following receipt of a Claim from the Insured in accordance with Clause 3 (*Claims*) above, the Guarantor shall pay to the order of the Insured the amount claimed only at the same time

# GLOBAL BRG

as the settlement or advance of funds under the Guarantor's and / or Reinsurer's own facultative reinsurance contract (s). Payment will be made in Canadian Dollars by wire transfer of immediately available funds to the account specified in the Schedule I hereto (the "Payment Account") without setoff, counterclaim, deduction or withholding of any nature whatsoever.

## **5. Primary and Independent Obligation:**

This Performance Guarantee constitutes our primary and independent obligation to make payment to you in accordance with the terms of this Performance Guarantee, and we hereby agree to pay you following receipt of your written demand, any cost, loss or liability suffered by you if any Guaranteed Obligation is or becomes unenforceable, invalid, illegal or uncollectible for any reason whatsoever. The amount of the cost, loss or liability shall be equal to the amount which you would otherwise have been entitled to recover, subject to the Guarantee Limit.

## **6. Exclusion of Specific Defenses:**

This Performance Guarantee and our obligations hereunder shall not be contingent upon the legal relationship between the Insured and any other person and shall not be affected by an act, omission, matter or thing which, but for this Clause 6 (*Exclusion of Specific Defences*), would reduce, release or prejudice any of the Borrower's obligations under or in respect of the Loan, (without limitation and whether or not known to the Guarantor or you) or the Guarantor's obligations under this Performance Guarantee, unless as defined in the conditions stated under this clause, including:

- (a) Any defect in the provisions of the Loan, the Conditions or the Loan Agreement, causes the whole of that Loan, Conditions or Loan Agreement to be void
- (b) Any incapacity or lack of power, authority or legal personality of the Insured to enforce the Loan, Conditions or the Loan Agreement, or dissolution of the Insured,
- (c) any absence of the required licences or such other authorisations or any factual or legal restrictions or limitations currently or subsequently required of the Insured in its jurisdiction of the Insured (including, but not limited to, force majeure or any event or action delaying beyond reasonable time or preventing any conversion or transfer to or receipt by you in the account agreed to by you),
- (d) the taking, existence, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any other collateral provided to you for the Indebtedness, and your legal relationship with any provider of such other collateral, or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security,
- (e) any supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement of the Loan, the Conditions, the Loan Agreement or any other document or instrument, provided that no such amendment or other modification shall (i) increase the amount payable by the Guarantor hereunder or (ii) without the consent of the Guarantor, change the timing of the payment of any Guaranteed Obligation by the Guarantor hereunder.

# GLOBAL BRG

(f) Guarantor can and will reinsure all or part of this Performance Guarantee. Reinsurer terms and condition will be stated on the "Reinsurance Cover Note".

(g) any insolvency or similar proceedings in respect of the Insured.

## **7. No setoff, Withholding, etc.:**

Any amount payable by us hereunder will be paid free and clear of and without set-off, counterclaim, deduction or withholding unless compelled by law, in which event we will pay such additional amounts as will result in the receipt by you of the amounts which you would otherwise have been payable by us to you in accordance with this Performance Guarantee in the absence of any such set-off, counterclaim, deduction or withholding.

## **8. Limitation of Subrogation:**

So long as any amount remains payable by the Insured to you under or in connection with the Loan, we undertake not to assert any claim we may have against the Insured by reason of the performance of our obligations under this Performance Guarantee, whether on contractual grounds or on any other legal basis, until the Secured Obligations have been satisfied and all amounts payable to you in respect of the Secured Obligations have been fully received or recovered. Until the Secured Obligations have been fully and irrevocably received or recovered, any amount received or recovered by us from the Insured shall be held in trust for and immediately paid to you. If we make any payment to you hereunder, we shall only be subrogated in your rights against the Insured once all Secured Obligations have been fully and irrevocably received or recovered by you.

## **9. Anti-avoidance clause:**

It is agreed that you will not have any duty or obligation to make any representation, warranty or disclosure of any nature, express or implied (such duty and obligation being expressly waived by us) and you shall have no liability of any nature to us for any information provided by any other parties and any such information provided by or non-disclosure by other parties shall not be a ground or grounds for avoidance of our obligations under this Performance Guarantee.

## **10. Reinstatement:**

If any payment by the Insured or any discharge given by the Insured (in respect of the obligations of the Insured for this security) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of the Insured shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) you shall be entitled to recover the value or amount of that security or payment from the Insured, as if the payment, discharge, avoidance or reduction had not occurred.

## **11. Representations:**

The Guarantor hereby makes the following representations and warranties as at the date of this Performance Guarantee.

# GLOBAL BRG

11.1 It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation. It has the power to execute, deliver and perform this Performance Guarantee.

11.2 The obligations expressed to be assumed by it in this Performance Guarantee are (subject to the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors) legal, valid, binding and enforceable obligations.

11.3 The entry into and performance by it, and the transactions contemplated by, this Performance Guarantee do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets.

11.4 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Performance Guarantee.

11.5 All consents, approvals and authorisations or every person and regulatory authority required to enable the Guarantor lawfully to enter into and perform its obligations under this Performance Guarantee and to make this Performance Guarantee admissible in evidence in

11.6 The Guarantor's obligations under this Performance Guarantee constitute its unconditional, direct and unsecured obligations and rank and will rank *pari passu* with all of its other outstanding unsecured and unsubordinated obligations, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

## 12. Notices:

12.1 Any communication to be made under or in connection with this Performance Guarantee shall be made in writing and, unless otherwise stated, may be made by fax or letter.

12.2 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each of the Guarantor and the Insured for any communication or document to be made or delivered under or in connection with this Performance Guarantee is that identified with its name below or any substitute address or fax number or department or officer as the Guarantor or the Insured may notify to each other by not less than five Business Days' notice.

12.3 Any communication or document made or delivered by one person to another under or in connection with this Performance Guarantee will only be effective:

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

# GLOBAL BRG

12.4 Any communication or document to be made or delivered to the Guarantor will be effective only when actually received by the Guarantor and then only if it is expressly marked for the attention of Global BRG, LLC (or any substitute department or officer as the Guarantor shall specify for this purpose).

12.5 Any communication or document which becomes effective, in accordance with paragraph (a) or (b) of Clause above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

12.6 Any communication to be made between the Guarantor and the Insured under or in connection with this Performance Guarantee may be made by electronic mail or other electronic means to the extent that the Guarantor and the Insured agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if they:

- (a) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (b) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

12.7 Any electronic communication made between the Guarantor and the Insured will be effective only when actually received in readable form and in the case of any electronic communication made by the Insured only if it is addressed in such a manner as the Guarantor shall specify for this purpose.

12.8 Any electronic communication which becomes effective, in accordance with Clause 12.6 above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

12.9 Any notice given hereunder must be in English.

**13. Partial Invalidity:**

Should any provision of this Performance Guarantee be unenforceable or invalid, the other provisions hereof shall remain in force.

**14. Governing Law, Jurisdiction:**

14.1 This Performance Guarantee and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

14.2 The parties hereto agree that the courts of England shall have jurisdiction to hear and determine any disputes, and the parties hereto waive any objection to proceedings in such courts whether on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum. The Guarantor hereby irrevocably submits to the jurisdiction of such courts.

14.3 This Clause 14 [Governing Law, Jurisdiction] is for your benefit and nothing in this Section 14 [Governing Law, Jurisdiction] prevents you from taking proceedings in any other courts with jurisdiction. To the extent allowed by law, you may take concurrent proceedings in any number of jurisdictions.

# **GLOBAL BRG**

- 14.4 Without prejudice to any other mode of service allowed under any relevant law, the Guarantor irrevocably appoints Global BRG, LLC as its agent for service of process in relation to any proceedings before the English courts in connection with this Performance Guarantee and agrees that failure by a process agent to notify the Guarantor of the process will not invalidate the proceedings concerned.

**15. Contracts (Rights of Third Parties) Act (1999):**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Performance Guarantee and no person party to or not party to or other implied third party to this Performance Guarantee shall have or acquire any right to enforce any term of it pursuant to that Act.

**16. Premium Payment Clause LSW3001 (Amended):**

- 16.1 Notwithstanding any provision to the contrary within this Performance Guarantee or any endorsement hereto, in respect of non-payment of premium only the following clause will apply.
- 16.2 The Insured undertakes that premium will be paid in full to Global BRG, LLC (Global) in accordance with clause "Total Premium". The premium will be paid direct by the Original Insured to Global.
- 16.3 If the premium due under this contract has not been so paid within 10 days of this contract (and, in respect of instalment premiums, by the date they are due), the Guarantor and/or the Reinsurer shall have the right to cancel this contract upon being notified in writing by Global about such non-payment.
- 16.4 The Insured has the right to cancel this Contract within 90 days of the Premium Payment date. Such cancellation Premium Refund will be made net of administrative and underwriting fees of the Guarantor. The Guarantor is not responsible for the refund of commissions paid to Intermediaries and or Brokers as a result of this Insurance Cover Note.

**17. Sanction Limitation and Exclusion Clause:**

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

**18. Claims Cut Through Agreement Clause: Addendum No. 1 (attached)**

*Signature Page to Follow:*

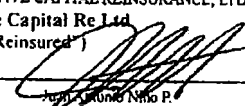
# GLOBAL BRG

Signed on behalf of:

**MGE Corporation Limited**  
("the Original Insured")

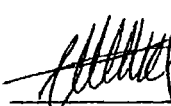
  
\_\_\_\_\_  
Authorized Signatory  
Name: Stephen Miller  
Date: 9/11/2016.

**Active Capital Reinsurance Ltd**  
("the Insurer")

 ACTIVE CAPITAL REINSURANCE, LTD  
Active Capital Re Ltd  
("the Reinsured")  
  
\_\_\_\_\_  
Juan Antonio Nino P.  
Presidente

Authorized Signatory  
Name:  
Date:

**Best Meridian International Insurance Company SPC**  
("the Reinsurer")

  
\_\_\_\_\_  
Authorized Signatory  
Name: Luis Escobar  
Date:





**ADDENDUM No. 1**  
**CLAIMS CUT THROUGH AGREEMENT**  
**ATTACHING TO AND FORMING PART OF PERFORMANCE GUARANTEE**  
**REINSURANCE AGREEMENT**  
**Slip No. MGE-112017-000016**  
**("The Reinsurance Agreement")**

Between  
**MGE Corporation Limited**  
 London, England  
 ("the Original Insured")

and  
**Active Capital Reinsurance, Ltd.**  
 Christ Church, Barbados  
 ("the Reinsured")

and  
**Best Meridian International Insurance Company SPC**  
 Grand Cayman, Cayman Islands  
 ("the Reinsurer")

Whereas The Reinsured has issued a Performance Guarantee Bond to MGE Corporation Limited ("The Original Insured") effective 04 November 2016.

Whereas the Reinsurer has also entered into a Reinsurance Agreement with the Reinsured, whereby the Reinsurer agrees to reinsure 100% of the Reinsured liability to the Original Insured under the Reinsurance Agreement. In the event of a claim under this reinsurance contract, all parties agree that payments hereon shall take place only at the same time as the settlement or advance of funds under the Reinsurer's own facultative retrocession contract (s). The Reinsurer can or will retrocede any volume of liability at its sole discretion.

Now therefore, the Original Insured, the Reinsured, and the Reinsurer, agree as follows:

The Reinsurer agrees that, at the request of the Original Insured, the Reinsurer will immediately become liable to the Original Insured for any loss to the Reinsurance Agreement otherwise applies;

The Reinsurer will make payment of such loss directly to the Original Insured, but only at the same time and in the same manner as the Reinsurer would be obligated to make payment pursuant to the terms of the Reinsurance Agreement.

The Original Insured agrees that the Reinsured shall have no obligation to pay any amount to the Original Insured for claim, losses, or any other reason, if the Reinsured has not previously received from the Reinsurer the amount of the claim, and in any event the Reinsured shall only pay the Original Insured to the extent of the amounts previously received from the Reinsurer, up to the limit of the Sum indicated in the Reinsurance Agreement. In respect of such loss, such payment shall fully discharge the Reinsured of any and all liability to the Original Insured under the Performance Guarantee Bond contractual and any other extra contractual obligations that could arise. Also, it is further understood and agreed that, in the event of the insolvency of the Reinsurer, the reinsurance under this contract shall be payable directly by the Reinsurer to the order of the Original Insured through its liquidator, receiver, conservator or statutory successor, and therefore fully discharging the Reinsured from any current or further liability regarding the COVER NOTE MGE-112017-000016.

*Signature Page to Follow:*

# GLOBAL BRG

Signed on behalf of:

**MGE Corporation Limited**  
("the Original Insured")

  
\_\_\_\_\_  
Authorized Signatory  
Name: Stephen Miller  
Date: 4/11/2016

**Active Capital Reinsurance Ltd**  
("the Insurer")

 ACTIVE CAPITAL REINSURANCE, LTD.  
Active Capital Re Ltd  
(the Reinsured)  
  
\_\_\_\_\_  
Juan Antonio Nino P.  
Presidente

\_\_\_\_\_  
Authorized Signatory  
Name:  
Date:

**Best Meridian International Insurance Company SPC**  
("the Reinsurer")

  
\_\_\_\_\_  
Authorized Signatory  
Name: Luis Escobar  
Date:



**SCHEDULE 1****PAYMENT ACCOUNT:**

|              |                       |
|--------------|-----------------------|
| Bank         | [Banking Coordinates] |
| Address      |                       |
| Account name |                       |
| Account No.  |                       |
| Swift code   |                       |
| IBAN         |                       |

**DATED 4 NOVEMBER 2016**

**MGE CORPORATION LTD**

**AND**

**DOME MOUNTAIN RESOURCES OF CANADA INC**

**AND**

**THE SHAREHOLDERS OF DOME MOUNTAIN RESOURCES OF CANADA INC**

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**DEED OF GUARANTEE**

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THIS DEED is made on 4 November 2016

#### PARTIES

- 1) MGE CORPORATION LIMITED, a company incorporated pursuant to the laws of the England and Wales, with its principal office at Level 18, 40 Bank Street, Canary Wharf, E14 5NR, United Kingdom (the "**Guarantor**"); and
- 2) DOME MOUNTAIN RESOURCES OF CANADA INC., a company incorporated pursuant to the laws of the Province of Alberta, Canada, with its principal office at 112 Cranston Drive SE Calgary AB, T3M 1A8, Canada (the "**Borrower**"); and
- 3) The Shareholders are the shareholder on the share register of the Borrower (the "**Shareholders**").

#### RECITALS

- A. The Borrower is borrowing funds from CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED (in trust) (the "**Lender**") of 3385 Harvester Road, Suite 200, Burlington, ON L7N 3N2, Canada, in the form of an interest-bearing loan to the amount of CAD18 million ("the **Loan**"), under the terms and conditions as set out in the FACTORING AGREEMENT, dated November 4, 2016 between the Lender and the Borrower.
- B. The Borrower is acquiring the whole share capital of Gavin Mines Inc (the "**Mine**") via a separate agreement. As precondition, the Mine has to prove sufficient resources for a minimum seven (7) years' production, run of mine. The resources are required to be proven as per N1 43101 and valuation and revenues produced must be a minimum of 1.5 times the principal and interest re payments of the loan.
- C. The Borrower is utilising the proceeds of the Loan to fund the mineral exploration programme of the "**Mine**" and produce the resource report.
- D. The Guarantor has procured a performance guarantee (the "**Guarantee**") to ensure the repayment of the Loan to the Lender in return for a charge over the full share capital of the Borrower, the borrower will hold 43% of the shares in Gavin Mines Inc (the "**Charge**") as set out in the terms and conditions of this Deed of Guarantee.

IT IS AGREED as follows:

#### 1. Definitions and interpretation

##### 1.1 Definitions

In this Deed, unless otherwise provided:

|                              |                                                                                                                                                                                           |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Business Day</b>          | means a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in London;                                                                             |
| <b>Charge</b>                | means the charge the Guarantor has over 100% of the issued share capital of the Borrower in exchange for the Guarantee;                                                                   |
| <b>Exploration programme</b> | means the continued exploration work the Mine has to undertake to provide the Resource Report;                                                                                            |
| <b>Event of Default</b>      | means the occurrence of any of the following: <ol style="list-style-type: none"> <li>1. Non-payment: the Borrower fails to repay the Lender the Loan on the date it falls due;</li> </ol> |

2. Breach of obligations: the Borrower fails to perform promptly any other of its obligations hereunder or under the Mandate Letter and Terms Sheet;
3. The Mine fails to produce proof in the Resource report that the resources are sufficient to provide at least seven (7) years' production at full capacity of the mining operations;
4. Misrepresentation: any representation or warranty contained in hereunder or under the Mandate Letter and Terms Sheet or in any document or instrument delivered under or in connection therewith, is incorrect or misleading in any material respect when made or deemed to be made.

**Guarantee**

means the performance guarantee, arranged by the Guarantor to guarantee the repayment of the Loan by the Borrower to the Lender and the Lender's financier;

**Legal Reservations**

means:

- (a) the principle that the granting or not of equitable remedies is at the discretion of a court;
- (b) the time barring of claims under any limitation acts in any jurisdiction; and

any other principles of law applicable to companies generally;

**Loan**

means the interest-bearing loan of CAD18m (eighteen million Canadian Dollars) provided by the Lender to the Borrower under the terms and conditions set out in the CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED (in trust) FACTORING AGREEMENT dated November 4, 2016 means a JORC compliant or NI 43-101 compliant mineral resource report produced by a competent person resulting from the Exploration;

**Resource Report****Secured Assets**

means the total share capital now and on the date of invoking the Charge of the Borrower;

**Security Interest**

means the right to the Secured Assets as effected by the Charge.

**1.2****I****n****terpretation****1.2.1** In this Deed, unless the context otherwise requires:

- a) words in the singular include the plural and vice versa;
- b) including means including without limitation;
- c) where an act is required to be performed promptly, it must be performed as soon as reasonably possible from the moment when the act could reasonably have been performed, having regard to all of the circumstances;
- d) a time of day is a reference to London time;
- e) a reference to any Party shall be construed as including, where relevant, successors in title to that Party, and that Party's permitted assigns and transferees (if any);
- f) a reference to a person includes individuals, unincorporated bodies, government entities, companies and corporations;

- g) a reference to this Deed is a reference to it as amended, novated, supplemented, restated or replaced from time to time in accordance with its terms; and
  - h) references to legislation include any modification or re-enactment of such legislation or any part of it.
- 1.2.2 The table of contents and any Clause title, Schedule title or other headings in this Deed are included for convenience only and shall have no effect on the interpretation of this Deed.
- 1.2.3 An Event of Default is 'continuing' if it has not been waived in writing by the Guarantor.
- 1.3 Third party rights**
  - 1.3.1 Except as expressly provided for in this Deed, a person who is not a Party (other than a Receiver or any of its delegates or sub-delegates) shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the provisions of this Deed. This does not affect any right or remedy of such a person that exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.
  - 1.3.2 The Parties may terminate or rescind this Deed, or agree to any variation, waiver or settlement in connection with it, without the consent of any third party, whether or not it extinguishes or alters any entitlement they may have to enforce any of the provisions of this Deed.

## **2 The Loan and use of Loan proceeds**

- 2.1 The Lender is providing the Loan to the Borrower. The Borrower agrees to use the proceeds of the Loan to fund the Exploration programme and produce the Resource Report.
- 2.2 The Borrower requires proof in the Resource Report resources equivalent to at least seven (7) years' mining production and other condition precedent as per the mandate and term sheet as condition for the full acquisition of the Mine.

## **3 Covenant to pay**

- 3.1 The Borrower covenants with the Guarantor that it will repay the Loan and all interest when due.

## **4 Charge over shares and covenant to release the shares under charge**

- 4.1 The Borrower and the Shareholders irrevocably agree to the Charge over the total issued share capital (the "Security Interests") of the Borrower for the benefit of the Guarantor, to be transferred as agreed herein.
- 4.2 As a continuing security for the repayment of the Loan or, in the case of an Event of Default, the Borrower and the Shareholders by full guarantee, irrevocably covenants to keep the total issued shares of the Borrower secure and free from all liens, charges to third parties or any such encumbrances, for the benefit of the Guarantor, as created by this Deed.
- 4.3 In the event the Borrower fails to repay the Loan and all interest when due as per clause 2 herein or the Event of Default; the Borrower and all other shareholders of the Borrower irrevocably covenants with the Guarantor that they will transfer for the total consideration of CAD1.00 the total issued shares in the Borrower to the Guarantor as per the Charge over the Assets herein.

## **5 Representations and warranties**

The Parties make the following representations and warranties to and for the benefit of the Borrower and the Guarantor on the Date of this Deed and acknowledges that the Guarantor and Borrower and the Shareholders have entered into the Guarantee Deed in reliance on such representations and warranties:

- 5.1 the Guarantor has effected a guarantee with a third party to guarantee repayment of the Loan to the Lender in the event the Borrower fails to repay the Loan and all interests due;
- 5.2 subject to the Legal Reservations, this Deed creates the Charge over the Secured Assets that it purports to create and the Charge over the Secured Assets constitutes a legal, valid and effective Security Interest with first ranking priority;
- 5.3 the Borrower shall not issue further shares to any shareholders not party to this Deed and no Shareholder hereto shall pledge, offer as security of otherwise encumbrance the Shares (the secured Assets) and any new shares issued to the Shareholders shall form part of the Secured Assets;
- 5.4 no third party consents are required to ensure the effective creation of the Security Interests envisaged by this Deed.
- 5.5 Any Party hereto shall not, without the consent of the other Parties' prior written consent amend or waive any of its rights or any other party's obligations under this Deed;
- 5.6 waive any breach by such other party of, or agree to accept termination of such other party's obligations under this Deed;

## **6 Notices**

- 6.1 Any notice or other communication given by a party under this Deed must:
  - 6.1.1 be in writing and in English; and
  - 6.1.2 be signed by or on behalf of the party giving it.
- 6.2 Notices will be sent to the parties at the addresses given in this Deed
- 6.3 Notices may be given and will be deemed received:
  - 6.3.1 by hand: on receipt of a signature at the time of delivery; or
  - 6.3.2 by pre-paid first class post: at 9.00 am on the 2nd (second) Business Day after posting; and
- 6.4 A notice given under this Deed is not validly served if sent by email.

## **7 Amendments**

No amendment, waiver or variation of any of the terms of this Deed will be valid or effective unless made in writing and executed by or on behalf of the Parties.

## **8 Remedies and waivers**

- 8.1 No failure, delay or omission by the Guarantor in exercising any right, power or remedy provided by law or under this Deed shall operate as a waiver of that right, power or remedy, nor shall it preclude or restrict any future exercise of that or any other right, power or remedy.
- 8.2 No single or partial exercise of any right, power or remedy provided by law or under this Deed shall prevent any future exercise of it or the exercise of any other right, power or remedy.
- 8.3 Any release, waiver or discharge of the whole or any part of the Secured Assets or any consent, approval or waiver given by the Guarantor in relation to this Deed shall only be effective for that specific purpose and for the terms and conditions upon which it was granted.

## **9 No prejudice**

The Security Interests created, or intended to be created, by or pursuant to this Deed shall not be prejudiced by any unenforceability or invalidity of any other agreement or document.

## **10 Redemption of security and releases**

Subject to and without prejudice to the stipulations herein, on the irrevocable and unconditional repayment and discharge in full of the Loan and any other fees, interest and

charges to the Lender, the Charge over the Secured Assets held by the Guarantor shall be deemed cancelled.

#### **11 Partial invalidity**

- 11.1 If any provision of this Deed (or part of any provision of this Deed) is or becomes illegal, invalid or unenforceable, the legality, validity and enforceability of any other provision of this Deed (or other part of that provision of this Deed) shall not be affected.
- 11.2 If any provision of this Deed (or part of any provision of this Deed) is or becomes illegal, invalid or unenforceable but would be legal, valid or enforceable if some part of it was deleted, the provision or part-provision in question shall apply with such deletions as may be necessary to make the provision legal, valid and enforceable. In the event of such deletion, the Parties shall negotiate in good faith in order to agree the terms of a mutually acceptable alternative provision in place of the provision or part-provision so deleted.

#### **12 Counterparts**

- 12.1 This Deed may be executed in any number of separate counterparts and this has the same effect as if the signatures on those counterparts were on a single copy of this Deed.
- 12.2 Each Party may evidence their execution of this Deed by emailing an executed signature page of this Deed in PDF format together with the final version of this Deed in PDF or Word format, which shall constitute an original executed counterpart of this Deed. Each Party adopting this method of execution will, following circulation by email, provide the original, hard copy executed signature page to the other Party as soon as reasonably practicable.

#### **13 Governing law and jurisdiction**

- 13.1 This Deed and any dispute or claim arising out of, or in connection with it, its subject matter or formation shall be governed by, and construed in accordance with, the laws of England and Wales.
- 13.2 The Parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claims arising out of or in connection with this Deed, its subject matter or formation.

THIS DEED has been executed and delivered as a deed and is intended to take effect as a deed by the Parties on the date written at the beginning of this Deed.

## EXECUTION PAGE

EXECUTED as a DEED by )

MGE CORPORATION LIMITED )

acting by )

STEPHEN MILLER )

a director, in the presence of: )

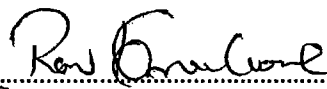
director

Witness' signature:

Witness' name (in BLOCK CAPITALS):

Witness' address:



  
 RONALD GEORGE KNEEBONE  
 44/104 WEST LAKE BOULEVARD  
 (502)

EXECUTED as a DEED by )

 DOME MOUNTAIN RESOURCES OF  
 CANADA INC )

acting by )

a director, in the presence of: )

director

Witness' signature:

Witness' name (in BLOCK CAPITALS):

Witness' address:

## EXECUTION PAGE

EXECUTED as a DEED by )  
 MGE CORPORATION LIMITED )  
 acting by )  
 STEPHEN MILLER )  
 a director, in the presence of: )

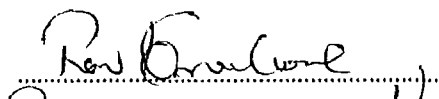


director

Witness' signature:

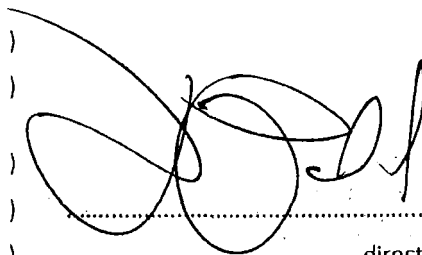
Witness' name (in BLOCK CAPITALS):

Witness' address:

  
 RONALD GEORGE KNEELBOWE  
 44/104 WEST LAKE BOULEVARD  
 5021

EXECUTED as a DEED by )  
 DOME MOUNTAIN RESOURCES OF )  
 CANADA INC )  
 acting by )

a director, in the presence of: )



director

Witness' signature:

Witness' name (in BLOCK CAPITALS):

Witness' address:



CHRISTINA DOWLING

112 CRANSTON DR SE

CALGARY, AB T3M 1A8



November 28, 2016

**Re: Insurance Cover Note MGE-112017-000016**

**Insured: MGE Corporation Limited, Level 18, 40 Bank Street, Canary Wharf,  
E14 5NR United Kingdom.**

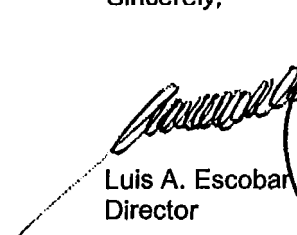
**Beneficiary: Crystal Wealth Management System Limited (in trust) whose registered  
office is at 3385 Harvester Road, Suite 200, Burlington, ON, L7N 3N2.**

Dear Sirs,

We issue this communication to confirm with immediate effect the cancellation ab initio of the above referenced Insurance / Reinsurance Cover Notes due to non-payment of premium within the allotted time period as per Clause 16, (Premium Payment Clause LSW3001 (Amended) subparagraph 16.3), of the Performance Guarantee.

This notice will be remitted to all relevant parties.

Sincerely,

  
Luis A. Escobar  
Director



# TAB 27

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**From:** Mark van Zandvoort  
**Sent:** Monday, October 23, 2017 9:05 PM  
**To:** Stephen Miller  
**Cc:** Steve Graff; Knight, Jason  
**Subject:** RE: Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund - MGE Corporation Limited  
**Attachments:** Letter to MGE Corporation Limited dated October 19, 2017.pdf  
**Importance:** High

Sir:

We are the lawyers for Grant Thornton Limited, in its capacity as the Court-Appointed receiver and manager (in such capacities, the "**Receiver**") of, among other entities, Crystal Wealth Management System Limited, and of Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund (together, the "**Funds**").

The Receiver has not received a response from MGE Corporation Ltd. ("**MGE**") to its letter dated October 19, 2017, attached. We demand that MGE provide a response to the Receiver **by no later than 5 p.m. EST on Tuesday, October 24, 2017**, failing which, we will consider MGE's lack of response as an acknowledgement that MGE failed to secure the Performance Guarantee (or any replacement policy), contrary to the representations made by MGE to the Funds.

Should MGE fail to provide a response to the Receiver's inquiries by 5.p.m. EST on Tuesday, October 24, 2017, including the provision of all documentation requested, MGE's lack of response will also be reported by the Receiver to the Ontario Superior Court of Justice (Commercial List), and the Receiver will take all necessary steps to recover the indebtedness owing to the Funds arising from MGE's apparent failure to secure the Performance Guarantee contrary to its representations.

Regards,

Mark van Zandvoort

**Mark van Zandvoort**

T 416.865.4742  
F 416.863.1515  
E [mvanzandvoort@airdberlis.com](mailto:mvanzandvoort@airdberlis.com)

**Aird & Berlis LLP** | Lawyers  
Brookfield Place, 181 Bay Street, Suite 1800  
Toronto, Canada M5J 2T9 | [airdberlis.com](http://airdberlis.com)

**AIRD BERLIS**

# TAB 28

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**From:** Stephen Miller  
**Sent:** Tuesday, October 31, 2017 9:36 AM  
**To:** Mark van Zandvoort  
**Cc:** Steve Graff; Knight, Jason  
**Subject:** Re: Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund - MGE Corporation Limited  
**Attachments:** Mandate Letter and Term Sheet 04112016 v2C.pdf

Mr. Van Zandvoort

My apologies for the late reply, unfortunately my Mother was taken to hospital and priority has been given to family over the last week.

MGE Provided a term sheet to Dome Mountain resources as per the attached document to provide a loan facility conditional upon successful issuance of a Bond and certain criteria, included but not limited to an N1-43101 report being produced which could be relied upon as well as valuations and reserves to service the debt of the Bond to 1.5 times payment of principal and interest over the term of the Bond.

As per the term sheet MGE was prepared to assist in arranging an insurance guarantee to enable Dome to obtain bridge financing which would enable them to undergo a drilling program which would enable an N1-43101 report to be produced and provide a valuation of the asset.

The guarantee was conditional upon payment of the premium as well as Dome achieving an acceptable valuation and a minimum of seven years reserves to service the debt of the bond issuance to 1.5 times payment of principal and interest of the term of the Bond.

The majority of communication was with Darcy Pahl and Bob Maljaars of Dome and numerous conference calls had been made between Jerry Froese of Frontline, Al Housego of Crystal Wealth along with Darcy Pahl, Bob Maljaars and myself.

Al Housego and Jerry Froese were very well aware that it was the Funds and Frontlines responsibility to pay the insurance premium.

They failed to pay the premium for the insurance guarantee and the guarantee was cancelled.

I was advised that they did not pay for the premium as Bob Maljaars had secured a different financing option and they did not wish to proceed with MGE.

MGE has at no time provided finance to Dome Mountain and Dome Mountain failed to provide MGE with acceptable valuations which was a pre condition to the financing.

Regards  
Stephen Miller

MILLSCOPE LLC  
Level 18, 540 Madison Avenue New York NY 10022  
+1-347-7676740  
[www.millscope.com](http://www.millscope.com)

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**From:** Mark van Zandvoort  
**Sent:** Tuesday, October 31, 2017 12:58 PM  
**To:** 'Stephen Miller'  
**Cc:** Steve Graff; Knight, Jason  
**Subject:** RE: Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund - MGE Corporation Limited

**Importance:** High

Mr. Miller,

While we appreciate your response, you nevertheless have failed to provide – either by reference to specific provisions of the relevant agreements, or by way of producing written correspondence exchanged with AI Housego and/or Jerry Froese and/or any other party involved – any support for your assertion that it was the responsibility of Frontline Factoring Inc., Crystal Wealth Enlightened Factoring Strategy, and/or Crystal Wealth Enlightened Hedge Fund to pay the premium required by the Performance Guarantee dated November 4, 2016. Do you have any such written support for MGE's position in that regard? Please provide any such written support before the end of the day.

Also, you failed to respond to the Receiver's inquiry as to why MGE registered its security interest against Dome Mountain as per the Deed of Guarantee dated November 4, 2016, despite the failure to secure the Performance Guarantee. Please advise as to why MGE effected the registration.

Lastly, please confirm today that MGE is no longer pursuing financing for Dome Mountain, and advise us as to the date when MGE ceased such efforts.

We look forward to receiving your response today.

Regards,

Mark van Zandvoort

**Mark van Zandvoort**

T 416.865.4742  
F 416.863.1515  
E [mvanzandvoort@airdberlis.com](mailto:mvanzandvoort@airdberlis.com)

**Aird & Berlis LLP** | Lawyers  
Brookfield Place, 181 Bay Street, Suite 1800  
Toronto, Canada M5J 2T9 | [airdberlis.com](http://airdberlis.com)

**AIRD BERLIS**

This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error.  
If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

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**From:** Mark van Zandvoort  
**Sent:** Thursday, November 9, 2017 10:50 AM  
**To:** 'Stephen Miller'  
**Cc:** Steve Graff; Knight, Jason  
**Subject:** RE: Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund - MGE Corporation Limited  
**Attachments:** Order (Appointing Receiver).pdf  
**Importance:** High

Mr. Miller:

We have yet to receive a response from you to my October 31<sup>st</sup> email below, and have accordingly not received any of the information and documentation requested. We require that you respond, and provide the information and documentation requested, by the close of business today. We remind you that pursuant to the Appointment Order (attached), including s. 10 thereof, the Ontario Superior Court of Justice (Commercial List) has ordered that you provide the information and documentation requested, which pertains to the business and affairs of the Respondents, Crystal Wealth Management System Limited, Crystal Wealth Enlightened Factoring Strategy, and Crystal Wealth Enlightened Hedge Fund. We trust that we will receive your prompt response today.

The Receiver continues to reserve its right to examine you under oath, as a representative of MGE Corporation Limited, in accordance with s. 6(s) of the Appointment Order.

We look forward to hearing from you today.

Regards,

Mark van Zandvoort

**Mark van Zandvoort**

T 416.865.4742  
F 416.863.1515  
E [mvanzandvoort@airdberlis.com](mailto:mvanzandvoort@airdberlis.com)

**Aird & Berlis LLP** | Lawyers  
Brookfield Place, 181 Bay Street, Suite 1800  
Toronto, Canada M5J 2T9 | [airdberlis.com](http://airdberlis.com)

**AIRD BERLIS**

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# TAB 29

**From:** Knight, Jason  
**Sent:** Tuesday, October 31, 2017 7:30 PM  
**To:** 'Jerry Froese'  
**Cc:** Bando, Bruce; 'Mark van Zandvoort'; 'Steve Graff'  
**Subject:** RE: Crystal Wealth - Frontline Factoring  
**Attachments:** Invoice Summary rec\_d from Frontline on October 3, 2017 - Dome Mountain ....pdf

Jerry,

We are writing with the hope of clarifying several issues with respect to the indebtedness owing to the Factoring and Hedge Funds (the "**Funds**") by Dome Mountain Resources of Canada Inc. ("**Dome Mountain**"), as Merchant, and MGE Corporation Ltd. ("**MGE**"), as Debtor, as reflected in Frontline's weekly summary reports.

As we have previously indicated, MGE denies having any knowledge of Dome Mountain invoice nos. 205 and 206, and claims that MGE is not indebted to Dome Mountain or to the Funds.

As we discussed with you during our conference call on October 3, 2017, we understand that a policy of insurance in the amount of CAD \$18,000,000 was to be obtained by MGE, to ensure the repayment of the indebtedness owing to the Funds (described below) as a result of their lending arrangements with Dome Mountain. In this regard, you provided to us with a Reinsurance Cover Note (MGE-112017-000016) and Performance Guarantee dated November 4, 2016 (the "**Performance Guarantee**"), which was obtained by MGE, and in which Crystal Wealth Management System Limited (the "**Company**"), in trust for the Funds, is the named beneficiary. The sum insured under the Performance Guarantee was to be CAD \$18,000,000.

You also provided us with a Deed of Guarantee dated November 4, 2016 which was executed by MGE and Dome Mountain, wherein MGE expressly acknowledged that Dome Mountain was borrowing funds from the Funds, in the form of an interest-bearing loan (the "**Loan**"), up to the amount of CAD \$18,000,000. The Deed of Guarantee expressly provides that MGE had procured the Performance Guarantee "*to ensure repayment of the Loan*" and all interest due to the Company (in trust for the Funds).

As Frontline is aware, on November 11, 2016, just days following the execution of the Deed of Guarantee and the issuance of the Performance Guarantee, the Factoring Fund advanced CAD \$12,600,606.99 and the Hedge Fund advanced CAD \$996,625 of the Loan, seemingly in reliance on the representation that the \$18 million Performance Guarantee was in place to ensure that these advances, and all accrued interest, would be repaid to the Funds. Additional Loan advances were similarly made by the Factoring Fund to 647497 BC Ltd. ("**647**") and 1566496 Alberta Ltd. ("**156**") with an outstanding principal sum of \$1,402,588.65. Given your indication of Dome Mountain's affiliation with 647 and 156, we understand that Dome Mountain is similarly the beneficiary of these additional Loan advances.

The Receiver has recently made an inquiry with Global BRG, the underwriter of the Performance Guarantee, concerning the status of the Performance Guarantee. In response, Global BRG confirmed that the Performance Guarantee was cancelled, given that the CAD \$630,000 policy premium was never paid. Consequently, the \$18 million insurance proceeds are not available to satisfy the indebtedness owing to the Funds.

We have made inquiries with Stephen Miller, a Director of MGE and the signatory of the Deed of Guarantee on behalf of MGE, as to why the premium for the Performance Guarantee was never paid. Mr. Miller of MGE has specifically asserted that you and Al Housego were "very well aware" that it was the Funds and Frontline's responsibility to pay the insurance premium. Mr. Miller further advised that at no time has MGE provided financing to Dome Mountain. The

version of events that the Receiver is being provided by MGE is in contrast to your previous advice that it was MGE who failed to pay the premium. Please advise, with particularity, the nature of the ongoing dealings between MGE and Dome Mountain, and explain and elaborate upon the meaning of your October 27, 2017 email to the Receiver, wherein you indicated that "MGE has had some good progress although nothing definitive".

Jerry, it is very important that the Receiver understand the circumstances which resulted in the insurance premium not being paid, and the reporting which was given to the Funds by Frontline leading up to the advances made by the Funds to Dome Mountain on November 11, 2016, totalling \$13,597,231.99. Please provide us with a copy of Frontline's Due Diligence summary, report to the Funds and all correspondence and discussion notes, which immediately preceded these advances (the October and November 2016 Frontline reporting summaries which preceded the November 22, 2016 Frontline reporting, attached). The Receiver does not understand why the Funds would have advanced \$13,597,231.99 to Dome Mountain on November 11, 2016, without confirmation that the Performance Guarantee, and the \$18 million of insurance monies available under the policy, were in place. The Receiver understands that there is no insurance policy in place that could satisfy any of the indebtedness owing to the Funds.

As previously requested, please explain why the \$630,000 CAD premium for the Performance Guarantee was never paid, which left the Funds without recourse to an insurance policy. We reiterate our request that all documentation – including all correspondence – concerning the premium (whether with MGE, Mr. Housego, the Funds, or otherwise), and when Frontline first learned that the premium had not been paid, be provided to the Receiver. If there is any correspondence from Frontline advising the Funds, or representatives of Crystal Wealth Management System Limited, that the premium had not been paid, please similarly provide such correspondence to us.

Please respond to the above, and provide the documentation requested, as soon as possible, and in any event, by no later than 5 p.m. MST tomorrow.

Lastly, the \$113,044.51 payment received by Frontline from Advance Metal in September 2017 on account of Lotus Invoice 33507, and the remainder of the \$25,000 payment received by Frontline from Advanced Metal on August 11, 2017 in the sum of \$9,615.38 on account of Lotus Invoice 33507, remain outstanding. We reiterate that Frontline must transfer, without further delay, both amounts by wire transfer to the Receiver in Trust for the Factoring Fund. Please confirm.

Regards,

- Jason

**Jason Knight, CPA, CA | Manager**  
Recovery & Reorganization  
Grant Thornton Limited  
T +1 416 369 7017

# TAB 30

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**From:** Knight, Jason <Jason.Knight@ca.gt.com>  
**Sent:** November-21-17 3:30 PM  
**To:** Jerry Froese  
**Cc:** Samuel Kurtz; Mark van Zandvoort; Steve Graff; Bando, Bruce  
**Subject:** RE: Dome Mountain Resources events  
**Attachments:** RE Crystal Wealth - Frontline Factoring

Hi Jerry,

As outlined in our original request on October 31, 2017 (attached for your reference), please provide all written correspondence and memorandums with respect to the communications and events raised in your email below.

Regards,

- Jason

**Jason Knight, CPA, CA | Manager**

Recovery & Reorganization

Grant Thornton Limited

T +1 416 369 7017 | C +1 416 434 8074

**From:** Jerry Froese [mailto:jerry@frontlinefactoring.com]

**Sent:** Tuesday, November 21, 2017 2:04 PM

**To:** Knight, Jason

**Cc:** Samuel Kurtz

**Subject:** Dome Mountain Resources events

Hi Jason,

I have gone through all my records and paperwork, notes etc to make sure I give you an accurate representation of what happened with Dome Mountain.

As Dome Mountain was approaching the deadline for the insurance policy there were discussions leading up to the date with Dome Mountain, MGE and Crystal Wealth (Al Housego and Clayton Smith) at the end of October 2016. Originally, I suggested that we should realize on the insurance, although there was a discrepancy with the mining resource and MGE advised (thought) that the insurance would not pay out. MGE advised that it would be very detrimental to the project and to MGE if Crystal Wealth would claim on insurance as they were very close to getting their funding to purchase the Gavin Mine shares. MGE/Dome Mountain requested a telephone meeting with Crystal Wealth (Clayton Smith and Al Housego) to see if there was another way to extend the factoring arrangement. I was unable to be on this call. After the call, I was informed that it may be possible to get an extension on the existing insurance policy or issue an additional policy. The share price had to be renegotiate and one of the shareholders of Gavin mines agreed to sell his shares at a substantially discounted amount in order to get the mine price down to the point MGE's funds or bond would payout. It was communicated at that time that by MGE that with the lowered Sale price of the mine, the purchase would be done very quickly (at the latest end of March 2017). At that point MGE also indicated that they would not be able or willing to pay for the new insurance policy and Dome Mountain had no resources. The only possible way to pay for the insurance policy would be to factor an additional amount on the new negotiated amount that MGE was going to pay for Gavin Mines. At that point, Al Housego was very reluctant to put any more resources into Dome Mountain without a legal option that the insurance would pay out. MGE indicated that they had some lawyers that were familiar with these types of insurance policies. We did get a quote from Channing Lucan and Partners Ltd. for 18k although they would not be able to get it completed within the 10 business days from the date of the insurance (we had 10 business days to pay for the insurance). I also tried to independently call and email Global BRG to get confirmation although all I received was email back saying they would confirm shortly (email responses dated Nov 17 and Nov 22). At this point (Nov, the insurance was not paid as Crystal Wealth did not have the funds available to pay the insurance as Al Housego indicated funds were available and when he went to check on funds he said "Clayton had taken funds" which I think meant there was a redemption. After that point in time, I did not follow up on the insurance.

Just to be clear, there was not additional funds advanced at that time. The existing factoring agreement was extended and with the accrued interest added in.

Here are some dates I have with the events

Oct 28 – email from Dome Mountain referencing conversation between MGE, Dome Mountain and Crystal Wealth

Nov 3 – received Draft insurance cover note and reinsurance cover note

Nov 4 – received signed Dome Deed of Guarantee and Mandate Letter and Term Sheet

Nov 4 – received Frontline Term Sheet signed, new Factoring Agreement, new security agreement,

Nov 4 - email forwarded from Dome Mountain indicating Miami office of Global BRG was processing Insurance and Reinsurance

Nov 7 – Phone conversation with Al Housego talking about insurance policy needs to be paid from a new invoice and need to see if we could get a legal option.

Not sure of date - Miller Thomson (Frontline's lawyer) indicated that they would not be able to give a legal opinion on the insurance due to jurisdiction.

Nov 14 – Al decided to not get the letter of confirmation from the lawyer Channing Lucan and Partners Ltd. as he did not want to pay \$18,000 to get the option

Nov 14 – Asked Dome Mountain to see if we could get extension on insurance policy

Nov 14 – Received instructions from Al Housego regarding wording of Invoice Summary and what needs to happen with internal structure

Nov 15 – Received email instructions from Clayton Smith requesting we structure this as a factoring agreement and the object being factored is the sale proceeds from MGE with insurance as backup.

Nov 16 – Received word (verbal from Dome Mountain) that we could get at least one week and maybe two weeks extension on paying insurance.

Nov 17 and 22 – email response from Global BRG responses saying they are still working on getting confirmation of insurance

Nov 23-Dec1 – I was out of country

First week of December – received word that Crystal Wealth did not have any funds to pay for the insurance policy although based on their conversations with Steve Miller from MGE, they were confident he would perform.

I hope this helps. This took a lot of time going back through everything I could find.

Let me know if you have any questions.

Regards,

--

**Jerry Froese**

**President/CEO**

Frontline Factoring inc.

Phone: 403.795.0718

Fax: 587.787.0897

---

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---

**From:** Jerry Froese <jerry@frontlinefactoring.com>  
**Sent:** November-21-17 5:02 PM  
**To:** Knight, Jason  
**Cc:** Bando, Bruce; Mark van Zandvoort; Samuel Kurtz  
**Subject:** FW: Dome Mountain

Nov 15 email from Clayton on Structure

**From:** Clayton Smith [mailto:[claytons@crystalwealth.com](mailto:claytons@crystalwealth.com)]  
**Sent:** Tuesday, November 15, 2016 7:37 AM  
**To:** [jerry@frontlinefactoring.com](mailto:jerry@frontlinefactoring.com)  
**Cc:** Al Housego <[alh@crystalwealth.com](mailto:alh@crystalwealth.com)>; [info@frontlinefactoring.com](mailto:info@frontlinefactoring.com)  
**Subject:** Re: Dome Mountain

Hi Jerry,

It should definitely be structured as a factoring agreement not a loan and I would think the object being factored is the sale proceeds from MGE and as back up the insurance proceeds.

Agreement should be only in the name of Crystal Wealth Enlightened Factoring Strategy.

Therefore, no split.

Let me know if you need anything else.

Thanks!

Clayton Smith, CAIA

Chief Executive Officer

Crystal Wealth

3385 Harvester Road, Suite 200

Burlington, ON L7N 3N2

(P) 905-332-4414

(C) 905-517-6172

(F) 905-332-6028

(TF) 877-299-2854

[www.crystalwealth.com](http://www.crystalwealth.com)

WE ARE MOVING! As of November 21, 2016, our new head office address will be 192 Plains Rd. E., Burlington, ON L7T 2C3. Please update your records accordingly.

If you no longer wish to receive electronic communications from Crystal Wealth, please reply with UNSUBSCRIBE as the subject.

On Nov 14, 2016, at 5:08 PM, [jerry@frontlinefactoring.com](mailto:jerry@frontlinefactoring.com) wrote:

Hi Clayton,

We are trying to put together the new documents for Dome Mountain and I would like your input on structure.

What name should we do the new invoice summary in?

Do we do it all under CW factoring fund?

Split it between hedge fund and factoring?

Do we leave Jeff's fund out of new funding as Al has indicated he is paying out Jeff's position?

If we leave Jeff's position out, do we allocate it to the income fund?

We want it to be easiest for your reporting now, and in the future.

Thanks,

--

Jerry Froese

President/CEO

Frontline Factoring inc.

Phone: [403.795.0718](tel:403.795.0718)

Fax: 587.787.0897

# TAB 31



November 22, 2017

**BY REGISTERED MAIL AND EMAIL**

**Dome Mountain Resources of Canada Inc.**  
112 Cranston Drive, SE  
Calgary AB, T3M 1A8

Grant Thornton Limited  
11 Floor, 200 King Street West  
Box 11  
Toronto, ON  
M5H 3T4  
T (416) 366-0100  
F (416) 360-4949  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

-and-

**Dome Mountain Resources of Canada Inc.**  
400 – 725 Granville Street, PO Box 10325  
Vancouver, BC V7Y 1G5

**Attention: Darcy Dean Pahl, President**

Dear Sirs:

**Re: Receivership of Crystal Wealth Enlightened Factoring Strategy  
(formerly Crystal Enlightened Income Fund) and Crystal Wealth  
Enlightened Hedge Fund**

As you are aware, Grant Thornton Limited was appointed as receiver and manager of the assets, undertakings, and properties of Crystal Wealth Management System Limited (the “**Company**”), and of Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund (together, the “**Funds**”) (in such capacity, the “**Receiver**”), pursuant to the Order (Appointing Receiver) (the “**Appointment Order**”) issued by the Honourable Justice Newbould of the Ontario Superior Court of Justice (Commercial List) on April 26, 2017. The Appointment Order can be found on the Receiver’s Case Website: [www.grantthornton.ca/crystalwealth](http://www.grantthornton.ca/crystalwealth). As is evident in the Appointment Order, the Court has provided broad powers to the Receiver in furtherance of its mandate, in order to augment and ensure that the highest possible recovery can be achieved for the benefit of investors of the Funds.

We refer you to the factoring agreement made between the Company (in trust for the Funds) and Dome Mountain Resources of Canada Inc. (“**Dome**”) dated November 4, 2016 (the “**Factoring Agreement**”). Unless otherwise defined, all capitalised terms used herein are intended to have the meaning ascribed to them in the Factoring Agreement.

As you are aware, Frontline Factoring Inc. (“**Frontline**”) administered the Funds’ factoring arrangements with Dome, including the tracking of Receivables on behalf of the Funds.

As reported by Frontline, as at November 17, 2017, the following Debtor Receivables are outstanding for principal and interest:

| Crystal Wealth Enlightened Factoring Strategy        |                    |                                                           |                 |
|------------------------------------------------------|--------------------|-----------------------------------------------------------|-----------------|
| MGE Corporation Ltd.                                 | Invoice number 206 | Interest Outstanding:                                     | \$2,424,355.15  |
|                                                      |                    | Principal Outstanding:                                    | \$12,793,174.88 |
| Crystal Wealth Enlightened Factoring Strategy Total: |                    | \$15,217,530.03                                           |                 |
| Crystal Wealth Enlightened Hedge Fund                |                    |                                                           |                 |
| MGE Corporation Ltd.                                 | Invoice number 206 | Interest Outstanding:                                     | \$192,471.09    |
|                                                      |                    | Principal Outstanding:                                    | \$1,015,660.35  |
| Crystal Wealth Enlightened Hedge Fund Total:         |                    | \$1,208,131.44                                            |                 |
| Total                                                |                    | \$16,425,661.47<br><br>(collectively, the "Indebtedness") |                 |

The Receiver has reason to believe that the monies advanced to Dome by the Funds were in fact used by Dome as bridge financing, and that the invoices to MGE Corporation Ltd. noted above were created by Dome in order to be consistent with the Factoring Agreement.

We hereby provide Dome with written notice that the above-noted Receivables are more than 90 days in arrears based upon Frontline's records, and that pursuant to section 7.1 of the Factoring Agreement, the Receiver hereby requires that you immediately repurchase these Receivable from the Funds. Please contact the undersigned to make immediate arrangements for payment, as all payments are to be remitted directly to the Receiver. Under the terms of the Factoring Agreement, the repurchase price is the aggregate of the amount of the Indebtedness owing, plus interest, at the rates established by the Factoring Agreement. Interest continues to accrue on the Indebtedness at the rates established by the Factoring Agreement.

In addition, based upon Frontline's books and records, Dome is indebted to the Factoring Fund for additional amounts as set out below pursuant to the Factoring Fund's factoring agreements with 1566496 Alberta Ltd. and 647497 B.C. Ltd., as follows:

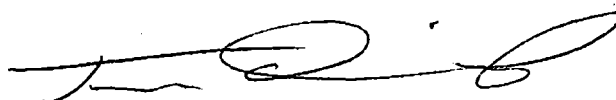
| Crystal Wealth Enlightened Factoring Strategy                                                                             |                         |                                                                               |              |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------------------------|--------------|
| 1566496 Alberta Ltd.                                                                                                      | Invoice to Dome No. 221 | Interest Outstanding:                                                         | \$41,448.66  |
|                                                                                                                           |                         | Principal Outstanding:                                                        | \$262,838.65 |
|                                                                                                                           | Invoice to Dome No. 222 | Interest Outstanding:                                                         | \$82,534.20  |
|                                                                                                                           |                         | Principal Outstanding:                                                        | \$361,200.00 |
| Total Owing by Dome to the Factoring Fund on account of invoices issued by 1566496 Alberta Ltd                            |                         | \$748,021.51                                                                  |              |
| 647497 B.C. Ltd.                                                                                                          | Invoice to Dome No. 335 | Interest Outstanding:                                                         | \$79,868.91  |
|                                                                                                                           |                         | Principal Outstanding:                                                        | \$307,788.60 |
|                                                                                                                           | Invoice to Dome No. 336 | Interest Outstanding:                                                         | \$34,228.05  |
|                                                                                                                           |                         | Principal Outstanding:                                                        | \$131,909.40 |
| Total Owing by Dome to the Factoring Fund on account of invoices issued by 647497 B.C. Ltd.                               |                         | \$553,794.96                                                                  |              |
| Total Owing by Dome to the Factoring Fund per Factored Invoice Indebtedness from 1566496 Alberta Ltd and 647497 B.C. Ltd. |                         | \$1,301,816.47<br>(hereinafter included in references to, the "Indebtedness") |              |

Please contact the undersigned to make immediate arrangements for Dome's payment of the Indebtedness, and Dome's repurchase of the Receivables pursuant to the Factoring Agreement.

If payment of the Indebtedness is not received by the Receiver immediately, the Receiver shall take whatever steps it considers necessary or appropriate to collect and recover the Indebtedness owing to the Funds, including enforcing the security provided by Dome pursuant to the Factoring Agreement. All costs, including legal fees, incurred by the Receiver in enforcing the Funds' rights under the Factoring Agreement will be sought from Dome.

**GRANT THORNTON LIMITED,**

**In its capacity as the Court-appointed Receiver and Manager of the Funds,  
and not in its personal or corporate capacity**



**Jason Knight, CPA, CA  
Manager**

# TAB 32

Date: May 30, 2016  
Invoice # 335

TO: Dome Mountain Resources of  
Canada  
112 Cranston Drive SE  
Calgary Alberta T3M 1A8

|  |                  |               |
|--|------------------|---------------|
|  | PAYMENT<br>TERMS | DUE DATE      |
|  |                  | June 30, 2016 |

[illegible]

|                      |          |              |
|----------------------|----------|--------------|
| GST#:827102914RT0001 | Subtotal | \$385,700.00 |
|                      | GST      | \$19,285.00  |
|                      | Total    | \$404,985.00 |

THANK YOU FOR YOUR BUSINESS!

# INVOICE

647497 British Columbia Ltd.  
3891 Turner Rd.  
Tappen, BC, V0E 2X0  
1 (250) 833-9876

TO: Dome Mountain Resources of  
Canada  
112 Cranston Drive SE  
Calgary Alberta T3M 1A8

|  |                  |              |
|--|------------------|--------------|
|  | PAYMENT<br>TERMS | DUE DATE     |
|  |                  | July 1, 2016 |

| QUANTITY             | DESCRIPTION        | LINE TOTAL   |
|----------------------|--------------------|--------------|
| 1                    | Project Management | \$165,300.00 |
|                      |                    |              |
|                      |                    |              |
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|                      |                    |              |
|                      |                    |              |
| GST#:827102914RT0001 |                    | Subtotal     |
|                      |                    | GST          |
|                      |                    | Total        |

Make all checks payable to 647497 Alberta Ltd.

THANK YOU FOR YOUR BUSINESS!

1566496 Alberta Ltd.

INVOICE 45 \$547

PO Box 91

Pritchard, BC, V0E 2P0

Phone: (403) 317-5756

| INVOICE # | DATE        |
|-----------|-------------|
| 221       | May 4, 2016 |

**BILL TO**

Dome Mountain Resources Ltd.

112 Cranston Drive SE

Calgary Alberta T3M 1A8

| DESCRIPTION                  |  | AMOUNT                    |
|------------------------------|--|---------------------------|
| Consulting                   |  | \$580,000.00              |
| Thank you for your business! |  | <b>Gst</b> \$29,000.00    |
| GST #832282115               |  | <b>TOTAL</b> \$609,000.00 |

If you have any questions about this invoice, please contact us

1566496 Alberta Ltd.

INVOICE<sup>518</sup>

PO Box 91

Pritchard, BC, V0E 2P0

Phone: (403) 317-5756

| INVOICE # | DATE           |
|-----------|----------------|
| 222       | August 3, 2016 |

**BILL TO**

Dome Mountain Resources Ltd.  
112 Cranston Drive SE  
Calgary Alberta T3M 1A8

| DESCRIPTION                         | AMOUNT                    |
|-------------------------------------|---------------------------|
| Consulting                          | \$430,000.00              |
| <i>Thank you for your business!</i> | <b>Gst</b> \$21,500.00    |
| <i>GST #832282115</i>               | <b>TOTAL</b> \$451,500.00 |

If you have any questions about this invoice, please contact us

1566496 Alberta Ltd.

549  
**INVOICE**

PO Box 91

Pritchard, BC, V0E 2P0

Phone: (403) 317-5756

| INVOICE # | DATE         |
|-----------|--------------|
| 223       | Feb 12, 2017 |

**BILL TO**

IC Commerce

| DESCRIPTION                         |  | AMOUNT                    |
|-------------------------------------|--|---------------------------|
| Consulting                          |  | \$238,095.24              |
| <i>Thank you for your business!</i> |  | <b>Gst</b> \$11,904.76    |
| GST #832282115                      |  | <b>TOTAL</b> \$250,000.00 |

If you have any questions about this invoice, please contact us

# TAB 33

**From:** Jerry Froese  
**Sent:** Tuesday, November 7, 2017 11:03 AM  
**To:** Knight, Jason  
**Subject:** FW: 647497 BC Ltd - Crystal Wealth

Hi Jason,

Here is a response from 647497 BC Ltd.

Regards,

Jerry Froese  
President/CEO  
Frontline Factoring inc.  
Phone: 403.795.0718  
Fax: 587.787.0897

**From:** David Denhollander  
**Sent:** Tuesday, November 7, 2017 8:07 AM  
**To:** Jerry Froese  
**Subject:** Re: 647497 BC Ltd - Crystal Wealth

Hey Jerry,

Sorry for the not getting back to you sooner. I am out of the country and don't know when we will return. Perhaps sometime next year but at present not sure.

I have requested from my accountant the tax returns and financial statements to be completed for the past three years but he has been extremely tardy and non responsive. I am currently three years behind and anxious to get them completed but it is difficult to do so as I am away.

In regards to a repayment schedule we are working on a plan which I hope will be finalized in the next 30-60 days which would allow us to start repaying the funds.

David

**TAB 34**



# Grant Thornton

November 22, 2017

## BY REGISTERED MAIL AND EMAIL

647497 B.C. Ltd.  
3891 Turner Rd  
Tappen, BC V0E 2X1

Grant Thornton Limited  
11 Floor, 200 King Street West  
Box 11  
Toronto, ON  
M5H 3T4  
T (416) 366-0100  
F (416) 360-4949  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

Attention: David Jeffrey Denhollander and Marion Joyce Denhollander

Dear Sirs:

Re: Receivership of Crystal Wealth Enlightened Factoring Strategy  
(formerly Crystal Enlightened Income Fund)

---

As you are aware, Grant Thornton Limited was appointed as receiver and manager of the assets, undertakings and properties of Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) (the “Fund”) (in such capacity, the “Receiver”), pursuant to the Order (Appointing Receiver) (the “Appointment Order”) issued by the Honourable Justice Newbould of the Ontario Superior Court of Justice (Commercial List) on April 26, 2017. The Appointment Order can be found on the Receiver’s Case Website [www.grantthornton.ca/crystalwealth](http://www.grantthornton.ca/crystalwealth). As is evident in the Appointment Order, the Court has provided broad powers to the Receiver in furtherance of its mandate, in order to augment and ensure that the highest possible recovery can be achieved for the benefit of investors of the Fund.

We refer to the factoring agreement made between the Fund and 647497 B.C. Ltd. (“647”) dated November 28, 2014 (the “Factoring Agreement”). Unless otherwise defined, all capitalised terms used herein are intended to have the meaning ascribed to them in the Factoring Agreement.

As you are aware, Frontline Factoring Inc. (“Frontline”) administered the Fund’s factoring arrangements with 647, including the tracking of Receivables on behalf of the Fund.

As reported by Frontline, as at November 17, 2017, the following Debtor Receivables are outstanding for principal and interest:



| Crystal Wealth Enlightened Factoring Strategy |                    |                        |              |
|-----------------------------------------------|--------------------|------------------------|--------------|
| Dome Mountain Resources of Canada             | Invoice number 355 | Interest Outstanding:  | \$79,868.91  |
|                                               |                    | Principal Outstanding: | \$307,788.60 |
| Dome Mountain Resources of Canada             | Invoice number 356 | Interest Outstanding:  | \$34,228.05  |
|                                               |                    | Principal Outstanding: | \$131,909.40 |
| TOTAL                                         |                    | \$553,794.96           |              |

We hereby provide you with written notice that the above-noted Receivables are more than 90 days in arrears. Pursuant to section 7.1 of the Factoring Agreement, we hereby require that you repurchase these Receivable from the Fund. Under the terms of the Factoring Agreement, the repurchase price is the aggregate of the amount of the Indebtedness owing, plus interest, at the rates established by the Factoring Agreement. Interest continues to accrue on the Indebtedness at the rates established by the Factoring Agreement.

Please contact the undersigned to make arrangements for immediate payment, as all payments are to be remitted directly to the Receiver.

If payment of the Indebtedness is not received immediately, or alternate arrangements are not put in place forthwith, the Receiver shall take whatever steps it considers necessary or appropriate to collect and recover the Indebtedness owing to the Fund, including enforcing the security provided by 647 pursuant to the Factoring Agreement. All costs, including legal fees, incurred by the Receiver in enforcing the Fund's rights under the Factoring Agreement will be sought from 647.

Please contact the undersigned to make immediate arrangements for 647's payment of the Indebtedness, and repurchase of the Receivables.

Yours truly,

**GRANT THORNTON LIMITED,**  
**In its capacity as the Court-appointed Receiver and Manager of the Fund,**  
**and not in its personal or corporate capacity and without personal or corporate liability**

**Jason Knight, CPA, CA**  
**Manager**





November 22, 2017

BY REGISTERED MAIL AND EMAIL

1566496 Alberta Ltd.  
#600, 220-4<sup>th</sup> Street South  
Lethbridge, Alberta T1J 4J7

Grant Thornton Limited  
11 Floor, 200 King Street West  
Box 11  
Toronto, ON  
M5H 3T4

T (416) 366-0100  
F (416) 360-4949  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

- and -

1566496 Alberta Ltd.  
PO Box 219, Stn. Main  
Lethbridge, Alberta T1J 3Y5

- and -

1566496 Alberta Ltd.  
PO Box 91  
Pritchard, British Columbia V0E 2P0

Attention: Jeffrey Maljaars, President

Dear Sirs:

Re: Receivership of Crystal Wealth Enlightened Factoring Strategy  
(formerly Crystal Enlightened Income Fund)

As you are aware, Grant Thornton Limited was appointed as receiver and manager of the assets, undertakings and properties of Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) (the "**Fund**") (in such capacity, the "**Receiver**"), pursuant to the Order (Appointing Receiver) (the "**Appointment Order**") issued by the Honourable Justice Newbould of the Ontario Superior Court of Justice (Commercial List) on April 26, 2017. The Appointment Order can be found on the Receiver's Case Website [www.grantthornton.ca/crystalwealth](http://www.grantthornton.ca/crystalwealth). As is evident in the Appointment Order, the Court has provided broad powers to the Receiver in furtherance of its mandate, in order to augment and ensure that the highest possible recovery can be achieved for the benefit of investors of the Fund.

We refer to the factoring agreement made between the Fund and 1566496 Alberta Ltd. ("**156**") dated January 8, 2015 (the "**Factoring Agreement**"). Unless otherwise defined, all capitalised terms used herein are intended to have the meaning ascribed to them in the Factoring Agreement.

As you are aware, Frontline Factoring Inc. ("Frontline") administered the Fund's factoring arrangements with 156, including the tracking of Receivables on behalf of the Fund.

As reported by Frontline, as at November 17, 2017, the following Debtor Receivables are outstanding for principal and interest:

| Crystal Wealth Enlightened Factoring Strategy |                    |                                    |              |
|-----------------------------------------------|--------------------|------------------------------------|--------------|
| Dome Mountain Resources Ltd.                  | Invoice number 221 | Interest Outstanding:              | \$41,448.66  |
|                                               |                    | Principal Outstanding:             | \$262,838.65 |
| Dome Mountain Resources Ltd.                  | Invoice number 222 | Interest Outstanding:              | \$82,534.20  |
|                                               |                    | Principal Outstanding:             | \$361,200.00 |
| IC Commerce                                   | Invoice number 223 | Interest Outstanding:              | \$25,400.00  |
|                                               |                    | Principal Outstanding:             | \$200,000.00 |
| TOTAL                                         |                    | \$973,421.51                       |              |
|                                               |                    | (collectively, the "Indebtedness") |              |

We hereby provide you with written notice that the above-noted Receivables are more than 90 days in arrears. Pursuant to section 7.1 of the Factoring Agreement, we hereby require that you repurchase these Receivables from the Fund. Under the terms of the Factoring Agreement, the repurchase price is the aggregate of the amount of the Indebtedness owing, plus interest, at the rates established by the Factoring Agreement. Interest continues to accrue on the Indebtedness at the rates established by the Factoring Agreement.

Please contact the undersigned to make arrangements for immediate payment, as all payments are to be remitted directly to the Receiver.

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it considers necessary or appropriate to collect and recover the Indebtedness owing to the Fund, including enforcing the security provided by 156 pursuant to the Factoring Agreement. All costs, including legal fees, incurred by the Receiver in enforcing the Fund's rights under the Factoring Agreement will be sought from 156.



Please contact the undersigned to make immediate arrangements for 156's payment of the Indebtedness, and repurchase of the Receivables.

**GRANT THORNTON LIMITED,**  
**In its capacity as the Court-appointed Receiver and Manager of the Fund,**  
**and not in its personal or corporate capacity and without personal or corporate**  
**liability**

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

**Jason Knight, CPA, CA**  
**Manager**

# TAB 35

LIMITED PERSONAL GUARANTEE

THIS GUARANTEE dated this 16<sup>th</sup> day of January, 2015.

David DenHollander  
3891 Turner Rd  
From: Tappen, BC V0E 2X1  
(the "Guarantor")

To: Crystal Enlightened Income Fund of 3385 Harvester Road,  
Suite 200 Burlington, ON, L7N 3N2  
(the "Factor")

Re: Zomongo Inc.  
Box 658  
Cochrane, AB T4C 1A8  
(the "Merchant")

IN CONSIDERATION OF the Factor extending future credit from time to time to the Merchant, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor, personally guarantees the prompt, full and complete performance of any and all present and future duties, obligations and indebtedness (the "Debt") due to the Factor by the Merchant, under the terms of certain debt agreements (the "Agreement") and under the following terms and conditions up to a maximum of \$750,000 (Seven Hundred and Fifty Thousand):

1. The Liability of the Guarantor is limited to Mortgage security registered on personal residence.
2. The Guarantor guarantees that the Merchant will promptly pay the full amount of amount forwarded from invoices purchased that remain unpaid plus interest as and when the same will in any manner be or become due, either according to the terms and conditions provided by the Agreement or upon acceleration of the payment under the Agreement by reason of a default.
3. The Guarantor agrees not to pledge, hypothecate, mortgage, sell or otherwise transfer any of the Guarantor's pledged assets without the prior written consent of the Factor.
4. To the extent permitted by law, the Guarantor waives all defenses, counterclaims or offsets that are legally available to the Guarantor with respect to the payment of the invoices and interest debt of the Merchant.
5. The Factor is hereby authorized at any time, in its sole discretion and without notice, to take, change, release or in any way deal with any security securing the invoices purchased and debt without in any way impairing the obligation of the Guarantor.

6. The Factor will be under no obligation to collect or to protect any such security or the Debt, and its neglect or failure to collect or protect the security or the Debt is excused. Acceptance of the Guarantee is waived.
7. The Factor may grant extensions of time or other indulgences and otherwise deal with the Merchant and with other parties and securities as the Factor may see fit without in any way limiting or lessening the liability of the Guarantor under this Agreement.
8. Any impairment of the security, which the Factor may from time to time hold as security for the invoices and Debt, will in no way operate to discharge the Guarantor in whole or in part, it being specifically agreed that the Factor is not required to exercise diligence to enforce its rights against the Merchant.
9. The Factor may release, surrender, exchange, modify, impair or extend the periods of duration or the time for performance or payment of any collateral securing the obligations of the Merchant to the Factor, and may also settle or compromise any claim of the Factor against the Merchant or against any other person or corporation whose obligation is held by the Factor as collateral security for any obligation of the Merchant or the Factor.
10. This Guarantee is for the use and benefit of the Factor, and will also be for the use and benefit of any subsequent Factor to whom the Factor may assign this Guarantee.
11. The liability of the Guarantor will continue until payment is made of every obligation of the Merchant now or later incurred in connection with the Debt and until payment is made of any loss or damage incurred by the Factor with respect to any matter covered by this Guarantee or any of the Agreement.
12. The Guarantor further waives all rights, by statute or otherwise, to require the Factor to institute suit against the Merchant, and to exercise diligence in enforcing this Guarantee or any other instrument.
13. All present and future indebtedness of the Merchant to the Guarantor is hereby assigned to the Factor. All monies received by the Guarantor from the Merchant will be received in trust for the Factor and upon receipt are to be paid over to the Factor until such time as the Debt owed by the Merchant has been fully paid and satisfied.
14. The Guarantor represents that at the time of the execution and delivery of this Guarantee nothing exists to impair the effectiveness of this Guarantee.
15. All of the Factor's rights, powers and remedies available under this Guarantee and under any other agreement in force now or anytime later between the Factor and the Guarantor will be cumulative and not alternative, and will be in addition to all rights, powers and remedies given to the Factor by law or in equity.
16. The Factor may, at its option, proceed in the first instance against the Guarantor to collect the obligations covered by this Guarantee without first proceeding against any other person, firm or corporation and without resorting to any property held by the Factor as collateral security.

17. All pronouns will include masculine, feminine and/or neuter gender, single or plural number, as the context of this Guarantee may require.
18. This Guarantee is made pursuant to the laws of the Province of Ontario. In the event that this Guarantee must be enforced by the Factor, all reasonable costs and expenses, including attorney's fees, incurred by the Factor will be paid by the Guarantor.
19. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Guarantee will not affect the validity or enforceability of the remaining portions of this Guarantee or any part of this Guarantee.
20. No alteration or waiver of this Guarantee or of any of its terms, provisions or conditions will be binding upon the Factor unless made in writing over the signature of the Factor or its representative.
21. Words of "Guarantee" contained in this Guarantee in no way diminish or impair the absolute liability created in this Guarantee.
22. Any notice to be given to the Guarantor may be sent by mail, telephone, fax, email or otherwise delivered to the address provided below.

David DenHollander  
3891 Turner Rd  
Tappen, BC V0E 2X1

IN WITNESS WHEREOF the Guarantor has duly affixed its signature under hand and seal on this 16<sup>th</sup> day of January 2015.

SIGNED, SEALED OR ATTESTED  
in the presence of:

Witness

Red C.

[Signature]

## THE GUARANTEE ACKNOWLEDGEMENT ACT CERTIFICATE OF NOTARY PUBLIC

## I HEREBY CERTIFY THAT:

1. Rodney Chorneyko, of Salmon Arm, BC, Canada, the Guarantor (or one of the Guarantors) in the Guarantee dated the 16 day of Jan, 2015, made between David DeHaller and Crystal Enlightened Income fund which this Certificate is attached to or noted upon, appeared in person before me and acknowledged the he/she has executed the Guarantee.
2. I satisfied myself by examination of him/her that he/she is aware of the contents of the Guarantee and understands it.

GIVEN AT Salmon Arm, BC, Canada, this 16 day of Jan, 2015 under my hand and seal of office.

Rod Ch  
A Notary in and for the Province of BC

RODNEY A. CHORNEYKO  
Barrister & Solicitor  
#102, 951-5<sup>th</sup> Ave., S.W.  
Salmon Arm, BC V1E 2R9  
Ph:(250) 832-1500 Fax:(250) 832-1525

STATEMENT OF GUARANTOR  
I am the person named in the Certificate

[Signature]



LIMITED PERSONAL GUARANTEE

THIS GUARANTEE dated this 16<sup>th</sup> day of January, 2015.

From: Marion DenHollander  
3891 Turner Rd  
Tappen, BC V0E 2X1  
(the "Guarantor")

To: Crystal Enlightened Income Fund of 3385 Harvester Road,  
Suite 200 Burlington, ON, L7N 3N2  
(the "Factor")

Re: Zomongo Inc.  
Box 658  
Cochrane, AB T4C 1A8  
(the "Merchant")

IN CONSIDERATION OF the Factor extending future credit from time to time to the Merchant, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor, personally guarantees the prompt, full and complete performance of any and all present and future duties, obligations and indebtedness (the "Debt") due to the Factor by the Merchant, under the terms of certain debt agreements (the "Agreement") and under the following terms and conditions up to a maximum of \$750,000 (Seven Hundred and Fifty Thousand):

1. The Liability of the Guarantor is limited to Mortgage security registered on personal residence.
2. The Guarantor guarantees that the Merchant will promptly pay the full amount of amount forwarded from invoices purchased that remain unpaid plus interest as and when the same will in any manner be or become due, either according to the terms and conditions provided by the Agreement or upon acceleration of the payment under the Agreement by reason of a default.
3. The Guarantor agrees not to pledge, hypothecate, mortgage, sell or otherwise transfer any of the Guarantor's pledged assets without the prior written consent of the Factor.
4. To the extent permitted by law, the Guarantor waives all defenses, counterclaims or offsets that are legally available to the Guarantor with respect to the payment of the invoices and interest debt of the Merchant.
5. The Factor is hereby authorized at any time, in its sole discretion and without notice, to take, change, release or in any way deal with any security securing the invoices purchased and debt without in any way impairing the obligation of the Guarantor.

6. The Factor will be under no obligation to collect or to protect any such security or the Debt, and its neglect or failure to collect or protect the security or the Debt is excused. Acceptance of the Guarantee is waived.
7. The Factor may grant extensions of time or other indulgences and otherwise deal with the Merchant and with other parties and securities as the Factor may see fit without in any way limiting or lessening the liability of the Guarantor under this Agreement.
8. Any impairment of the security, which the Factor may from time to time hold as security for the invoices and Debt, will in no way operate to discharge the Guarantor in whole or in part, it being specifically agreed that the Factor is not required to exercise diligence to enforce its rights against the Merchant.
9. The Factor may release, surrender, exchange, modify, impair or extend the periods of duration or the time for performance or payment of any collateral securing the obligations of the Merchant to the Factor, and may also settle or compromise any claim of the Factor against the Merchant or against any other person or corporation whose obligation is held by the Factor as collateral security for any obligation of the Merchant or the Factor.
10. This Guarantee is for the use and benefit of the Factor, and will also be for the use and benefit of any subsequent Factor to whom the Factor may assign this Guarantee.
11. The liability of the Guarantor will continue until payment is made of every obligation of the Merchant now or later incurred in connection with the Debt and until payment is made of any loss or damage incurred by the Factor with respect to any matter covered by this Guarantee or any of the Agreement.
12. The Guarantor further waives all rights, by statute or otherwise, to require the Factor to institute suit against the Merchant, and to exercise diligence in enforcing this Guarantee or any other instrument.
13. All present and future indebtedness of the Merchant to the Guarantor is hereby assigned to the Factor. All monies received by the Guarantor from the Merchant will be received in trust for the Factor and upon receipt are to be paid over to the Factor until such time as the Debt owed by the Merchant has been fully paid and satisfied.
14. The Guarantor represents that at the time of the execution and delivery of this Guarantee nothing exists to impair the effectiveness of this Guarantee.
15. All of the Factor's rights, powers and remedies available under this Guarantee and under any other agreement in force now or anytime later between the Factor and the Guarantor will be cumulative and not alternative, and will be in addition to all rights, powers and remedies given to the Factor by law or in equity.
16. The Factor may, at its option, proceed in the first instance against the Guarantor to collect the obligations covered by this Guarantee without first proceeding against any other person, firm or corporation and without resorting to any property held by the Factor as collateral security.

17. All pronouns will include masculine, feminine and/or neuter gender, single or plural number, as the context of this Guarantee may require.
18. This Guarantee is made pursuant to the laws of the Province of Ontario. In the event that this Guarantee must be enforced by the Factor, all reasonable costs and expenses, including attorney's fees, incurred by the Factor will be paid by the Guarantor.
19. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Guarantee will not affect the validity or enforceability of the remaining portions of this Guarantee or any part of this Guarantee.
20. No alteration or waiver of this Guarantee or of any of its terms, provisions or conditions will be binding upon the Factor unless made in writing over the signature of the Factor or its representative.
21. Words of "Guarantee" contained in this Guarantee in no way diminish or impair the absolute liability created in this Guarantee.
22. Any notice to be given to the Guarantor may be sent by mail, telephone, fax, email or otherwise delivered to the address provided below.

Marion DenHollander  
3891 Turner Rd  
Tappen, BC V0E 2X1

IN WITNESS WHEREOF the Guarantor has duly affixed its signature under hand and seal on this 16<sup>th</sup> day of January 2015.

SIGNED, SEALED OR ATTESTED  
in the presence of:

Witness

Red Ch...

[Signature]

## THE GUARANTEE ACKNOWLEDGEMENT ACT CERTIFICATE OF NOTARY PUBLIC

## I HEREBY CERTIFY THAT:

1. Rodney Chorneyko, of Salmon Arm, BC, Canada, the Guarantor (or one of the Guarantors) in the Guarantee dated the 16 day of Jan, 2015, made between Marcus Den Hollander and Crystal Enlightened Income fund which this Certificate is attached to or noted upon, appeared in person before me and acknowledged the he/she has executed the Guarantee.
2. I satisfied myself by examination of him/her that he/she is aware of the contents of the Guarantee and understands it.

GIVEN AT Salmon Arm, BC, Canada, this 16 day of Jan, 2015 under my hand and seal of office.

Rod Ch  
A Notary in and for the Province of BC

**RODNEY A. CHORNEYKO**  
Barrister & Solicitor  
#102, 951-5<sup>th</sup> Ave., S.W.  
Salmon Arm, BC V1E 2R9  
Ph: (250) 832-1500 Fax: (250) 832-1525

STATEMENT OF GUARANTOR  
I am the person named in the Certificate

[Signature]



**LAND TITLE ACT  
FORM B (Section 225)**

**MORTGAGE - PART I Province of British Columbia**

PAGE 1 OF 3 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Sharon MacMillan, Miller Thomson LLP  
1000, 840 Howe Street

604.687.2242

Client No: 010437 File No: 178340.0005

Frontline/ 12723367

Vancouver

BC V6Z 2M1

Deduct LTSA Fees? Yes ☒

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID] [legal description]

009-637-974

**LOT 3 SECTION 11 TOWNSHIP 21 RANGE 10 WEST OF THE 6TH MERIDIAN  
KAMLOOPS DIVISION YALE DISTRICT PLAN 9768 EXCEPT PLANS 25438,  
28187 AND 31206**

STC?

YES

☐

3. BORROWER(S) (MORTGAGOR(S)): (including postal address(es) and postal code(s))

**DAVID JEFFREY; DENHOLLANDER; BUSINESSMAN**

**MARION JOYCE; DENHOLLANDER; HOMEMAKER**

SITE A1, COMP 23, RR #1

TAPPEN

BRITISH COLUMBIA

**AS JOINT TENANTS**

V0E 2X0

CANADA

4. LENDER(S) (MORTGAGEE(S)): (including occupation(s), postal address(es) and postal code(s))

**FRONTLINE FACTORING INC.**

442 COULEE SPRINGS ROAD SOUTH

LETHBRIDGE

ALBERTA

CANADA

T1K 5E5

5. PAYMENT PROVISIONS:

(a) Principal Amount:

\$700,000

(b) Interest Rate:

2% per annum

(c) Interest Adjustment

Date: N/A

Y M D

(d) Interest Calculation Period:

Semi-annually

(e) Payment Dates:

N/A

(f) First Payment

Date: N/A

(g) Amount of each periodic payment:

N/A

(h) *Interest Act* (Canada) Statement.  
The equivalent rate of interest calculated  
half yearly not in advance  
is N/A % per annum.

(i) Last Payment

Date: N/A

(j) Assignment of Rents which the  
applicant wants registered?

YES ☐

NO ☒

If YES, page and paragraph number:

(k) Place of payment:

Postal Address in item 4

(l) Balance Due

Date: On Demand

**MORTGAGE - PART 1**

PAGE 2 OF 3 PAGES

6. MORTGAGE contains floating charge on land ?  
YES ☐ NO ☒
7. MORTGAGE secures a current or running account ?  
YES ☒ NO ☐

## 8. INTEREST MORTGAGED:

Freehold ☒Other (specify) ☐

## 9. MORTGAGE TERMS:

Part 2 of this mortgage consists of (select one only):

(a) Prescribed Standard Mortgage Terms ☒(b) Filed Standard Mortgage Terms ☐(c) Express Mortgage Terms ☐

D F Number:

(annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

## 10. ADDITIONAL OR MODIFIED TERMS:

SEE SCHEDULE

## 11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

Covenant R51040

Easement R80898 and Easement KD75756

Statutory Right of Way KG55592 and Statutory Right of Way KG55593

Mortgage CA332892

12. EXECUTION(S): This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Officer Signature(s)

**RODNEY A. CHORNEYKO***Barrister & Solicitor*#102, 951-5<sup>th</sup> Ave., S.W.

Salmon Arm, BC V1E 2R9

Ph:(250) 832-1500 Fax:(250) 832-1525

Execution Date

| Y  | M  | D  |
|----|----|----|
| 14 | 11 | 20 |

Borrower(s) Signature(s)

DAVID JEFFREY

DENHOLLANDER

MARION JOYCE DENHOLLANDER

## OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

LAND TITLE ACT  
FORM E

SCHEDULE

PAGE 3 OF 3 PAGES

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

10. ADDITIONAL OR MODIFIED TERMS

1. The terms used in this mortgage form have the same meaning as the terms defined in the prescribed standard mortgage terms ("mortgage terms") referred to in Item 9 of this mortgage form.

2. The mortgage terms are amended by:

(a) deleting section 2.(1) in its entirety and replacing it with "this mortgage is given for valuable consideration (the receipt and sufficiency of which are hereby acknowledged) as further collateral security for payment and satisfaction to the lender of all obligations, debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, at any time owing by the borrower to the lender or remaining unpaid by the borrower to the lender or heretofore or hereafter incurred or arising and whether incurred by or arising from agreements or dealings with the lender and the borrower or from any agreement or dealings with any third party by which the lender may be or become in any manner whatsoever a creditor of the borrower or however otherwise incurred or arising anywhere within or outside Canada and whether the borrower be bound alone or with another or others and whether as principal or surety and any unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again."

(b) adding the following as section 16.(4) "Notwithstanding any other provision of this mortgage, the lender may assign, grant, pledge, sell or transfer any participation in this mortgage, or any power, remedy or right of the lender hereunder or any of its interest herein to any party, without notice to the borrower or any covenantor, and the obligations of the borrower and any covenantor under this mortgage are undertaken for the benefit of each such assignee as well as the lender"

**ACKNOWLEDGEMENT OF TERMS**

I/We acknowledge receipt from the Lender described below of:

1. a true copy of Prescribed Standard Mortgage Terms; and
2. a copy of the Mortgage – Part 1 (Form B, Land Title Act) described below and any schedules referred to therein,

at or before the time that I executed the Mortgage – Part 1.

DATED this \* 20<sup>th</sup> day of November, 2014.



DAVID JEFFREY DENHOLLANDER



MARION JOYCE DENHOLLANDER

**DESCRIPTION OF MORTGAGE**

|                                      |                                                                                                                                                                                                                         |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NAME OF LENDER:                      | <u>Frontline Factoring Inc.</u>                                                                                                                                                                                         |
| PRINCIPAL AMOUNT:                    | <u>\$700,000</u>                                                                                                                                                                                                        |
| DATE OF EXECUTION<br>BY BORROWER(S): | <u>November 2014</u>                                                                                                                                                                                                    |
| LEGAL DESCRIPTION                    | <u>PID: 009-637-974</u><br><u>Lot 3 Section 11 Township 21 Range 10</u><br><u>West of the 6<sup>th</sup> Meridian Kamloops Division</u><br><u>Yale District Plan 9768 Except Plans</u><br><u>25438, 28187 and 31206</u> |



4544

2017-08-08, 13:56:25

**TITLE SEARCH PRINT**

File Reference: 137794-mvz

Declared Value \$ 404000

\*\*CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN\*\*

**Land Title District**

Land Title Office

KAMLOOPS

KAMLOOPS

**Title Number**

From Title Number

KT50953

KL26551

**Application Received**

2002-05-14

**Application Entered**

2002-05-16

**Registered Owner in Fee Simple**

Registered Owner/Mailing Address:

DAVID JEFFREY DENHOLLANDER, BUSINESSMAN  
MARION JOYCE DENHOLLANDER, HOMEMAKER  
SITE A1 COMP 23  
RR #1  
TAPPEN, BC  
VOE 2X0  
AS JOINT TENANTS

**Taxation Authority**

Vernon Assessment Area

**Description of Land**

Parcel Identifier:

009-637-974

Legal Description:

LOT 3 SECTION 11 TOWNSHIP 21 RANGE 10 WEST OF THE 6TH MERIDIAN KAMLOOPS  
DIVISION YALE DISTRICT PLAN 9768 EXCEPT PLANS 25438, 28187 AND 31206

**Legal Notations**

HERETO IS ANNEXED EASEMENT R80896 OVER PART LOTS 1 & 2  
PLAN 31206 SHOWN ON PLAN A15310

**Charges, Liens and Interests**

Nature:

COVENANT

Registration Number:

R51040

Registration Date and Time:

1980-09-02

Registered Owner:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH  
COLUMBIA  
AS REPRESENTED BY THE MINISTRY OF TRANSPORTATION AND  
HIGHWAYS

Remarks:

INTER ALIA  
PART CROSS-HATCHED ON PLAN 31206  
SEC 215 LTA

2017-08-08, 13:56:25

**TITLE SEARCH PRINT**

File Reference: 137794-mvz

Declared Value \$ 404000

Nature: EASEMENT  
Registration Number: R80898  
Registration Date and Time: 1980-12-05  
Remarks: PART ON PLAN A15310; APPURTENANT TO LOT 2 PLAN 31206 INTER ALIA

Nature: EASEMENT  
Registration Number: KD75756  
Registration Date and Time: 1990-09-19 13:05  
Remarks: PART ON PLAN 43690 APPURTENANT TO LOT 2 PLAN 31206

Nature: STATUTORY RIGHT-OF-WAY  
Registration Number: KG55592  
Registration Date and Time: 1993-06-16 10:27  
Registered Owner: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

Nature: STATUTORY RIGHT-OF-WAY  
Registration Number: KG55593  
Registration Date and Time: 1993-06-16 10:27  
Registered Owner: BC TEL  
INCORPORATION NO. A1801

Nature: MORTGAGE  
Registration Number: CA332892  
Registration Date and Time: 2006-11-23 16:18  
Registered Owner: ROYAL BANK OF CANADA

Nature: MORTGAGE  
Registration Number: CA4118181  
Registration Date and Time: 2014-12-03 14:59  
Registered Owner: FRONTLINE FACTORING INC.

**Duplicate Indefeasible Title**

NONE OUTSTANDING

**Transfers**

NONE

**Pending Applications**

NONE

# TAB 36

**AIRD BERLIS**

Mark van Zandvoort  
Direct: 416.865.4742  
E-mail: mvanzandvoort@airdberlis.com

November 7, 2017

**BY REGULAR AND REGISTERED MAIL**

**Restoration Energy Inc.**  
#234 203-304 Main St. SE  
Airdrie, Alberta T4B 0P8

**ATTN: YVONNE MARTIN-MORRISON**

Ms. Martin-Morrison:

**Re: Receivership of Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund**

---

We are the lawyers for Grant Thornton Limited ("**GTL**"), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund (together, the "**Funds**" and, individually or collectively with the other entities under receivership, the "**Crystal Wealth Group**"). The Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued on April 26, 2017 (the "**Appointment Order**").

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to the Crystal Wealth Group; to exercise all remedies of the Crystal Wealth Group in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to the Crystal Wealth Group. A copy of the Appointment Order is available at [www.GrantThornton.ca/CrystalWealth](http://www.GrantThornton.ca/CrystalWealth).

We refer to the factoring agreement made between Crystal Wealth Enlightened Factoring Strategy and Restoration Energy Inc. ("**Restoration**") dated March 18, 2015 and the factoring agreement made between Crystal Wealth Enlightened Hedge Fund and Restoration dated March 16, 2016 (collectively, the "**Factoring Agreements**"). Unless otherwise defined, all capitalised terms used herein are intended to have the meaning ascribed to them in the Factoring Agreements.

Default has occurred under the Factoring Agreements, including as a result of Restoration's failure to repurchase the Receivables from the Funds, as required by the Receiver's letter to Restoration dated October 31, 2017, enclosed. On behalf of the Receiver, we hereby make formal demand on Restoration for payment of \$1,903,193.21 in principal and \$169,098.10 in

November 6, 2017

Page 2

accrued interest owing to the Funds as at October 19, 2017, together with all recovery costs of the Receiver (including, without limitation, the Receiver's legal and professional fees) (the "Indebtedness"). Interest continues to accrue on the Indebtedness at the rates established by the Factoring Agreements.

The Indebtedness is secured, as applicable and *inter alia*, by a general security agreement granted by Restoration in favour of Crystal Wealth Enlightened Factoring Strategy (under its prior name, Crystal Enlightened Income Fund), as well as continuing security interests granted by Restoration pursuant to the Factoring Agreements, each of which covers all of Restoration's present and after-acquired undertaking, property and assets, in favour of the respective Funds and their affiliates.

On behalf of the Receiver, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "BIA Notice").

The Receiver hereby reserves its rights to initiate proceedings within the ten-day period set out in the BIA notice, if circumstances warrant such proceedings.

Payment of the Indebtedness is required to be made immediately to the Receiver. If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider necessary or appropriate to recover the Indebtedness, which may include, without limitation, taking steps to appoint an interim receiver, receiver or receiver and/or manager of Restoration, in which case the Receiver will also be seeking all costs incurred in so doing.

Yours truly,

AIRD & BERLIS LLP



Mark van Zandvoort

MVZ/tj

Encl.

c: Grant Thornton Ltd.  
1312163 Alberta Ltd.

AIRD BERLIS

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
**(Bankruptcy and Insolvency Act, Subsection 244(1))**

Delivered By Regular and Registered Mail

TO: **Restoration Energy Inc.**  
#234 203-304 Main St. SE  
Airdrie, Alberta T4B 0P8

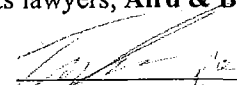
*insolvent company / person*

**TAKE NOTICE** that:

1. Grant Thornton Limited, in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") of Crystal Wealth Management System Limited and certain additional persons and entities, including Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund (together, the "**Funds**" and collectively with all of the entities under receivership, the "**Crystal Wealth Group**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of Restoration Energy Inc. (the "**Company**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Company.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Crystal Wealth Enlightened Factoring Strategy (under its prior name, Crystal Enlightened Income Fund) dated March 18, 2015 and the Company, and/or security granted to the Crystal Wealth Group, or any of them, pursuant to a factoring agreement made on March 18, 2015 and March 16, 2016 (the "**Security**").
3. As at October 19, 2017, the total amount of the indebtedness secured by the Security is the sum of **\$2,072,291.31** in principal and interest, plus accruing interest and recovery costs of the Receiver (including, without limitation, the Receiver's legal and other professional fees).
4. The Receiver will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Company consents to an earlier enforcement.

**DATED** at Toronto this 7<sup>th</sup> day of November, 2017.

**GRANT THORNTON LIMITED, in its capacity as  
Receiver and Manager of the Crystal Wealth Group,  
and not in its personal or corporate capacity and  
without personal or corporate liability  
by its lawyers, Aird & Berlis LLP**

Per: 

Mark van Zandvoort  
Brookfield Place, Suite 1800  
181 Bay Street, Box 754 Toronto, ON M5J 2T9  
Tel: 416-863-1500 / Fax: 416-863-1515

**Note:** This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.



**AIRD BERLIS**

Mark van Zandvoort  
Direct: 416.865.4742  
E-mail: [mvanzandvoort@airdberlis.com](mailto:mvanzandvoort@airdberlis.com)

November 13, 2017

**BY REGISTERED MAIL**

**1312163 Alberta Ltd.**  
52 Sherwood Rise  
Calgary AB  
T3R 1P5

**AND BY E-MAIL:** ( [jim@jimperks.ca](mailto:jim@jimperks.ca) )

Mr. Perks:

**Re: Receivership of Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund**

---

We are the lawyers for Grant Thornton Limited (“GTL”), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund (together, the “**Funds**” and, individually or collectively with the other entities under receivership, the “**Crystal Wealth Group**”). The Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued on April 26, 2017 (the “**Appointment Order**”).

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to the Crystal Wealth Group; to exercise all remedies of the Crystal Wealth Group in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to the Crystal Wealth Group. A copy of the Appointment Order is available at [www.GrantThornton.ca/CrystalWealth](http://www.GrantThornton.ca/CrystalWealth).

We refer to the factoring agreement made between Crystal Wealth Enlightened Factoring Strategy and Restoration Energy Inc. (“**Restoration**”) dated March 18, 2015 and the factoring agreement made between Crystal Wealth Enlightened Hedge Fund and Restoration dated March 16, 2016 (collectively, the “**Factoring Agreements**”). The total indebtedness owing by Restoration to the applicable Funds under the Factoring Agreements is \$1,903,193.21 in principal and \$169,098.10 in accrued interest as at October 19, 2017, together with recovery costs of the Receiver (including, without limitation, the Receiver’s legal and professional fees).

November 13, 2017

Page 2

1312163 Alberta Ltd. (the "**Company**") became a guarantor of Restoration's obligations under the Factoring Agreements under a Corporate Guarantee and Indemnity Agreement dated March 20, 2015 (the "**Guarantee**").

Default has occurred under the Factoring Agreements. On behalf of the Receiver, pursuant to the Guarantee, we hereby make formal demand on the Company for payment of \$2,072,291.31 in principal and accrued interest pursuant to the Factoring Agreements, together with recovery costs of the Receiver (including, without limitation, the Receiver's legal and professional fees) (the "**Indebtedness**").

The Indebtedness is secured by a mortgage/charge dated February 23, 2015 (the "**Mortgage**") that was granted by the Company in favour of Crystal Wealth Management System Limited, as amended by an amending agreement dated September 24, 2015, which are registered on title to the lands listed in Schedule "A" (the "**Property**") hereto as Instrument Nos. 152 070 894 and 152 319 054 respectively. The Mortgage is in the principal amount of \$2,000,000.00,

On behalf of the Receiver, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "**BIA Notice**").

The Receiver hereby reserves its rights to initiate proceedings within the ten-day period set out in the BIA notice, if circumstances warrant such proceedings.

Payment of the Indebtedness is required to be made immediately to the Receiver. Interest continues to accrue on the Indebtedness at the rate established by the Factoring Agreements.

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider appropriate to recover the Indebtedness, which may include, without limitation, taking steps to appoint an interim receiver, receiver or receiver and/or manager over the Property as provided under the Mortgage, or otherwise commencing legal action, in which case the Receiver will also be seeking all costs incurred in so doing.

Going forward, please direct all notices under the Guarantee to the Receiver, to the attention of Jason Knight, by both email and registered mail at the addresses below, with a copy to our firm, to my attention.

Yours truly,

AIRD & BERLIS LLP

Mark van Zandvoort

MVZ/tj

c: Jason Knight, Manager, Grant Thornton Ltd. ([Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com))  
200 King Street West, 11th floor  
Toronto, Ontario M5H 3T4

AIRD BERLIS

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
**(Bankruptcy and Insolvency Act, Subsection 244(1))**

Delivered By Registered Mail and by E-Mail ([jim@jimperks.ca](mailto:jim@jimperks.ca))

TO: **1312163 Alberta Ltd.**  
52 Sherwood Rise  
Calgary AB T3R 1P5  
*insolvent company / person*

**TAKE NOTICE that:**

1. Grant Thornton Limited, in its capacity as the Court-appointed receiver and manager (in such capacity, the "Receiver") of Crystal Wealth Management System Limited and certain additional persons and entities, including Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund (collectively, the "Crystal Wealth Group"), a secured creditor, intends to enforce its security on the property of 1312163 Alberta Ltd. (the "Company"), including, without limiting the generality of the foregoing, the real property described more particularly on Schedule "A" to this notice (the "Property").
2. The security that is to be enforced is in the form of, *inter alia*, a mortgage/charge dated February 23, 2015 in favour of Crystal Wealth Management System Limited, as amended by an amending agreement dated September 24, 2015, which are registered on title to the Property as Instrument Nos. 152 070 894 and 152 319 054 respectively (the "Security").
3. As at October 19, 2017, the total amount of the indebtedness secured by the Security is the sum of **\$2,072,291.31** in principal and interest, plus accruing interest and recovery costs of the Receiver (including, without limitation, the Receiver's legal and other professional fees).
4. The Receiver will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Company consents to an earlier enforcement.

**DATED** at Toronto this 13<sup>th</sup> day of November, 2017.

**GRANT THORNTON LIMITED, in its capacity as  
Receiver and Manager of the Crystal Wealth Group,  
and not in its personal or corporate capacity and  
without personal or corporate liability  
by its lawyers, Aird & Berlis LLP**

Per:

Mark van Zandvoort  
Brookfield Place, Suite 1800  
181 Bay Street, Box 754 Toronto, ON M5J 2T9  
Tel: 416-863-1500 / Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

**AIRD BERLIS**

**SCHEDULE "A"**  
**LEGAL DESCRIPTION OF THE PINE LAKE LANDS**

PLAN 802NY  
 LOT A  
 EXCEPTING THEREOUT ALL MINES AND MINERALS  
 AREA: 18 HECTARES (44.45 ACRES) MORE OR LESS

and

PLAN 9521984  
 LOT 1  
 EXCEPTING THEREOUT ALL MINES AND MINERALS  
 AREA: 2.43 HECTARES (6 ACRES) MORE OR LESS

and

ALL THOSE PORTIONS OF THE NORTH EAST QUARTER OF  
 SECTION SIX (6)  
 TOWNSHIP THIRTY SIX (36)  
 RANGE TWENTY FOUR (24)  
 WEST OF THE FOURTH MERIDIAN, IN THE SAID PROVINCE  
 NOT COVERED BY ANY OF THE WATERS OF DEVILS PINE LAKE AS  
 SHOWN ON A PLAN OF SURVEY OF THE SAID TOWNSHIP SIGNED AT OTTAWA  
 ON THE 24TH DAY OF JUNE A.D. 1893  
 CONTAINING (78.10) ACRES MORE OR LESS  
 EXCEPTING THEREOUT:

HECTARES (ACRES) MORE OR LESS

|                                                                                                                                                                 |             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| A) ALL THAT PORTION OF THE SAID QUARTER SECTION LYING NORTH OF THE<br>NORTHERLY SHORE LINE OF THE SAID LAKE AS SHOWN ON SAID PLAN OF SURVEY,<br>CONTAINING..... | 1.74 4.30   |
| B) PLAN 0420171 SUBDIVISION<br>EXCEPTING THEREOUT ALL MINES AND MINERALS                                                                                        | 12.50 30.89 |

30808516.1

**AIRD BERLIS**



**AIRD BERLIS**

Mark van Zandvoort  
Direct: 416.865.4742  
E-mail: [mvanzandvoort@airdberlis.com](mailto:mvanzandvoort@airdberlis.com)

November 15, 2017

**BY REGISTERED MAIL**

**Dionne Design Inc.**  
1425 Kings Blvd.,  
Airdrie AB  
T4A 0A1

**Attention: Deborah Dionne:**

**AND BY E-MAIL:** ( [d.dionne@ddienergy.com](mailto:d.dionne@ddienergy.com) )

Dear Ms. Dionne:

**Re: Receivership of Crystal Wealth Enlightened Factoring Strategy (formerly  
Crystal Enlightened Income Fund)**

---

We are the lawyers for Grant Thornton Limited (“GTL”), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the “Receiver”) of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) (the “Factoring Fund” and, individually or collectively with the other entities under receivership, the “Crystal Wealth Group”). The Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the “Court”) issued on April 26, 2017 (the “Appointment Order”).

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to the Crystal Wealth Group; to exercise all remedies of the Crystal Wealth Group in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to the Crystal Wealth Group. A copy of the Appointment Order is available at [www.GrantThornton.ca/CrystalWealth](http://www.GrantThornton.ca/CrystalWealth).

We refer to the factoring agreement made between the Factoring Fund and Restoration Energy Inc. (“Restoration”) dated March 18, 2015 (the “Factoring Agreement”).

As at October 19, 2017, the indebtedness owing by Restoration under the Factoring Agreement amounted to \$1,503,069.41, representing \$1,402,193.21 in outstanding principal and \$100,876.20 in accrued interest.

Dionne Design Inc. (the “Company”) became a guarantor of Restoration’s obligations under the Factoring Agreement under a Corporate Guarantee dated March 18, 2015 (the “Guarantee”).

November 15, 2017

Page 2

Default has occurred under the Factoring Agreement. On behalf of the Receiver, pursuant to the Guarantee, we hereby make formal demand on the Company for payment of \$1,503,069.41 in principal and accrued interest pursuant to the Factoring Agreements, together with recovery costs of the Receiver (including, without limitation, the Receiver's legal and professional fees) (the "Indebtedness").

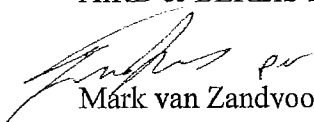
Payment of the Indebtedness is required to be made immediately to the Receiver. Interest continues to accrue on the Indebtedness at the rate established by the Factoring Agreement.

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider appropriate to recover the Indebtedness, including commencing legal proceedings against the Company without further notice, in which case the Receiver will also be seeking all costs incurred in so doing.

Please direct all notices and communications concerning the Guarantee to our firm, to my attention, with a copy to Jason Knight of the Receiver at the address below.

Yours truly,

AIRD & BERLIS LLP



Mark van Zandvoort

MVZ/tj

c: Jason Knight, Manager, Grant Thornton Ltd. ([Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com))  
200 King Street West, 11th floor  
Toronto, Ontario M5H 3T4

AIRD BERLIS



**AIRD BERLIS**

Mark van Zandvoort  
Direct: 416.865.4742  
E-mail: mvanzandvoort@airdberlis.com

November 15, 2017

**BY REGISTERED MAIL**

**DDI Distribution Corp.**  
1425 Kings Blvd.,  
Airdrie AB  
T4A 0A1

**Attention: Deborah Dionne:**

**AND BY E-MAIL:** ( [d.dionne@ddienergy.com](mailto:d.dionne@ddienergy.com) )

Dear Ms. Dionne:

**Re: Receivership of Crystal Wealth Enlightened Factoring Strategy (formerly  
Crystal Enlightened Income Fund)**

---

We are the lawyers for Grant Thornton Limited (“GTL”), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) (the “**Factoring Fund**” and, individually or collectively with the other entities under receivership, the “**Crystal Wealth Group**”). The Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued on April 26, 2017 (the “**Appointment Order**”).

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to the Crystal Wealth Group; to exercise all remedies of the Crystal Wealth Group in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to the Crystal Wealth Group. A copy of the Appointment Order is available at [www.GrantThornton.ca/CrystalWealth](http://www.GrantThornton.ca/CrystalWealth).

We refer to the factoring agreement made between the Factoring Fund and Restoration Energy Inc. (“**Restoration**”) dated March 18, 2015 (the “**Factoring Agreement**”).

As at October 19, 2017, the indebtedness owing by Restoration under the Factoring Fund Agreement amounted to \$1,503,069.41, representing \$1,402,193.21 in outstanding principal and \$100,876.20 in accrued interest.

DDI Distribution Inc. (the “**Company**”) became a guarantor of Restoration’s obligations under the Factoring Agreement under a Corporate Guarantee dated March 18, 2015 (the “**Guarantee**”).

November 15, 2017

Page 2

Default has occurred under the Factoring Agreement. On behalf of the Receiver, pursuant to the Guarantee, we hereby make formal demand on the Company for payment of \$1,503,069.41 in principal and accrued interest pursuant to the Factoring Agreement, together with recovery costs of the Receiver (including, without limitation, the Receiver's legal and professional fees) (the "Indebtedness").

Payment of the Indebtedness is required to be made immediately to the Receiver. Interest continues to accrue on the Indebtedness at the rate established by the Factoring Agreement.

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider appropriate to recover the Indebtedness, including commencing legal proceedings against the Company without further notice, in which case the Receiver will also be seeking all costs incurred in so doing.

Please direct all notices and communications concerning the Guarantee to our firm, to my attention, with a copy to Jason Knight of the Receiver at the address below.

Yours truly,

AIRD & BERLIS LLP



Mark van Zandvoort

MVZ/tj

c: Jason Knight, Manager, Grant Thornton Ltd. ([Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com))  
200 King Street West, 11th floor  
Toronto, Ontario M5H 3T4

AIRD BERLIS



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**From:** Timothy Jones  
**Sent:** November-15-17 1:42 PM  
**To:** 'yvonne@restoreenergy.com'  
**Cc:** Steve Graff; Mark van Zandvoort; 'Bando, Bruce'; 'Knight, Jason'  
**Subject:** Receivership of Crystal Wealth Group / Restoration Energy / personal guarantee  
**Attachments:** Letter to Yvonne Martin-Morrison dated November 15, 2017.pdf; Letter to Restoration Energy - Yvonne Martin-Morrison dated November 7, ....pdf; Personal Guarantee of Yvonne Martin-Morrison.pdf; Letter to Restoration Energy-Yvonne Martin-Morrison - Oct 31, 2017.pdf

**Importance:** High

| <b>Tracking:</b> | <b>Recipient</b>           | <b>Delivery</b>               |
|------------------|----------------------------|-------------------------------|
|                  | 'yvonne@restoreenergy.com' |                               |
|                  | Steve Graff                | Delivered: 15/11/2017 1:42 PM |
|                  | Mark van Zandvoort         | Delivered: 15/11/2017 1:42 PM |
|                  | 'Bando, Bruce'             |                               |
|                  | 'Knight, Jason'            |                               |

Ms. Martin-Morrison,

Please see the attached letter to you in your personal capacity dated November 15, 2017, which requires your attention. Today's letter is in connection with your personal guarantee of certain of Restoration Energy's obligations to an entity within the Crystal Wealth Group of funds, a copy of which guarantee agreement is attached hereto for your convenience. This letter is also being sent to you via registered mail to the address noted in the guarantee agreement.

Our letter of today's date refers to a letter dated November 7, 2017, which was previously sent by us to Restoration Energy, to your attention, by regular and registered mail, in respect of Restoration Energy's obligations to two of the Crystal Wealth Group funds. As of this morning, we note from the tracking number that the registered mail envelope was not signed for on delivery, and has not been picked up from your local post office. We trust the regular mail envelope containing this letter was received in the ordinary course. For convenience, however, a copy of it is attached hereto. We also attach the letter from our client which preceded it, which is dated October 31, 2017.

Regards,

Timothy Jones

T 416.865.3086  
F 416.863.1515  
E tjones@airdberlis.com

**Aird & Berlis LLP** | Lawyers  
Brookfield Place, 181 Bay Street, Suite 1800  
Toronto, Canada M5J 2T9 | airdberlis.com

**AIRD BERLIS**

This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error. If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.



**AIRD BERLIS**

Mark van Zandvoort  
Direct: 416.863.4742  
E-mail: mvanzandvoort@airdberlis.com

November 15, 2017

**BY REGISTERED MAIL**

**Yvonne Martin-Morrison**  
19 Hillcrest Street West  
Airdrie AB T4B 0Y5

**AND BY E-MAIL:** ( [yvonne@restoreenergy.com](mailto:yvonne@restoreenergy.com) )

Dear Ms. Martin-Morrison:

**Re: Receivership of Crystal Wealth Enlightened Factoring Strategy (formerly  
Crystal Enlightened Income Fund)**

---

We are the lawyers for Grant Thornton Limited (“GTL”), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of Crystal Wealth Management System Limited (“CWMSL” and certain additional persons and entities, including Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) (the “**Factoring Fund**” and, together with CWMSL and the other entities under receivership, the “**Crystal Wealth Group**”). The Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued on April 26, 2017 (the “**Appointment Order**”).

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to the Crystal Wealth Group; to exercise all remedies of the Crystal Wealth Group in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to the Crystal Wealth Group. A copy of the Appointment Order is available at [www.GrantThornton.ca/CrystalWealth](http://www.GrantThornton.ca/CrystalWealth).

We refer to the factoring agreement made between the Factoring Fund and Restoration Energy Inc. (“**Restoration**”) dated March 18, 2015 (the “**Factoring Fund Agreement**”) and the factoring agreement made between Crystal Wealth Enlightened Hedge Fund and Restoration dated March 16, 2016 (the “**Hedge Fund Agreement**” and, together with the Factoring Fund Agreement, the “**Factoring Agreements**”).

The combined indebtedness owing by Restoration to the applicable Funds under the Factoring Agreements is \$1,903,193.21 in principal and \$169,098.10 in accrued interest as at October 19, 2017, together with recovery costs of the Receiver (including, without limitation, the Receiver’s legal and professional fees). Default has occurred under each of the Factoring Agreements. On behalf of the Receiver, we demanded on the amounts owing under the Factoring Agreements in a letter to Restoration dated November 7, 2017, which was sent to your attention via regular and registered mail. For convenience, a copy of this demand letter is attached.

In your personal capacity, you became a guarantor of Restoration's obligations under the Factoring Fund Agreement (the "**Factoring Fund Obligations**"), together with recovery costs of the Receiver, under a Personal Guarantee dated March 18, 2015 (the "**Personal Guarantee**"). A copy of the Personal Guarantee is attached.

As at October 19, 2017, the Factoring Fund Obligations amounted to \$1,503,069.41, representing \$1,402,193.21 in outstanding principal and \$100,876.20 in accrued interest.

As noted above, default has occurred under the Factoring Fund Agreement.

On behalf of the Receiver, pursuant to the Personal Guarantee, we hereby make formal demand on you for payment of \$1,503,069.41 in principal and accrued interest pursuant to the Factoring Agreements, together with recovery costs of the Receiver (including, without limitation, the Receiver's legal and professional fees) (the "**Personal Guarantee Indebtedness**").

Payment of the Personal Guarantee Indebtedness is required to be made immediately to the Receiver. Interest continues to accrue on the Personal Guarantee Indebtedness at the rate established by the Factoring Fund Agreement.

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider appropriate to recover the Indebtedness, which may include, without limitation, commencing legal action without further notice to you, in which case the Receiver shall also be seeking all costs incurred in so doing.

Please direct all notices and communications concerning the Personal Guarantee to our firm, to my attention, with a copy to Jason Knight of the Receiver at the address below.

Please govern yourself accordingly.

Yours truly,

AIRD & BERLIS LLP



Mark van Zandvoort

MVZ/tj

c: Jason Knight, Manager, Grant Thornton Ltd. ([Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com))  
200 King Street West, 11th floor  
Toronto, Ontario M5H 3T4

Encl.

30948531.1

AIRD BERLIS

# TAB 37



November 22, 2017

BY REGISTERED MAIL AND EMAIL

Single Source Services Ltd.  
2900, 10180 – 101 Street  
Edmonton, Alberta T5J 3V5

Grant Thornton Limited  
11 Floor, 200 King Street West  
Box 11  
Toronto, ON  
M5H 3T4  
T (416) 366-0100  
F (416) 360-4949  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

- and to -

Single Source Services Ltd.  
503-14032 23<sup>rd</sup> Ave.  
Edmonton, AB T6R 3L6

Attention: Tanya McCrary-Singh, Chief Financial Officer

Dear Ms. McCrary-Singh:

Re: **Receivership of Crystal Wealth Enlightened Factoring Strategy**  
**(formerly Crystal Enlightened Income Fund)**

---

As you are aware, Grant Thornton Limited was appointed as receiver and manager of the assets, undertakings and properties of Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) (the “**Fund**”) (in such capacity, the “**Receiver**”), pursuant to the Order (Appointing Receiver) (the “**Appointment Order**”) issued by the Honourable Justice Newbould of the Ontario Superior Court of Justice (Commercial List) on April 26, 2017. The Appointment Order can be found on the Receiver’s Case Website [www.grantthornton.ca/crystalwealth](http://www.grantthornton.ca/crystalwealth). As is evident in the Appointment Order, the Court has provided broad powers to the Receiver in furtherance of its mandate, in order to augment and ensure that the highest possible recovery can be achieved for the benefit of investors of the Fund.

We refer to the factoring agreement made between the Fund and Single Source Services Ltd. (“**Single Source**”) dated August 9, 2016 (the “**Factoring Agreement**”). Unless otherwise defined, all capitalised terms used herein are intended to have the meaning ascribed to them in the Factoring Agreement.

As you are aware, Frontline Factoring Inc. (“**Frontline**”) administered the Fund’s factoring arrangements with Single Source, including the tracking of Receivables on behalf of the Fund.

As reported by Frontline, as at November 17, 2017, the following Debtor Receivables are outstanding for principal and interest:



| Crystal Wealth Enlightened Factoring Strategy |                    |                        |             |
|-----------------------------------------------|--------------------|------------------------|-------------|
| First Capital Management Services LP          | Invoice number 318 | Interest Outstanding:  | \$21,239.48 |
|                                               |                    | Principal Outstanding: | \$93,984.75 |
| TOTAL                                         |                    | \$115,224.23           |             |

We hereby provide you with written notice that the above-noted Receivables are more than 90 days in arrears. Pursuant to section 7.1 of the Factoring Agreement, we hereby require that you repurchase these Receivable from the Fund. Under the terms of the Factoring Agreement, the repurchase price is the aggregate of the amount of the Indebtedness owing, plus interest, at the rates established by the Factoring Agreement. Interest continues to accrue on the Indebtedness at the rates established by the Factoring Agreement.

Please contact the undersigned to make arrangements for immediate payment, as all payments are to be remitted directly to the Receiver.

If payment of the Indebtedness is not received immediately, or alternate arrangements are not put in place forthwith, the Receiver shall take whatever steps it considers necessary or appropriate to collect and recover the Indebtedness owing to the Fund, including enforcing the security provided by Single Source pursuant to the Factoring Agreement. All costs, including legal fees, incurred by the Receiver in enforcing the Fund's rights under the Factoring Agreement will be sought from Single Source.

Please contact the undersigned to make immediate arrangements for Single Source's payment of the Indebtedness, and repurchase of the Receivables.

Yours truly,

**GRANT THORNTON LIMITED,**  
In its capacity as the Court-appointed Receiver and Manager of the Fund,  
and not in its personal or corporate capacity and without personal or corporate liability

**Jason Knight, CPA, CA**  
**Manager**

# TAB 38

**647497 BC LTD.**  
**INVOICE SUMMARIES**



June 9, 2016

**RE: Crystal Wealth Invoices Summary for 647497 BC Ltd.**

|                       |                  |
|-----------------------|------------------|
| Invoice #:            | 335              |
| Debtor:               | Dome Mountain    |
| Invoice Total:        | \$587,550.00 CAD |
| Forward Percent:      | 76%              |
| Gross Forward Amount: | \$307,788.60     |

|                               |              |
|-------------------------------|--------------|
| 24% Reserve:                  | \$97,196.40  |
| Total fees for first 30 days: | \$6,155.77   |
| Net Forward Amount:           | \$301,632.83 |

|                                    |             |
|------------------------------------|-------------|
| Frontlines Fees for first 30 days: | \$ 1,538.94 |
|------------------------------------|-------------|

|                              |          |
|------------------------------|----------|
| Daily Crystal Wealth Income: | \$153.89 |
|------------------------------|----------|

---

|                       |                  |
|-----------------------|------------------|
| Invoice #:            | 336              |
| Debtor:               | Dome Mountain    |
| Invoice Total:        | \$173,565.00 CAD |
| Forward Percent:      | 76%              |
| Gross Forward Amount: | \$131,909.40     |
| 24% Reserve:          | \$41,655.60      |

|                                    |              |
|------------------------------------|--------------|
| Total fees for first 30 days:      | \$2,638.19   |
| Net Forward Amount:                | \$129,271.21 |
| Frontlines Fees for first 30 days: | \$659.55     |
| Daily Crystal Wealth Income:       | \$65.95      |

---

|                                         |                     |
|-----------------------------------------|---------------------|
| Total Invoice:                          | \$578,550.00        |
| Total Gross Forwarded:                  | \$439,698.00        |
| Total Net Forwarded:                    | \$430,904.04        |
| Total Fees for first 30 days:           | \$8,793.96          |
| Total Daily Interest to Crystal Wealth: | \$219.84            |
| <b>Total Wire to Frontline:</b>         | <b>\$439,698.00</b> |

**Due Diligence Summary:**

Here is the next invoices for 647497 BC Ltd.

**Wire Instructions:****Beneficiary Address:**

Frontline Factoring Inc.  
230-719 4<sup>th</sup> Ave S  
Lethbridge AB, T1J 0P1

Account #: 7300895

Branch #: 06809

Institution #: 004

SWIFT: TDOMCATTTOR

**Beneficiary Bank Address:**

TD Canada Trust  
2033 Mayor Magrath Dr S  
Lethbridge AB, T1K 2S2

Sincerely,

Jerry Froese  
President  
Frontline Factoring Inc.  
403 795-0718



November 28th, 2014

**RE: Crystal Wealth Invoices Summary for 647497 BC Ltd.**

|                                                 |                                                   |
|-------------------------------------------------|---------------------------------------------------|
| <b>Merchant:</b>                                | <b>647497 BC Ltd.</b>                             |
| <b>Total Net Forwarded:</b>                     | <b>\$532,002.78 To be wired to 647497 BC Ltd.</b> |
| <b>Total Gross Forwarded:</b>                   | <b>\$542,850.80</b>                               |
| <b>Total Frontlines Fees for first 30 days:</b> | <b>\$2714.25</b>                                  |
| <b>Total Daily Interest to Crystal Wealth:</b>  | <b>\$271.43</b>                                   |

|                                    |                         |
|------------------------------------|-------------------------|
| Invoice #:                         | 256                     |
| Debtor:                            | Bio Diesel Canada Corp. |
| Invoice Total:                     | \$105,000.00 CAD        |
| Forward Percent:                   | 80%                     |
| Gross Forward Amount:              | \$84,000.00             |
| 20% Reserve:                       | \$21,000.00             |
| Total fees for first 30 days:      | \$1,680.00              |
| Net Forward Amount:                | \$82,320.00             |
| Frontlines Fees for first 30 days: | \$420.00                |

|                                    |                                        |
|------------------------------------|----------------------------------------|
| Invoice #:                         | 257                                    |
| Debtor:                            | Dome Mountain Resources of Canada Inc. |
| Invoice Total:                     | \$357,000.00 CAD                       |
| Forward Percent:                   | 80%                                    |
| Gross Forward Amount:              | \$285,600.00                           |
| 20% Reserve:                       | \$71,400.00                            |
| Total fees for first 30 days:      | \$5,712.00                             |
| Net Forward Amount:                | \$279,888.00                           |
| Frontlines Fees for first 30 days: | \$1,428.00                             |

|                                    |                   |
|------------------------------------|-------------------|
| Invoice #:                         | 258               |
| Debtor:                            | GIC Capital Corp. |
| Invoice Total:                     | \$216,562.50 CAD  |
| Forward Percent:                   | 80%               |
| Gross Forward Amount:              | \$173,250.80      |
| 20% Reserve:                       | \$43,312.50       |
| Total fees for first 30 days:      | \$3,456.02        |
| Net Forward Amount:                | \$169,794.78      |
| Frontlines Fees for first 30 days: | \$866.25          |

**Due Diligence Summary:**

Merchant does project management for large projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as most companies have been incorporated for a specific project. I (Jerry Froese) am personally familiar with the owners of the debtor companies and have good working knowledge that they are well funded. Through other companies the debtors own, Frontline Factoring Inc. has factored over 10 million dollars in receivables over the course of 18 months. Frontline Factoring Inc. has registered a General Security Agreement on the merchant and confirmed equity in land development (see attachments). Frontline Factoring Inc. has also introduced Al Housego to all the parties involved to ensure his comfort level.

It was determined that Royal Bank did have a security agreement on the merchant, although it was from a New Home Warranty Letter of Credit that no longer exists, and we received confirmation of discharge. Overall, we feel confident in the merchant, the debtors and these receivables.

**Wire Instructions:**

RBC

Institution #003

Transit #4990

320 Alexander Street

Salmon Arm, bc

V1E 4N8

Account -1005172

647497 BC LTD

3891 Turner Road

Tappen, BC

VOE 2X1

Sincerely,

Jerry Froese

President

Frontline Factoring Inc.

403 795-0718



December 22, 2014

**RE: Crystal Wealth Invoices Summary for 647497 BC Ltd.**

|                                                 |                                                   |
|-------------------------------------------------|---------------------------------------------------|
| <b>Merchant:</b>                                | <b>647497 BC Ltd.</b>                             |
| <b>Total Net Forwarded:</b>                     | <b>\$535,080.00 to be wired to 647497 BC Ltd.</b> |
| <b>Total Gross Forwarded:</b>                   | <b>\$546,000.00</b>                               |
| <b>Total Frontlines Fees for first 30 days:</b> | <b>\$2730.00</b>                                  |
| <b>Total Daily Interest to Crystal Wealth:</b>  | <b>\$273.00</b>                                   |

|                                    |                         |
|------------------------------------|-------------------------|
| Invoice #:                         | 259                     |
| Debtor:                            | Bio Diesel Canada Corp. |
| Invoice Total:                     | \$183,750.00 CAD        |
| Forward Percent:                   | 80%                     |
| Gross Forward Amount:              | \$147,000.00            |
| 20% Reserve:                       | \$36,750.00             |
| Total fees for first 30 days:      | \$2,940.00              |
| Net Forward Amount:                | \$144,060.00            |
| Frontlines Fees for first 30 days: | \$735.00                |

|                                    |                                        |
|------------------------------------|----------------------------------------|
| Invoice #:                         | 261                                    |
| Debtor:                            | Dome Mountain Resources of Canada Inc. |
| Invoice Total:                     | \$367,500.00 CAD                       |
| Forward Percent:                   | 80%                                    |
| Gross Forward Amount:              | \$294,000.00                           |
| 20% Reserve:                       | \$73,500.00                            |
| Total fees for first 30 days:      | \$5,880.00                             |
| Net Forward Amount:                | \$288,120.00                           |
| Frontlines Fees for first 30 days: | \$1,470.00                             |

|                                    |                   |
|------------------------------------|-------------------|
| Invoice #:                         | 260               |
| Debtor:                            | GIC Capital Corp. |
| Invoice Total:                     | \$131,250.00 CAD  |
| Forward Percent:                   | 80%               |
| Gross Forward Amount:              | \$105,000.00      |
| 20% Reserve:                       | \$26,250.00       |
| Total fees for first 30 days:      | \$2,100.00        |
| Net Forward Amount:                | \$102,900.00      |
| Frontlines Fees for first 30 days: | \$525.00          |

**Due Diligence Summary:**

Dec 22, 2014 – This is the next batch of invoices for the projects 647497 BC Ltd. is working on.

**Previous Summary:**

Merchant does project management for large projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as most companies have been incorporated for a specific project. I (Jerry Froese) am personally familiar with the owners of the debtor companies and have good working knowledge that they are well funded. Through other companies the debtors own, Frontline Factoring Inc. has factored over 10 million dollars in receivables over the course of 18 months. Frontline Factoring Inc. has registered a General Security Agreement on the merchant and confirmed equity in land development (see attachments). Frontline Factoring Inc. has also introduced Al Housego to all the parties involved to ensure his comfort level.

It was determined that Royal Bank did have a security agreement on the merchant, although it was from a New Home Warranty Letter of Credit that no longer exists, and we received confirmation of discharge. Overall, we feel confident in the merchant, the debtors and these receivables.

**Wire Instructions:**

RBC

Institution #003

Transit #4990

320 Alexander Street

Salmon Arm, bc

V1E 4N8

Account –1005172

647497 BC LTD

3891 Turner Road

Tappen, BC

VOE 2X1

Sincerely,



Jerry Froese

President

Frontline Factoring Inc.

403 795-0718



January 27, 2015

**RE: Crystal Wealth Invoices Summary for 647497 BC Ltd.**

|                                                 |                                                   |
|-------------------------------------------------|---------------------------------------------------|
| <b>Merchant:</b>                                | <b>647497 BC Ltd.</b>                             |
| <b>Total Net Forwarded:</b>                     | <b>\$380,730.00 to be wired to 647497 BC Ltd.</b> |
| <b>Total Gross Forwarded:</b>                   | <b>\$388,500.00</b>                               |
| <b>Total Frontlines Fees for first 30 days:</b> | <b>\$1,942.50</b>                                 |
| <b>Total Daily Interest to Crystal Wealth:</b>  | <b>\$194.25</b>                                   |

|                                    |                         |
|------------------------------------|-------------------------|
| Invoice #:                         | 262                     |
| Debtor:                            | Bio Diesel Canada Corp. |
| Invoice Total:                     | \$105,000.00 CAD        |
| Forward Percent:                   | 80%                     |
| Gross Forward Amount:              | \$84,000.00             |
| 20% Reserve:                       | \$21,000.00             |
| Total fees for first 30 days:      | \$1,680.00              |
| Net Forward Amount:                | \$82,320.00             |
| Frontlines Fees for first 30 days: | \$420.00                |

|                                    |                   |
|------------------------------------|-------------------|
| Invoice #:                         | 263               |
| Debtor:                            | GIC Capital Corp. |
| Invoice Total:                     | \$52,500.00 CAD   |
| Forward Percent:                   | 80%               |
| Gross Forward Amount:              | \$42,000.00       |
| 20% Reserve:                       | \$10,500.00       |
| Total fees for first 30 days:      | \$840.00          |
| Net Forward Amount:                | \$41,160.00       |
| Frontlines Fees for first 30 days: | \$210.00          |

|                                    |                                        |
|------------------------------------|----------------------------------------|
| Invoice #:                         | 264                                    |
| Debtor:                            | Dome Mountain Resources of Canada Inc. |
| Invoice Total:                     | \$328,125.00 CAD                       |
| Forward Percent:                   | 80%                                    |
| Gross Forward Amount:              | \$262,500.00                           |
| 20% Reserve:                       | \$65,625.00                            |
| Total fees for first 30 days:      | \$5,250.00                             |
| Net Forward Amount:                | \$257,250.00                           |
| Frontlines Fees for first 30 days: | \$1,312.50                             |

**Due Diligence Summary:**

New Funding: Here are the new amounts for the month for 647497 BC Ltd. No real changes and projects are going as planned.

Merchant does project management for large projects, and has been a long term client of Frontline Factoring Inc. There is very little information regarding the debtors in regards to credit history, as most companies have been incorporated for a specific project. I (Jerry Froese) am personally familiar with the owners of the debtor companies and have good working knowledge that they are well funded. Through other companies the debtors own, Frontline Factoring Inc. has factored over 10 million dollars in receivables over the course of 18 months. Frontline Factoring Inc. has registered a General Security Agreement on the merchant and confirmed equity in land development (see attachments). Frontline Factoring Inc. has also introduced Al Housego to all the parties involved to ensure his comfort level.

**Wire Instructions:**

RBC

Institution #003

Transit #4990

320 Alexander Street

Salmon Arm, BC

V1E 4N8

Account -1005172

647497 BC LTD

3891 Turner Road

Tappen, BC

VOE 2X1

Sincerely,



Jerry Froese

President

Frontline Factoring Inc.

403 795-0718



May 11, 2015

**RE: Crystal Wealth Invoices Summary for 647497 BC Ltd.**

|                                    |                                                   |
|------------------------------------|---------------------------------------------------|
| Merchant:                          | 647497 BC Ltd.                                    |
| Invoice #:                         | 302                                               |
| Debtor:                            | Dome Mountain Resources Ltd                       |
| Invoice Total:                     | \$507,675.00 CAD                                  |
| Forward Percent:                   | 80%                                               |
| Gross Forward Amount:              | \$406,140.00                                      |
| 20% Reserve:                       | \$101,535.00                                      |
| Total fees for first 30 days:      | \$8,122.80                                        |
| Net Forward Amount:                | <b>\$398,017.20 to be wired to 647497 BC Ltd.</b> |
| Frontlines Fees for first 30 days: | \$2,030.70                                        |
| Crystal Wealth Daily fees:         | \$203.07                                          |

**Due Diligence Summary:**

Here is the nest invoice for 647497 BC Ltd.

**Previous Summary**

Merchant does project management for large projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as most companies have been incorporated for a specific project. I (Jerry Froese) am personally familiar with the owners of the debtor companies and have good working knowledge that they are well funded. Through other companies the debtors own, Frontline Factoring Inc. has factored over 10 million dollars in receivables over the course of 18 months. Frontline Factoring Inc. has registered a General Security Agreement on the merchant and confirmed equity in land development (see attachments). Frontline Factoring Inc. has also introduced AI Housego to all the parties involved to ensure his comfort level.

It was determined that Royal Bank did have a security agreement on the merchant, although it was from a New Home Warranty Letter of Credit that no longer exists, and we received confirmation of discharge. Overall, we feel confident in the merchant, the debtors and these receivables.

**Wire Instructions:**

RBC

Institution #003

Transit #4990

320 Alexander Street

Salmon Arm, bc

V1E 4N8

Account -1005172

647497 BC LTD

3891 Turner Road

Tappen, BC

V0E 2X1

Sincerely,

Jerry Froese

President

Frontline Factoring Inc.

403 795-0718



September 30, 2015

**RE: Crystal Wealth Invoices Summary for 647497 BC Ltd.**

|                                                 |                                                   |
|-------------------------------------------------|---------------------------------------------------|
| <b>Merchant:</b>                                | <b>647497 BC Ltd.</b>                             |
| <b>Total Net Forwarded:</b>                     | <b>\$405,168.75 to be wired to 647497 BC Ltd.</b> |
| <b>Total Gross Forwarded:</b>                   | <b>\$413,437.50</b>                               |
| <b>Total Frontlines Fees for first 30 days:</b> | <b>\$2,067.19 to be wired to Frontline</b>        |
| <b>Total Daily Interest to Crystal Wealth:</b>  | <b>\$206.72</b>                                   |

|                                    |                         |
|------------------------------------|-------------------------|
| Invoice #:                         | 303                     |
| Debtor:                            | Bio Diesel Canada Corp. |
| Invoice Total:                     | \$278,906.25 CAD        |
| Forward Percent:                   | 80%                     |
| Gross Forward Amount:              | \$223,125.00            |
| 20% Reserve:                       | \$55,781.25             |
| Total fees for first 30 days:      | \$4,462.50              |
| Net Forward Amount:                | \$218,662.50            |
| Frontlines Fees for first 30 days: | \$1,115.63              |
| Daily Crystal Wealth Income:       | \$111.56                |

|                                    |                                        |
|------------------------------------|----------------------------------------|
| Invoice #:                         | 304                                    |
| Debtor:                            | Dome Mountain Resources of Canada Inc. |
| Invoice Total:                     | \$237,890.63 CAD                       |
| Forward Percent:                   | 80%                                    |
| Gross Forward Amount:              | \$190,312.50                           |
| 20% Reserve:                       | \$47,578.13                            |
| Total fees for first 30 days:      | \$3,806.25                             |
| Net Forward Amount:                | \$186,506.25                           |
| Frontlines Fees for first 30 days: | \$951.56                               |
| Daily Crystal Wealth Income:       | \$95.16                                |

**Due Diligence Summary:**

Here is the next invoices for 647497 BC Ltd.

Previous Summary:

Merchant does project management for large projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as most companies have been incorporated for a specific project. I (Jerry Froese) am personally familiar with the owners of the debtor companies and have good working knowledge that they are well funded. Through other companies the debtors own, Frontline Factoring Inc. has factored over 10 million dollars in receivables over the course of 18 months. Frontline Factoring Inc. has registered a General Security Agreement on the merchant and confirmed equity in land development (see attachments). Frontline Factoring Inc. has also introduced Al Housego to all the parties involved to ensure his comfort level.

It was determined that Royal Bank did have a security agreement on the merchant, although it was from a New Home Warranty Letter of Credit that no longer exists, and we received confirmation of discharge. Overall, we feel confident in the merchant, the debtors and these receivables.

**Wire Instructions:**

RBC

Institution #003

Transit #4990

320 Alexander Street

Salmon Arm, bc

V1E 4N8

Account -1005172

647497 BC LTD

3891 Turner Road

Tappen, BC

VOE 2X1

Sincerely,

Jerry Froese

President

Frontline Factoring Inc.

403 795-0718

**1566496 ALBERTA LTD.  
INVOICE SUMMARIES**



February 27, 2015

**RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.**

|                                                 |                                                         |
|-------------------------------------------------|---------------------------------------------------------|
| <b>Merchant:</b>                                | <b>1566496 Alberta Ltd.</b>                             |
| <b>Total Net Forwarded:</b>                     | <b>\$331,749.60 to be wired to 1566496 Alberta Ltd.</b> |
| <b>Total Gross Forwarded:</b>                   | <b>\$338,720.00</b>                                     |
| <b>Total Frontlines Fees for first 30 days:</b> | <b>\$1,692.60</b>                                       |
| <b>Total Daily Interest to Crystal Wealth:</b>  | <b>\$169.26</b>                                         |

|                                    |                     |
|------------------------------------|---------------------|
| Invoice #:                         | 144                 |
| Debtor:                            | 894833 Alberta Ltd. |
| Invoice Total:                     | \$270,900.00 CAD    |
| Forward Percent:                   | 80%                 |
| Gross Forward Amount:              | \$216,720.00        |
| 20% Reserve:                       | \$54,180.00         |
| Total fees for first 30 days:      | \$4334.40           |
| Net Forward Amount:                | \$212,385.60        |
| Frontlines Fees for first 30 days: | \$1,083.60          |

|                                    |                                   |
|------------------------------------|-----------------------------------|
| Invoice #:                         | 145                               |
| Debtor:                            | Dome Mountain Resources of Canada |
| Invoice Total:                     | \$152,250.00 CAD                  |
| Forward Percent:                   | 80%                               |
| Gross Forward Amount:              | \$121,800.00                      |
| 20% Reserve:                       | \$30,450.00                       |
| Total fees for first 30 days:      | \$2,436.00                        |
| Net Forward Amount:                | \$119,364.00                      |
| Frontlines Fees for first 30 days: | \$609.00                          |

**Due Diligence Summary:**

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

**Wire Instructions:**

**1566496 Alberta Ltd.**  
**PO Box 91**  
**Pritchard BC, V0E 2P0**

**TD Canada Trust**  
**2033 Mayor Magrath Drive South**  
**Lethbridge, AB T1K 2S2**  
**Transit – 06809**  
**Institution – 004**  
**Account Number - 84655217454**

Sincerely,



Jerry Froese  
President  
Frontline Factoring Inc.  
403 795-0718



March 17, 2015

**RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.**

|                                                 |                                                         |
|-------------------------------------------------|---------------------------------------------------------|
| <b>Merchant:</b>                                | <b>1566496 Alberta Ltd.</b>                             |
| <b>Total Net Forwarded:</b>                     | <b>\$324,135.00 to be wired to 1566496 Alberta Ltd.</b> |
| <b>Total Gross Forwarded:</b>                   | <b>\$330,750.00</b>                                     |
| <b>Total Frontlines Fees for first 30 days:</b> | <b>\$1653.75</b>                                        |
| <b>Total Daily Interest to Crystal Wealth:</b>  | <b>\$165.38</b>                                         |

|                                    |                             |
|------------------------------------|-----------------------------|
| Invoice #:                         | 146                         |
| Debtor:                            | Dome Mountain Resources Ltd |
| Invoice Total:                     | \$131,250.00 CAD            |
| Forward Percent:                   | 80%                         |
| Gross Forward Amount:              | \$105,000.00                |
| 20% Reserve:                       | \$26,250.00                 |
| Total fees for first 30 days:      | \$2,100.00                  |
| Net Forward Amount:                | \$102,900.00                |
| Frontlines Fees for first 30 days: | \$525.00                    |
| Crystal Wealth Daily fees:         | \$52.50                     |

|                                    |                  |
|------------------------------------|------------------|
| Invoice #:                         | 147              |
| Debtor:                            | 1566496 AB Ltd.  |
| Invoice Total:                     | \$282,187.50 CAD |
| Forward Percent:                   | 80%              |
| Gross Forward Amount:              | \$225,750.00     |
| 20% Reserve:                       | \$56,437.50      |
| Total fees for first 30 days:      | \$4,515.00       |
| Net Forward Amount:                | \$221,235.00     |
| Frontlines Fees for first 30 days: | \$1,128.75       |
| Crystal Wealth Daily Fees:         | \$112.88         |

**Due Diligence Summary:**

Here is the next batch of invoices.

### Previous Summary

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

### Wire Instructions:

**1566496 Alberta Ltd.**  
**PO Box 91**  
**Pritchard BC, V0E 2P0**

**TD Canada Trust**  
**2033 Mayor Magrath Drive South**  
**Lethbridge, AB T1K 2S2**  
**Transit – 06809**  
**Institution – 004**  
**Account Number - 84655217454**

Sincerely,



Jerry Froese  
President  
Frontline Factoring Inc.  
403 795-0718



March 30, 2015

**RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.**

|                                                 |                                                         |
|-------------------------------------------------|---------------------------------------------------------|
| <b>Merchant:</b>                                | <b>1566496 Alberta Ltd.</b>                             |
| <b>Total Net Forwarded:</b>                     | <b>\$308,700.00 to be wired to 1566496 Alberta Ltd.</b> |
| <b>Total Gross Forwarded:</b>                   | <b>\$315,000.00</b>                                     |
| <b>Total Frontlines Fees for first 30 days:</b> | <b>\$1,575.00</b>                                       |
| <b>Total Daily Interest to Crystal Wealth:</b>  | <b>\$157.50</b>                                         |

|                                    |                             |
|------------------------------------|-----------------------------|
| Invoice #:                         | 149                         |
| Debtor:                            | Dome Mountain Resources Ltd |
| Invoice Total:                     | \$183,750.00 CAD            |
| Forward Percent:                   | 80%                         |
| Gross Forward Amount:              | \$147,000.00                |
| 20% Reserve:                       | \$36,750.00                 |
| Total fees for first 30 days:      | \$2,940.00                  |
| Net Forward Amount:                | \$144,060.00                |
| Frontlines Fees for first 30 days: | \$735.00                    |
| Crystal Wealth Daily fees:         | \$73.50                     |

|                                    |                  |
|------------------------------------|------------------|
| Invoice #:                         | 148              |
| Debtor:                            | 1566496 AB Ltd.  |
| Invoice Total:                     | \$210,000.00 CAD |
| Forward Percent:                   | 80%              |
| Gross Forward Amount:              | \$168,000.00     |
| 20% Reserve:                       | \$42,000.00      |
| Total fees for first 30 days:      | \$3,360.00       |
| Net Forward Amount:                | \$164,640.00     |
| Frontlines Fees for first 30 days: | \$840.00         |
| Crystal Wealth Daily Fees:         | \$84.00          |

**Due Diligence Summary:**

Here is the next batch of invoices.

### Previous Summary

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

### Wire Instructions:

**1566496 Alberta Ltd.**  
**PO Box 91**  
**Pritchard BC, V0E 2P0**

**TD Canada Trust**  
**2033 Mayor Magrath Drive South**  
**Lethbridge, AB T1K 2S2**  
**Transit - 06809**  
**Institution - 004**  
**Account Number - 84655217454**

Sincerely,



Jerry Froese  
President  
Frontline Factoring Inc.  
403 795-0718



April 13, 2015

**RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.**

|                                                 |                                                         |
|-------------------------------------------------|---------------------------------------------------------|
| <b>Merchant:</b>                                | <b>1566496 Alberta Ltd.</b>                             |
| <b>Total Net Forwarded:</b>                     | <b>\$102,900.00 to be wired to 1566496 Alberta Ltd.</b> |
| <b>Total Gross Forwarded:</b>                   | <b>\$105,000.00</b>                                     |
| <b>Total Frontlines Fees for first 30 days:</b> | <b>\$525.00</b>                                         |
| <b>Total Daily Interest to Crystal Wealth:</b>  | <b>\$52.50</b>                                          |

|                                    |                             |
|------------------------------------|-----------------------------|
| Invoice #:                         | 150                         |
| Debtor:                            | Dome Mountain Resources Ltd |
| Invoice Total:                     | \$131,250.00 CAD            |
| Forward Percent:                   | 80%                         |
| Gross Forward Amount:              | \$105,000.00                |
| 20% Reserve:                       | \$26,250.00                 |
| Total fees for first 30 days:      | \$2,100.00                  |
| Net Forward Amount:                | \$102,900.00                |
| Frontlines Fees for first 30 days: | \$525.00                    |
| Crystal Wealth Daily fees:         | \$52.50                     |

**Due Diligence Summary:**

Here is the next batch of invoices.

**Previous Summary**

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they

are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

**Wire Instructions:**

**1566496 Alberta Ltd.  
PO Box 91  
Pritchard BC, V0E 2P0**

**TD Canada Trust  
2033 Mayor Magrath Drive South  
Lethbridge, AB T1K 2S2  
Transit – 06809  
Institution – 004  
Account Number - 84655217454**

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Froese', with a horizontal line extending to the right.

**Jerry Froese  
President  
Frontline Factoring Inc.  
403 795-0718**



April 29, 2015

**RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.**

|                                    |                                                         |
|------------------------------------|---------------------------------------------------------|
| Merchant:                          | 1566496 Alberta Ltd.                                    |
| Invoice #:                         | 151                                                     |
| Debtor:                            | Dome Mountain Resources Ltd                             |
| Invoice Total:                     | \$262,500.00 CAD                                        |
| Forward Percent:                   | 80%                                                     |
| Gross Forward Amount:              | \$210,000.00                                            |
| 20% Reserve:                       | \$52,500.00                                             |
| Total fees for first 30 days:      | \$4,200.00                                              |
| Net Forward Amount:                | <b>\$205,800.00 to be wired to 1566496 Alberta Ltd.</b> |
| Frontlines Fees for first 30 days: | \$1,050.00                                              |
| Crystal Wealth Daily fees:         | \$105.00                                                |

**Due Diligence Summary:**

Here next invoice for the large mine project.

**Previous Summary**

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

**Wire Instructions:**

**1566496 Alberta Ltd.  
PO Box 91  
Pritchard BC, V0E 2P0**

**TD Canada Trust  
2033 Mayor Magrath Drive South  
Lethbridge, AB T1K 2S2  
Transit – 06809  
Institution – 004  
Account Number - 84655217454**

Sincerely,

A handwritten signature in black ink, appearing to be 'Jerry Froese', with a stylized horizontal stroke extending to the right.

**Jerry Froese  
President  
Frontline Factoring Inc.  
403 795-0718**



May 11, 2015

**RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.**

|                                    |                                                         |
|------------------------------------|---------------------------------------------------------|
| Merchant:                          | 1566496 Alberta Ltd.                                    |
| Invoice #:                         | 152                                                     |
| Debtor:                            | Dome Mountain Resources Ltd                             |
| Invoice Total:                     | \$510,300.00 CAD                                        |
| Forward Percent:                   | 80%                                                     |
| Gross Forward Amount:              | \$408,240.00                                            |
| 20% Reserve:                       | \$102,060.00                                            |
| Total fees for first 30 days:      | \$8,164.80                                              |
| Net Forward Amount:                | <b>\$400,075.20 to be wired to 1566496 Alberta Ltd.</b> |
| Frontlines Fees for first 30 days: | \$2,041.20                                              |
| Crystal Wealth Daily fees:         | \$204.12                                                |

**Due Diligence Summary:**

Here is the next invoice for this merchant. The invoice is a little larger as they are getting closer to the end of the large mining project.

**Previous Summary**

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

**Wire Instructions:**

**1566496 Alberta Ltd.  
PO Box 91  
Pritchard BC, V0E 2P0**

**TD Canada Trust  
2033 Mayor Magrath Drive South  
Lethbridge, AB T1K 2S2  
Transit – 06809  
Institution – 004  
Account Number - 84655217454**

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Froese', with a long horizontal stroke extending to the right.

**Jerry Froese  
President  
Frontline Factoring Inc.  
403 795-0718**



August 31, 2015

**RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.**

|                                    |                                                        |
|------------------------------------|--------------------------------------------------------|
| Merchant:                          | 1566496 Alberta Ltd.                                   |
| Invoice #:                         | 153                                                    |
| Debtor:                            | Dome Mountain Resources Ltd                            |
| Invoice Total:                     | \$105,000.00 CAD                                       |
| Forward Percent:                   | 80%                                                    |
| Gross Forward Amount:              | \$84,000.00                                            |
| 20% Reserve:                       | \$21,000.00                                            |
| Total fees for first 30 days:      | \$8,164.80                                             |
| Net Forward Amount:                | <b>\$82,320.00 to be wired to 1566496 Alberta Ltd.</b> |
| Frontlines Fees for first 30 days: | \$420.00                                               |
| Crystal Wealth Daily fees:         | \$1,260.00                                             |

**Due Diligence Summary:**

Here is the next invoice for this merchant.

**Previous Summary**

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

**Wire Instructions:**

**1566496 Alberta Ltd.  
PO Box 91  
Pritchard BC, V0E 2P0**

**TD Canada Trust  
2033 Mayor Magrath Drive South  
Lethbridge, AB T1K 2S2  
Transit – 06809  
Institution – 004  
Account Number - 84655217454**

Sincerely,

A handwritten signature in dark ink, appearing to be 'J. Froese', with a long horizontal stroke extending to the right.

**Jerry Froese  
President  
Frontline Factoring Inc.  
403 795-0718**



September 10, 2015

**RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.**

|                                    |                         |
|------------------------------------|-------------------------|
| Merchant:                          | 1566496 Alberta Ltd.    |
| Invoice #:                         | 154                     |
| Debtor:                            | Bio Diesel Canada Corp. |
| Invoice Total:                     | \$315,000.00 CAD        |
| Forward Percent:                   | 80%                     |
| Gross Forward Amount:              | \$252,000.00            |
| 20% Reserve:                       | \$63,000.00             |
| Total fees for first 30 days:      | \$5,040.00              |
| Net Forward Amount:                | \$246,960.00            |
| Frontlines Fees for first 30 days: | \$1,260.00              |
| Crystal Wealth Daily fees:         | \$126.00                |

|                                    |                             |
|------------------------------------|-----------------------------|
| Invoice #:                         | 155                         |
| Debtor:                            | Dome Mountain Resources Ltd |
| Invoice Total:                     | \$220,500.00 CAD            |
| Forward Percent:                   | 80%                         |
| Gross Forward Amount:              | \$176,400.00                |
| 20% Reserve:                       | \$44,100.00                 |
| Total fees for first 30 days:      | \$3,528.00                  |
| Net Forward Amount:                | \$172,872.00                |
| Frontlines Fees for first 30 days: | \$882.00                    |
| Crystal Wealth Daily fees:         | \$88.20                     |

|                                    |                                                         |
|------------------------------------|---------------------------------------------------------|
| Reserve:                           | \$107,100.00                                            |
| Net Forward Amount:                | <b>\$419,832.00 to be wired to 1566496 Alberta Ltd.</b> |
| Frontlines Fees for first 30 days: | <b>\$2142.00 to be wired to Frontline</b>               |
| Crystal Wealth Daily fees:         | \$214.20                                                |

**Due Diligence Summary:**

Here is the next invoice for this merchant.

**Previous Summary**

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

**Wire Instructions:**

**1566496 Alberta Ltd.**  
**PO Box 91**  
**Pritchard BC, V0E 2P0**

**TD Canada Trust**  
**2033 Mayor Magrath Drive South**  
**Lethbridge, AB T1K 2S2**  
**Transit – 06809**  
**Institution – 004**  
**Account Number - 84655217454**

Sincerely,



Jerry Froese

President  
Frontline Factoring Inc.  
403 795-0718



October 29, 2015

**RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.**

|                                    |                         |
|------------------------------------|-------------------------|
| Merchant:                          | 1566496 Alberta Ltd.    |
| Invoice #:                         | 156                     |
| Debtor:                            | Bio Diesel Canada Corp. |
| Invoice Total:                     | \$440,000.00 CAD        |
| Forward Percent:                   | 80%                     |
| Gross Forward Amount:              | \$352,000.00            |
| 20% Reserve:                       | \$88,000.00             |
| Total fees for first 30 days:      | \$7,040.00              |
| Net Forward Amount:                | \$344,960.00            |
| Frontlines Fees for first 30 days: | \$1,760.00              |
| Crystal Wealth Daily fees:         | \$176.00                |

|                                    |                             |
|------------------------------------|-----------------------------|
| Invoice #:                         | 157                         |
| Debtor:                            | Dome Mountain Resources Ltd |
| Invoice Total:                     | \$340,000.00 CAD            |
| Forward Percent:                   | 80%                         |
| Gross Forward Amount:              | \$272,000.00                |
| 20% Reserve:                       | \$68,000.00                 |
| Total fees for first 30 days:      | \$5,440.00                  |
| Net Forward Amount:                | \$266,560.00                |
| Frontlines Fees for first 30 days: | \$1,360.00                  |
| Crystal Wealth Daily fees:         | \$136.00                    |

|                                    |                                                         |
|------------------------------------|---------------------------------------------------------|
| Reserve:                           | \$156,000.00                                            |
| Net Forward Amount:                | <b>\$611,520.00 to be wired to 1566496 Alberta Ltd.</b> |
| Frontlines Fees for first 30 days: | <b>\$3,120.00 to be wired to Frontline</b>              |
| Crystal Wealth Daily fees:         | \$312.00                                                |

**Due Diligence Summary:**

Here is the next invoice for this merchant.

**Previous Summary**

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

**Wire Instructions:**

**1566496 Alberta Ltd.**  
**PO Box 91**  
**Pritchard BC, V0E 2P0**

**TD Canada Trust**  
**2033 Mayor Magrath Drive South**  
**Lethbridge, AB T1K 2S2**  
**Transit – 06809**  
**Institution – 004**  
**Account Number - 84655217454**

Sincerely,



Jerry Froese

President  
Frontline Factoring Inc.  
403 795-0718



November 6, 2015

**RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.**

|                                    |                                                    |
|------------------------------------|----------------------------------------------------|
| Merchant:                          | 1566496 Alberta Ltd.                               |
| Invoice #:                         | 158                                                |
| Debtor:                            | Dome Mountain Resources of Canada Inc              |
| Invoice Total:                     | \$260,000.00 CAD                                   |
| Forward Percent:                   | 80%                                                |
| Gross Forward Amount:              | \$208,000.00                                       |
| 20% Reserve:                       | \$52,000.00                                        |
| Total fees for first 30 days:      | \$4,160.00                                         |
| Net Forward Amount:                | <b>\$203,840.00 to be wired to 1566496 AB Ltd.</b> |
| Frontlines Fees for first 30 days: | <b>\$1,040.00 to be wired to Frontline</b>         |
| Crystal Wealth Daily fees:         | \$104.00                                           |

**Due Diligence Summary:**

Here is the next invoice for this merchant.

**Previous Summary**

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

**Wire Instructions:**

**1566496 Alberta Ltd.  
PO Box 91  
Pritchard BC, V0E 2P0**

**TD Canada Trust  
2033 Mayor Magrath Drive South  
Lethbridge, AB T1K 2S2  
Transit – 06809  
Institution – 004  
Account Number - 84655217454**

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Froese', with a long horizontal stroke extending to the right.

**Jerry Froese  
President  
Frontline Factoring Inc.  
403 795-0718**



January 5, 2016

**RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.**

|                                    |                                                         |
|------------------------------------|---------------------------------------------------------|
| Merchant:                          | 1566496 Alberta Ltd.                                    |
| Invoice #:                         | 158                                                     |
| Debtor:                            | Dome Mountain Resources of Canada Inc.                  |
| Invoice Total:                     | \$390,000.00 CAD                                        |
| Forward Percent:                   | 80%                                                     |
| Gross Forward Amount:              | \$312,000.00                                            |
| 20% Reserve:                       | \$78,000.00                                             |
| Total fees for first 30 days:      | \$6,240.00                                              |
| Net Forward Amount:                | <b>\$305,760.00 to be wired to 1566496 Alberta Ltd.</b> |
| Frontlines Fees for first 30 days: | <b>\$1,560.00 to be wired to Frontline</b>              |
| Crystal Wealth Daily fees:         | \$156.00                                                |

**Due Diligence Summary:**

Here is the next invoice for Dome Mountain Resources. All previous invoices have been paid off as agreed.

**Wire Instructions:**

**1566496 Alberta Ltd.  
PO Box 91  
Pritchard BC, V0E 2P0**

**TD Canada Trust  
2033 Mayor Magrath Drive South  
Lethbridge, AB T1K 2S2  
Transit – 06809  
Institution – 004**

**Account Number - 84655217454**

Sincerely,

A handwritten signature in black ink, consisting of a stylized 'J' followed by a horizontal line and a small upward flick.

Jerry Froese  
President  
Frontline Factoring Inc.  
403 795-0718



April 15, 2016

**RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.**

|                               |                                                        |
|-------------------------------|--------------------------------------------------------|
| Merchant:                     | 1566496 Alberta Ltd.                                   |
| Invoice #:                    | 215                                                    |
| Debtor:                       | Dome Mountain Resources of Canada Inc.                 |
| Invoice Total:                | \$65,100.00                                            |
| Forward Percent:              | 80%                                                    |
| Gross Forward Amount:         | \$52,080.00                                            |
| 20% Reserve:                  | \$13,020.00                                            |
| Total fees for first 30 days: | <b>\$1,041.60 to be wired to Frontline</b>             |
| Net Forward Amount:           | <b>\$51,038.40 to be wired to 1566496 Alberta Ltd.</b> |
| Crystal Wealth Daily fees:    | 26.04                                                  |

**Due Diligence Summary:**

Here is the next invoice for Dome Mountain Resources.

**Wire Instructions:**

**1566496 Alberta Ltd.  
PO Box 91  
Pritchard BC, V0E 2P0**

**TD Canada Trust  
2033 Mayor Magrath Drive South  
Lethbridge, AB T1K 2S2  
Transit – 06809  
Institution – 004  
Account Number - 84655217454**

Sincerely,

A handwritten signature in black ink, appearing to read 'Jerry Froese', with a stylized horizontal stroke extending to the right.

Jerry Froese  
President  
Frontline Factoring Inc.  
403 795-0718



May 11, 2016

**RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.**

|                               |                                                         |
|-------------------------------|---------------------------------------------------------|
| Merchant:                     | 1566496 Alberta Ltd.                                    |
| Invoice #:                    | 221                                                     |
| Debtor:                       | Dome Mountain Resources of Canada Inc.                  |
| Invoice Total:                | \$609,000.00                                            |
| Forward Percent:              | 80%                                                     |
| Gross Forward Amount:         | \$487,200.00                                            |
| 20% Reserve:                  | \$121,800.00                                            |
| Total fees for first 30 days: | <b>\$9,744.00 to be wired to Frontline</b>              |
| Net Forward Amount:           | <b>\$477,456.00 to be wired to 1566496 Alberta Ltd.</b> |
| Crystal Wealth Daily fees:    | \$243.60                                                |

**Due Diligence Summary:**

Here is the next invoice for Dome Mountain Resources.

**Wire Instructions:**

**1566496 Alberta Ltd.  
PO Box 91  
Pritchard BC, V0E 2P0**

**TD Canada Trust  
2033 Mayor Magrath Drive South  
Lethbridge, AB T1K 2S2  
Transit – 06809  
Institution – 004  
Account Number - 84655217454**

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Froese', with a long horizontal stroke extending to the right.

**Jerry Froese  
President  
Frontline Factoring Inc.  
403 795-0718**



August 18, 2016

**RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.**

|                               |                                                         |
|-------------------------------|---------------------------------------------------------|
| Merchant:                     | 1566496 Alberta Ltd.                                    |
| Invoice #:                    | 222                                                     |
| Debtor:                       | Dome Mountain Resources of Canada Inc.                  |
| Invoice Total:                | \$451,500.00                                            |
| Forward Percent:              | 80%                                                     |
| Gross Forward Amount:         | \$361,200.00                                            |
| 20% Reserve:                  | \$90,300.00                                             |
| Total fees for first 30 days: | <b>\$7,224.00 to be wired to Frontline</b>              |
| Net Forward Amount:           | <b>\$353,976.00 to be wired to 1566496 Alberta Ltd.</b> |
| Crystal Wealth Daily fees:    | \$180.60                                                |

**Due Diligence Summary:**

Here is the next invoice for Dome Mountain Resources.

**Wire Instructions:**

**1566496 Alberta Ltd.  
PO Box 91  
Pritchard BC, V0E 2P0**

**TD Canada Trust  
2033 Mayor Magrath Drive South  
Lethbridge, AB T1K 2S2  
Transit – 06809  
Institution – 004  
Account Number - 84655217454**

Sincerely,

A handwritten signature in black ink, appearing to be 'Jerry Froese', with a stylized horizontal stroke extending to the right.

Jerry Froese  
President  
Frontline Factoring Inc.  
403 795-0718



February 17, 2017

**RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.**

|                               |                      |
|-------------------------------|----------------------|
| Merchant:                     | 1566496 Alberta Ltd. |
| Invoice #:                    | 223                  |
| Debtor:                       | IC Commerce          |
| Invoice Total:                | \$250,000.00         |
| Forward Percent:              | 80%                  |
| Gross Forward Amount:         | \$200,000.00         |
| 20% Reserve:                  | \$50,000.00          |
| Total fees for first 30 days: | \$4,000.00           |
| Net Forward Amount:           | \$196,000.00         |
| <b>Wire to Frontline:</b>     | <b>\$200,000.00</b>  |
| Crystal Wealth Daily fees:    | \$100.00             |

**Due Diligence Summary:**

Here is a new invoice to IC Commerce.

Sincerely,

A handwritten signature in black ink, appearing to be "Jerry Froese". The signature is stylized with a long horizontal stroke at the end.

Jerry Froese  
President  
Frontline Factoring Inc.  
403 795-0718

**ADVANCED METAL CONCEPT AND  
FABRICATION LTD.  
INVOICE SUMMARIES**



September 21, 2015

**RE: Crystal Wealth Invoices Summary for Advanced Metal Concepts and Fabrication Ltd.**

|                                                 |                                                                                 |
|-------------------------------------------------|---------------------------------------------------------------------------------|
| <b>Merchant:</b>                                | <b>Advanced Metal Concepts &amp; Fabrication Ltd. (Advanced Metals)</b>         |
| <b>Total Net Forwarded:</b>                     | <b>\$500,000.00 to be wired to Advanced Metal Concepts and Fabrication Ltd.</b> |
| <b>Total Gross Forwarded:</b>                   | <b>\$526,315.79</b>                                                             |
| <b>Total Frontlines Fees for first 30 days:</b> | <b>\$18,421.05</b>                                                              |
| <b>Total Daily Interest to Crystal Wealth:</b>  | <b>\$263.16</b>                                                                 |

|                                    |                          |
|------------------------------------|--------------------------|
| Invoice #:                         | 35507                    |
| Debtor:                            | Lotus Environmental Ltd. |
| Invoice Total:                     | \$879,823.63 CAD         |
| Forward Percent:                   | 59.82060177%             |
| Gross Forward Amount:              | \$526,315.79             |
| Reserve:                           | \$353,507.84             |
| Total fees for first 30 days:      | \$26,315.79              |
| Net Forward Amount:                | \$500,000.00             |
| Frontlines Fees for first 30 days: | \$18,421.05              |
| Crystal Wealth Daily fees:         | \$263.16                 |

#### **Due Diligence Summary:**

Advanced Metal was Frontline Factoring Inc.'s first ever factoring client. Advanced Metal have not required factoring for the last year and a half, although now they have a very large project that they require factoring on. The invoice we are factoring is for a waste to energy system that will be installed in the county of Lacombe landfill (Prentiss Landfill). This invoice is for completed engineering costs associated with the build. As we only have one receivable that we are purchasing, and no commitment for ongoing factoring, we have charged the merchant 5% for the first 30 days and .13% per day after 30 days. Along with our usual personal guarantees from owners of Advanced Metals and a General Security Agreement, we have also received personal guarantees (attached) with Independent Legal Advice (with copies of personal net worth) on three shareholders of the Debtor (Lotus Environmental Ltd.)

**Wire Instructions:**

**Advanced Metal Concepts and Fabrication Ltd**  
**3675 Griffen Road North**  
**Lethbridge, AB T1H 5V9**

**1<sup>st</sup> Choice Savings & Credit Union Ltd.**  
**1320 – 3<sup>rd</sup> Ave. S**  
**Lethbridge, Alberta T1J 4A4**  
**Transit – 01849**  
**Institution – 899**  
**Account Number - 721630282433**

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Froese', with a long horizontal stroke extending to the right.

Jerry Froese  
President  
Frontline Factoring Inc.  
403 795-0718

January 13, 2016

## RE: Advanced Metals Invoice Summary

Invoice #: 35539  
Debtor: Profab Industrial Construction  
Invoice Amount: \$89,378.01  
Gross Forwarded: \$71,502.41  
Forward Percent: 80%  
Net Forwarded: \$68,999.83  
Fees for first 30 days: \$2,502.58  
Frontlines Fees for first 30 days: \$1,430.05  
Daily Interest to Crystal Wealth: \$35.75

Invoice #: 35535  
Debtor: AIC International Corp  
Invoice Amount: \$252,000.00  
Gross Forwarded: \$201,600.00  
Forward Percent: 80%  
Net Forwarded: \$194,544.00  
Fees for first 30 days: \$7,056.00  
Frontlines Fees for first 30 days: \$4,032.00  
Daily Interest to Crystal Wealth: \$100.80

Invoice #: 35525  
Debtor: Westpro Infrastructure Ltd.  
Invoice Amount: \$55,738.92  
Gross Forwarded: \$44,591.14  
Forward Percent: 80%  
Net Forwarded: \$43,030.45  
Fees for first 30 days: \$1,560.69  
Frontlines Fees for first 30 days: \$891.82  
Daily Interest to Crystal Wealth: \$22.30

Invoice #: 35536  
Debtor: Strategic Transportation Ltd.  
Invoice Amount: \$1,466,364.85  
Gross Forwarded: \$200,441.16  
Forward Percent: 13.6692554%  
Net Forwarded: \$193,425.72  
Fees for first 30 days: \$7,015.44  
Frontlines Fees for first 30 days: \$4,008.82  
Daily Interest to Crystal Wealth: \$100.22

---

Total Invoices: \$1,863,481.78  
Total Gross Forwarded: \$518,134.71  
Total Net Forwarded: **\$500,000.00 wire to Advanced Metals**  
Total Fees Upfront: \$18,134.71  
Total Frontline Fees Upfront: **\$10,362.69 wire to Frontline**  
Total CW Daily Interest: \$259.07

Due Diligence Summary:

We have completed due diligence on all of the accounts receivables and are recommending the purchase of these receivables to Crystal Wealth.

Sincerely,



Steven Bandola  
Account Manager  
Frontline Factoring Inc.  
(403) 715-3901

March 4, 2016

RE: Advanced Metals Invoice Summary

|                                    |                                             |
|------------------------------------|---------------------------------------------|
| Invoice #:                         | 35555                                       |
| Debtor:                            | Mi2 Energy Ltd                              |
| Invoice Amount:                    | \$213,868.36                                |
| Gross Forwarded:                   | \$171,094.69                                |
| Forward Percent:                   | 80%                                         |
| Net Forwarded:                     | \$165,106.38 <b>wire to Advanced Metals</b> |
| Fees for first 30 days:            | \$5,988.31 <b>wire to Frontline</b>         |
| Frontlines Fees for first 30 days: | \$4,008.82                                  |
| Daily Interest to Crystal Wealth:  | \$85.55                                     |

Due Diligence Summary:

We have completed due diligence on all of the accounts receivables and are recommending the purchase of these receivables to Crystal Wealth.

Sincerely,



Steven Bandola  
Account Manager  
Frontline Factoring Inc.  
(403) 715-3901

August 25, 2016

**RE: Crystal Wealth Invoice Summary**

|                                   |                                           |
|-----------------------------------|-------------------------------------------|
| Fund:                             | Crystal Wealth Enlightened Factoring Fund |
| Merchant:                         | Advanced Metals Concepts and Fabrication  |
| Invoice #:                        | 35615                                     |
| Debtor:                           | Cuttings Edge Energy                      |
| Invoice Total:                    | \$191,990.93                              |
| Gross Forwarded:                  | \$153,592.74                              |
| Forward Percent:                  | 80%                                       |
| Net Forwarded:                    | \$148,216.99                              |
| Fees for first 30 days:           | \$5,375.75                                |
| Daily Interest to Crystal Wealth: | \$76.80                                   |

---

|                                 |                     |
|---------------------------------|---------------------|
| Total Net Forwarded:            | \$148,216.99        |
| Total Fees for first 30 days:   | \$5,375.75          |
| <b>Total Wire to Frontline:</b> | <b>\$153,592.74</b> |
| <b>Total New Daily CW Rate:</b> | <b>\$684.58</b>     |

**Due Diligence Summary:**

Cuttings Edge Energy is an energy company supplying drill site products to oil and gas producers in southern Alberta. Their payment trends are sufficient and the invoice has been confirmed and approved to be submitted, payment being directed to Frontline.

Sincerely,



Steven Bandola  
Frontline Factoring Inc.  
403 715-3901

**DOME MOUNTAIN RESOURCES OF CANADA  
INC.  
INVOICE SUMMARIES**



March 9, 2016

**RE: Crystal Wealth Invoices Summary for Dome Mountain**

|                               |                                                      |
|-------------------------------|------------------------------------------------------|
| <b>Merchant:</b>              | <b>Dome Mountain Resources of Canada Ltd.</b>        |
| <b>Invoice #:</b>             | <b>205</b>                                           |
| <b>Debtor:</b>                | <b>MGE Corporation Limited</b>                       |
| <b>Invoice Total</b>          | <b>\$80,000,000.00</b>                               |
| <b>Total Gross Forwarded:</b> | <b>\$1,000,000.00</b>                                |
| <b>Forward Percent:</b>       | <b>1.25%</b>                                         |
| <b>Total Net Forwarded:</b>   | <b>\$837,500.00 CAD to be wired to Dome Mountain</b> |

**\*This new invoice will bring the total Forward percentage to 13.95246567330%**

|                           |                       |
|---------------------------|-----------------------|
| Total Fees:               | \$162,500.00 Flat Fee |
| Total CW Income:          | \$159,125.00 Flat Fee |
| Frontline Factoring Fees: | \$3,375.00 Flat Fee   |

**Due Diligence Summary:**

The next advance for this invoice secured by GSA all assets which includes shares in Gavin Mines Inc. Given the overall strength of purchase agreement and GSA, we are recommending purchasing additional amounts on this receivable.

**Previous Summary:**

Dome Mountain Resources has secured an advance of \$80MM for purchase of shares in a gold mine (Gavin Mines Inc.). The advance is subject to completion of a drilling program that will be completed by spring 2016. Normally we would not recommend factoring an advance prior to completion of all the requirements although, the funder (MGE Corporation Limited) has secured a Performance bond that guarantees \$12MM payment within 12 months of November 6, 2015. Given the strength of the insurance company, we are strongly recommending factoring this deal. The total amount required is \$10,050,000 and a guaranteed payback of \$12,000,000 within 12 months. This deal is being structured as a flat discount rate for 12 months verses a normal 30-day

discount rate. Although the performance bond is 12 months, it is estimates to be funded by May 31, 2016.

**Wire Instructions:**

Dome Mountain Resources of Canada Inc.  
112 Cranston Dr SE  
Calgary AB  
T3M1A8

TD Canada Trust  
Calgary South Trails  
#4307 130th Ave SE, Suite 20  
Calgary AB T2Z 3V8

Transit No. 06909  
Inst. No. 004  
Account No. 5253869

Sincerely,



Steven Bandola  
Frontline Factoring Inc.  
403 715-3901



November 22, 2016

**RE: Crystal Wealth Invoices Summary for Dome Mountain**

|                                                                                   |                                                                         |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <b>Fund:</b>                                                                      | <b>Crystal Wealth Enlightened Factoring Strategy</b>                    |
| <b>Merchant:</b>                                                                  | <b>Dome Mountain Resources of Canada Ltd.</b>                           |
| <b>Invoice #:</b>                                                                 | <b>206</b>                                                              |
| <b>Debtor:</b>                                                                    | <b>MGE Corporation Limited</b>                                          |
| <b>Invoice Total</b>                                                              | <b>\$36,000,000.00</b>                                                  |
| <b>Total Gross Forwarded:</b>                                                     | <b>\$13,808,835.23</b>                                                  |
| <b>Forward Percent:</b>                                                           | <b>38.35787564%</b>                                                     |
| <b>Total Net Forwarded:</b>                                                       | <b>\$13,550,032.23 (includes \$45,731.35 - previous Frontline Fees)</b> |
| <br><b>CW 30 Day Rate:</b>                                                        | <br><b>1.561643835% = \$211,603.24</b>                                  |
| <b>Frontline 30 Day Rate:</b>                                                     | <b>0.3483368839% = \$47,199.76</b>                                      |
| <b>Total 30 Day Rate:</b>                                                         | <b>1.9099807189% = \$258,803.00</b>                                     |
| <br><b>CW Daily Rate After 30 Days:</b>                                           | <br><b>0.0520547945% = \$7,053.44</b>                                   |
| <br><b>Gross Forwarded Distribution:</b>                                          |                                                                         |
| Dome Mountain Total Outstanding to Crystal Wealth Enlightened Factoring Strategy: | \$10,127,675.88                                                         |
| Dome Mountain Total Outstanding to ACM Income Fund:                               | \$2,380,000.00                                                          |
| Dome Mountain Total Outstanding to Crystal Wealth Enlightened Hedge Fund:         | \$996,625.00                                                            |
| CW 30 Day Rate:                                                                   | \$211,603.24                                                            |
| Frontline 30 Day Rate:                                                            | \$47,199.76 (Has been wired)                                            |
| Frontline Fees Due from Last Invoice:                                             | \$45,731.35 (Has been wired)                                            |

**Due Diligence Summary:**

This summary is new agreement and invoice that will payout the old invoice including a new insurance policy. MGE Corporation Limited (MGE) was unable to close on the funding of Gavin mines as the numbers did not substantiate the purchase price, although we had an insurance policy covering the performance of MGE. As the deal has been restructured at a lower price, MGE will now be able to fund the share purchase and the insurance company is willing to reissue a new policy at an increased amount to cover the added factoring fees. The fees will be at the same annual rate as the last deal although it will be prorated with early payout.

**Previously sent:**

- Security Agreement
- Mandate Letter
- Deed of Guarantee
- Coverage email from BMI Reinsurance Division committing that executed insurance documents will be received from the head office later today
- Draft of Lawyer Confirming Insurance
- Signed Insurance Cover Note
- Signed Reinsurance Cover Note
- Signed Deed of Guarantee

**Attached:**

- Factoring Agreement
- Term Sheet

Sincerely,



Steven Bandola  
Frontline Factoring Inc.  
403 715-3901

**RESTORATION ENERGY INC.  
INVOICE SUMMARIES**



September 23, 2015

**RE: Restoration Energy Invoice Summary**

|                                         |                           |
|-----------------------------------------|---------------------------|
| <b>Merchant:</b>                        | <b>Restoration Energy</b> |
| <b>Total Invoices</b>                   | <b>\$ 900,000.00</b>      |
| <b>Total Gross Forwarded:</b>           | <b>\$ 720,000.00</b>      |
| <b>Forward Percent:</b>                 | <b>80.00%</b>             |
| <b>Total Net Forwarded:</b>             | <b>\$ 689,400.00</b>      |
| <b>Total Frontline Fees for 30 days</b> | <b>\$ 19,800.00</b>       |
| <b>Total Fees for 30 days</b>           | <b>\$ 30,600.00</b>       |
| <b>Daily CW Interest</b>                | <b>\$ 360.00</b>          |

|                         |                              |
|-------------------------|------------------------------|
| <b>Debtor:</b>          | <b>CPPS Mission Projects</b> |
| <b>Invoice</b>          | <b>20150917B</b>             |
| <b>Invoice Amt:</b>     | <b>\$ 400,000.00</b>         |
| <b>Gross Forwarded:</b> | <b>\$ 320,000.00</b>         |
| <b>Net Forwarded:</b>   | <b>\$ 306,400.00</b>         |

|                         |                      |
|-------------------------|----------------------|
| <b>Debtor:</b>          | <b>U of C</b>        |
| <b>Invoice:</b>         | <b>20150917A</b>     |
| <b>Invoice Amt:</b>     | <b>\$ 500,000.00</b> |
| <b>Gross Forwarded:</b> | <b>\$ 400,000.00</b> |
| <b>Net Forwarded:</b>   | <b>\$ 383,000.00</b> |

**Due Diligence Summary:**

Here are the next 2 invoices from Restoration Energy. Invoices are very strong again as one is to the University of Calgary and the other is an arm of the Catholic Church. As we have not received payment on the first invoice (which we are expected to be paid in next 15-30 days), so we have again requested mortgage security. Current mortgage security is as follows:

\Land as Security (based on 2011 appraisal)

|                            |                                                       |
|----------------------------|-------------------------------------------------------|
| Total Land Value           | \$4,680,000                                           |
| Total Mortgaged            | \$1,804,000                                           |
| <u>Additional Security</u> | <u>\$1,607,728 (amount registered is \$2,000,000)</u> |
| Total Equity               | \$1,268,272                                           |
| Total Loan to Value        | 72.9%                                                 |

**Wire Instructions:**

Restoration Energy Inc.  
Acct. #1995-775  
Bank of Montreal  
750 Main Street, Airdrie, AB T4B3M1  
Transit #21619  
Swift Code: BOFMCAM2  
Institution No: 001

Sincerely,



Steven Bandola  
Frontline Factoring Inc.  
403 715-3901

December 15, 2015

**RE: Restoration Energy Invoice Summary**

|                   |              |                            |
|-------------------|--------------|----------------------------|
| Invoice #:        | 20151201A    |                            |
| Invoice Amount:   | \$600,000.00 |                            |
| Forward Percent:  | 80%          |                            |
| Gross Forwarded:  | \$480,000.00 |                            |
| 30-day fee:       | \$20,400.00  |                            |
| Net Forwarded:    | \$459,600.00 | <b>Wire to Restoration</b> |
| FL Fees Upfront:  | \$13,200.00  | <b>Wire to Frontline</b>   |
| CW Daily Revenue: | \$240.00     |                            |

**Due Diligence Summary:**

Here is the next invoice from Restoration Energy. Restoration Energy continues to pay the interest component on a monthly basis.

Land as Security (based on 2011 appraisal)

|                                  |                 |
|----------------------------------|-----------------|
| Existing Value secured:          | \$1,111,323.69  |
| New secured amount:              | \$480,000.00    |
| Total Security held:             | \$1,591,323.69  |
| <br>Total Land Value             | <br>\$4,680,000 |
| Total Registered Mortgage by CW: | \$2,000,000     |
| Existing Prior Mortgage:         | \$1,607,728     |
| Total Equity                     | \$1,480,948     |
| Total Loan to Value              | 68.4%           |

**Wire Instructions:**

Restoration Energy Inc.  
Acct. #1995-775  
Bank of Montreal  
750 Main Street, Airdrie, AB T4B3M1  
Transit #21619  
Swift Code: BOFMCAM2

Sincerely,



Steven Bandola  
Account Manager  
Frontline Factoring Inc.  
(403) 715-3901

January 29, 2016

**RE: Restoration Energy Invoice Summary**

|                   |              |                     |
|-------------------|--------------|---------------------|
| Invoice #:        | 20151201C    |                     |
| Invoice Amount:   | \$700,000.00 |                     |
| Forward Percent:  | 37.299515%   |                     |
| Gross Forwarded:  | \$261,096.61 |                     |
| 30-day fee:       | \$11,096.61  |                     |
| Net Forwarded:    | \$250,000.00 | Wire to Restoration |
| FL Fees Upfront:  | \$7,180.16   | Wire to Frontline   |
| CW Daily Revenue: | \$130.55     |                     |

**Due Diligence Summary:**

Here is the next invoice from Restoration Energy. Restoration Energy continues to pay the interest component on a monthly basis.

**Land as Security (based on 2011 appraisal)**

|                                  |                       |
|----------------------------------|-----------------------|
| Existing Value secured:          | \$1,341,323.69        |
| New secured amount:              | \$261,096.61          |
| New Total Security held:         | <b>\$1,602,420.30</b> |
| Total Land Value                 | \$4,680,000           |
| Total Registered Mortgage by CW: | \$2,000,000           |
| Existing Prior Mortgage:         | \$1,607,728           |
| Total Loan to Value              | 68.6%                 |

**Wire Instructions:**

Restoration Energy Inc.  
Acct. #1995-775  
Bank of Montreal  
750 Main Street, Airdrie, AB T4B3M1  
Transit #21619  
Swift Code: BOFMCAM2

Sincerely,



Steven Bandola  
Account Manager  
Frontline Factoring Inc.  
(403) 715-3901

February 23, 2016

**RE: Restoration Energy Invoice Summary**

|                   |              |                            |
|-------------------|--------------|----------------------------|
| Invoice #:        | 20151201C    |                            |
| Invoice Amount:   | \$700,000.00 |                            |
| Forward Percent:  | 14.919825%   |                            |
| Gross Forwarded:  | \$104,438.64 |                            |
| 30-day fee:       | \$4,438.64   | <b>Wire to Frontline</b>   |
| Net Forwarded:    | \$100,000.00 | <b>Wire to Restoration</b> |
| FL Fees Upfront:  | \$2,872.06   |                            |
| CW Daily Revenue: | \$52.22      |                            |

**Due Diligence Summary:**

This is a new funding amount for an existing invoice from Restoration Energy. This new funding would bring the total forward percent of this invoice to 52.219%, which is well below the 80% we can recommend for this client. Restoration Energy continues to pay the interest component on a monthly basis.

**Land as Security (based on 2011 appraisal)**

|                                  |                       |
|----------------------------------|-----------------------|
| Existing Value secured:          | \$1,602,420.30        |
| New secured amount:              | \$104,438.64          |
| New Total Security held:         | <b>\$1,706,858.94</b> |
| Total Land Value                 | \$4,680,000           |
| Total Registered Mortgage by CW: | \$2,000,000           |
| Existing Prior Mortgage:         | \$1,607,728           |
| Total Loan to Value              | 70.82%                |

**Wire Instructions:**

Restoration Energy Inc.  
#234, 203-304 Main St E  
Airdrie AB, T4B 3C3

Bank of Montreal  
750 Main Street, Airdrie, AB T4B3M1  
Acct. #1995-775  
Transit #21619  
Swift Code: BOFMCAM2

Sincerely,



Steven Bandola  
Account Manager



Frontline Factoring Inc.  
(403) 715-3901

230-719 4634  
Lethbridge, Alberta  
T1J 0P1, Canada

665

April 19, 2016

**RE: Restoration Energy Invoice Summary**

Invoice #: 20151201C  
Invoice Amount: \$700,000.00  
Forward Percent: 22.3797090%  
Gross Forwarded: \$156,657.96  
30-day fee: \$6,657.96 **Wire to Frontline**  
Net Forwarded: \$150,000.00 **Wire to Restoration**  
CW Daily Revenue: \$78.33

**Due Diligence Summary:**

Here is the next amount for Restoration Energy. Restoration Energy continues to pay the interest component on a monthly basis and the full amount is secured by a mortgage on outside property.

**Wire Instructions:**

Restoration Energy Inc.  
#234, 203-304 Main St E  
Airdrie AB, T4B 3C3

Bank of Montreal  
750 Main Street, Airdrie, AB T4B3M1 Acct.  
#1995-775  
Transit #21619  
Swift Code: BOFMCAM2  
Phone: 403.795.0718  
Fax: 587.787.0897

230-719 4636  
Lethbridge, Alberta  
T1J 0P1, Canada

Sincerely,



Steven Bandola  
Account Manager  
Frontline Factoring Inc.  
(403) 715-3901

February 23, 2016

**RE: Restoration Energy Invoice Summary**

Invoice #: 20151201C  
Invoice Amount: \$700,000.00  
Forward Percent: 3%  
Gross Forwarded: \$21,000.00  
30-day fee: \$892.50  
Net Forwarded: \$20,107.50  
FL Fees Upfront: \$577.50  
CW Daily Revenue: \$10.50

Invoice #: 20160309  
Invoice Amount: \$600,000.00  
Forward Percent: 80%  
Gross Forwarded: \$482,000.00  
30-day fee: \$20,400.00  
Net Forwarded: \$459,600.00  
FL Fees Upfront: \$13,200.00  
CW Daily Revenue: \$240.00

Total New Principal: \$501,000.00  
Total Funding Amount: **\$479,707.50 Wire to Restoration Energy**  
Total Upfront Fees: **\$21,292.50 Wire to Frontline**  
Total CW Daily Interest: \$250.50

**Due Diligence Summary:**

The first funding amount is a new amount for an existing invoice from Restoration Energy. This new funding would bring the total forward percent of this invoice to 55.219320%, which is still below the 80% we can recommend for this client. The other amount is for a new invoice from a debtor who we recommend. Restoration Energy continues to pay the interest component on a monthly basis.

Land as Security (based on 2011 appraisal)

|                                  |                       |
|----------------------------------|-----------------------|
| Existing Value secured:          | \$1,561,841.26        |
| New secured amount:              | \$501,000.00          |
| New Total Security held:         | <b>\$2,062,841.26</b> |
| Total Land Value                 | \$4,680,000           |
| Total Registered Mortgage by CW: | \$2,000,000           |
| Existing Prior Mortgage:         | \$1,607,728           |
| Total Loan to Value              | 70.82%                |

**Wire Instructions:**

Restoration Energy Inc.  
#234, 203-304 Main St E  
Airdrie AB, T4B 3C3

Bank of Montreal  
750 Main Street, Airdrie, AB T4B3M1  
Acct. #1995-775  
Transit #21619  
Swift Code: BOFMCAM2

Sincerely,



Steven Bandola  
Account Manager  
Frontline Factoring Inc.  
(403) 715-3901

**SINGLE SOURCE SERVICES LTD**  
**INVOICE SUMMARIES**



August 19, 2016

**RE: Crystal Wealth Invoice Summary for Single Source Services**

|                               |                                      |
|-------------------------------|--------------------------------------|
| Merchant:                     | Single Source Services               |
| Invoice #:                    | 318                                  |
| Debtor:                       | First Capital Management Services    |
| Invoice Total:                | \$117,480.94                         |
| Forward Percent:              | 80%                                  |
| Gross Forward Amount:         | \$93,984.75                          |
| 20% Reserve:                  | \$23,496.19                          |
| Total fees for first 30 days: | \$3,759.39 to be wired to Frontline  |
| Net Forward Amount:           | \$90,225.36 to be wired to Frontline |

**Total wire to Frontline: \$93,984.75**

Crystal Wealth Daily fees: \$46.99

**Due Diligence Summary:**

First Capital Management Services is a long standing customer of Single Source Services. It is a subsidiary of First Capital Realty Inc. [TSX:FCR]. Single Source works for them on a monthly basis. This invoice has been verified with First Capital, is undisputed and has been submitted to payables for payment in early September. This invoice has already been purchased by Frontline and the funds have been advanced to Single Source, so the full wire amount should be sent directly to Frontline.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jerry Froese', with a stylized horizontal stroke extending to the right.

Jerry Froese  
President  
Frontline Factoring Inc.  
403 795-0718

**ZOMONGO TV CORP**  
**INVOICE SUMMARIES**



September 30, 2015

**RE: Invoices Summary for Zomongo TV Corp**

|                                                 |                                                 |
|-------------------------------------------------|-------------------------------------------------|
| <b>Merchant:</b>                                | <b>Zomongo TV Corp.</b>                         |
| <b>Total Invoices</b>                           | <b>\$787,500.00</b>                             |
| <b>Total Gross Forwarded:</b>                   | <b>\$630,000.00</b>                             |
| <b>Forward Percent:</b>                         | <b>80%</b>                                      |
| <b>Total Net Forwarded:</b>                     | <b>\$598,500.00 CAD to be wired to Zomongo</b>  |
| <b>Total Frontlines Fees for first 30 days:</b> | <b>\$22,050.00 CAD to be wired to Frontline</b> |
| <b>Total Daily Interest to Crystal Wealth:</b>  | <b>\$315.00</b>                                 |
| <b>Total Fees for first 30 days:</b>            | <b>\$31,500.00</b>                              |

|                                    |                  |
|------------------------------------|------------------|
| Invoice #:                         | AC-2015-08-27a   |
| Debtor:                            | Accent Marketing |
| Invoice Total:                     | \$393,750.00     |
| Gross Forwarded:                   | \$315,500.00     |
| Forward Percent:                   | 80%              |
| Net Forwarded:                     | \$299,250.00     |
| Frontlines Fees for first 30 days: | \$11,025.00      |
| Daily Interest to Crystal Wealth:  | \$157.50         |
| Total Fees for first 30 days:      | \$15,750.00      |

|                                    |                  |
|------------------------------------|------------------|
| Invoice #:                         | AC-2015-08-27b   |
| Debtor:                            | Accent Marketing |
| Invoice Total:                     | \$393,750.00     |
| Gross Forwarded:                   | \$315,000.00     |
| Forward Percent:                   | 80%              |
| Net Forwarded:                     | \$299,250.00     |
| Frontlines Fees for first 30 days: | \$11,025.00      |
| Daily Interest to Crystal Wealth:  | \$157.50         |
| Total Fees for first 30 days:      | \$15,750.00      |

**Due Diligence Summary:**

Here are the next invoices for Zomongo TV Corp. Zomongo continues to expand and we are continuing to use land as security for these invoices.

Here are the details of the property:

|                                        |                     |
|----------------------------------------|---------------------|
| Value                                  | \$4,800,000         |
| ATB First Mtg                          | \$700,000           |
| Duratech 2 <sup>nd</sup> Mtg           | \$280,000           |
| B. Van Hierden 3 <sup>rd</sup> Mtg     | \$700,000           |
| Our Mortgage from Apr 10 <sup>th</sup> | \$913,500           |
| Our Mortgage from Aug 25 <sup>th</sup> | \$248,724.00        |
| Total Mortgages                        | \$2,842,224.00      |
| <b>New Mortgage</b>                    | <b>\$630,000.00</b> |
| Total Mortgage Registered              | \$3,472,224.00      |

We will be using \$1,792,224.00 of the \$2,000,000 registered mortgage.

New Loan to Value             $\$3,472,224.00 / 4,800,000 = 72.3\%$

Given the mortgage we are recommending factoring these this invoice.

**Wire Instructions:**

Zomongo.tv Corp  
Acct. #1994885  
Bank of Montreal  
101 Crowfoot Way NW, Calgary AB, T3G 2R2  
Transit #06469  
Swift Code: BOFMCAM2  
Institution No: 001

Sincerely,



Steven Bandola  
Frontline Factoring Inc.  
403 715-3901



March 24, 2016

**RE: Hedge Fund Invoice Summary for Zomongo TV Corp**

|                                            |                                                |
|--------------------------------------------|------------------------------------------------|
| <b>Merchant:</b>                           | <b>Zomongo TV Corp.</b>                        |
| <b>Invoice #:</b>                          | <b>AC-2016-02-08a</b>                          |
| <b>Debtor:</b>                             | <b>Accent Marketing</b>                        |
| <b>Total Invoice:</b>                      | <b>\$787,500.00</b>                            |
| <b>Total Gross Forwarded:</b>              | <b>\$142,105.26</b>                            |
| <b>Forward Percent:</b>                    | <b>18.0451120%</b>                             |
| <b>Total Net Forwarded:</b>                | <b>\$135,000.00 CAD to be wired to Zomongo</b> |
| <b>Total Fees for first 30 days:</b>       | <b>\$7,105.26 to be wired to Frontline</b>     |
| <b>Total Daily Interest to Hedge Fund:</b> | <b>\$118.42</b>                                |

**Due Diligence Summary:**

Here is the next invoice for Zomongo TV Corp. Client continues to grow and has recently reached a deal with Vanus for another 100 screens. Vanus manages 244+million in advertising budgets and has been in business for over 10 years.

**Wire Instructions:**

Zomongo.tv Corp  
Box 658  
Cochrane AB T4C 1A8  
Acct. #1994885  
Bank of Montreal  
101 Crowfoot Way NW, Calgary AB, T3G 2R2  
Transit #06469  
Swift Code: BOFMCAM2  
Institution No: 001

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola', with a stylized flourish at the end.

Steven Bandola  
Frontline Factoring Inc.  
403 715-3901



March 24, 2016

**RE: Hedge Fund Invoice Summary for Zomongo TV Corp**

|                                            |                                                |
|--------------------------------------------|------------------------------------------------|
| <b>Merchant:</b>                           | <b>Zomongo TV Corp.</b>                        |
| <b>Invoice #:</b>                          | <b>AC-2016-02-08a</b>                          |
| <b>Debtor:</b>                             | <b>Accent Marketing</b>                        |
| <b>Total Invoice:</b>                      | <b>\$787,500.00</b>                            |
| <b>Total Gross Forwarded:</b>              | <b>\$142,105.26</b>                            |
| <b>Forward Percent:</b>                    | <b>18.0451120%</b>                             |
| <b>Total Net Forwarded:</b>                | <b>\$135,000.00 CAD to be wired to Zomongo</b> |
| <b>Total Fees for first 30 days:</b>       | <b>\$7,105.26 to be wired to Frontline</b>     |
| <b>Total Daily Interest to Hedge Fund:</b> | <b>\$118.42</b>                                |

**Due Diligence Summary:**

Here is the next invoice for Zomongo TV Corp. Client continues to grow and has recently reached a deal with Vanus for another 100 screens. Vanus manages 244+million in advertising budgets and has been in business for over 10 years.

**Wire Instructions:**

Zomongo.tv Corp  
Box 658  
Cochrane AB T4C 1A8  
Acct. #1994885  
Bank of Montreal  
101 Crowfoot Way NW, Calgary AB, T3G 2R2  
Transit #06469  
Swift Code: BOFMCAM2  
Institution No: 001

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola', with a horizontal line extending to the right.

Steven Bandola  
Frontline Factoring Inc.  
403 715-3901



January 12, 2016

RE: **Crystal Wealth Invoice Summary for Zomongo TV Corp**

|                                                 |                                                 |
|-------------------------------------------------|-------------------------------------------------|
| <b>Merchant:</b>                                | <b>Zomongo TV Corp.</b>                         |
| <b>Invoice #:</b>                               | <b>EC-01-12-2016</b>                            |
| <b>Debtor:</b>                                  | <b>Eyeconic.tv</b>                              |
| <b>Total Invoice:</b>                           | <b>\$1,102,500.00</b>                           |
| <b>Total Gross Forwarded:</b>                   | <b>\$606,375.00</b>                             |
| <b>Forward Percent:</b>                         | <b>55%</b>                                      |
| <b>Total Net Forwarded:</b>                     | <b>\$576,056.25 CAD to be wired to Zomongo</b>  |
| <b>Total Frontlines Fees for first 30 days:</b> | <b>\$21,223.13 CAD to be wired to Frontline</b> |
| <b>Total Daily Interest to Crystal Wealth:</b>  | <b>\$303.19</b>                                 |
| <b>Total Fees for first 30 days:</b>            | <b>\$30,318.75</b>                              |

**Due Diligence Summary:**

Here is the next invoice for Zomongo TV Corp. Client continues to grow and has recently reached a deal with Pay Day loans for 150 screens. The billing is done through Eyeconic.tv. As payment from Eyeconic.TV has a history of being slow, we have reduced the forward percentage to 55% from 80%.

**Wire Instructions:**

Zomongo.tv Corp  
Acct. #1994885  
Bank of Montreal  
101 Crowfoot Way NW, Calgary AB, T3G 2R2  
Transit #06469  
Swift Code: BOFMCAM2  
Institution No: 001

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola', with a horizontal line drawn through it.

Steven Bandola  
Frontline Factoring Inc.  
403 715-3901



January 28, 2016

RE: **Crystal Wealth Invoice Summary for Zomongo TV Corp**

|                                                |                                                |
|------------------------------------------------|------------------------------------------------|
| <b>Merchant:</b>                               | <b>Zomongo TV Corp.</b>                        |
| <b>Invoice #:</b>                              | <b>EC-01-18-2016</b>                           |
| <b>Debtor:</b>                                 | <b>Eyeconic.tv</b>                             |
| <b>Total Invoice:</b>                          | <b>\$1,102,500.00</b>                          |
| <b>Total Gross Forwarded:</b>                  | <b>\$441,000.00</b>                            |
| <b>Forward Percent:</b>                        | <b>40%</b>                                     |
| <b>Total Net Forwarded:</b>                    | <b>\$418,950.00 CAD to be wired to Zomongo</b> |
| <b>Total Fees for first 30 days:</b>           | <b>\$22,050.00 to be wired to Frontline</b>    |
| <b>Total Daily Interest to Crystal Wealth:</b> | <b>\$220.50</b>                                |

**Due Diligence Summary:**

Here is the next invoice for Zomongo TV Corp. Client continues to grow and has recently reached a deal with Pay Day loans for 150 screens. The billing is done through Eyeconic.tv. As payment from Eyeconic.TV has a history of being slow, we have reduced the forward percentage to 40% from 55%.

**Wire Instructions:**

Zomongo.tv Corp  
Acct. #1994885  
Bank of Montreal  
101 Crowfoot Way NW, Calgary AB, T3G 2R2  
Transit #06469  
Swift Code: BOFMCAM2  
Institution No: 001

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola', with a horizontal line extending to the right.

Steven Bandola  
Frontline Factoring Inc.  
403 715-3901

May 20, 2016

**RE: Crystal Wealth Invoice Summary for Zomongo TV Corp**

|                                   |                                        |
|-----------------------------------|----------------------------------------|
| Fund:                             | Crystal Enlightened Factoring Strategy |
| Merchant:                         | Zomongo TV Corp.                       |
| Invoice #:                        | EC-05-19-2016                          |
| Debtor:                           | Eyeconic.tv                            |
| Invoice Total:                    | \$1,125,000.00                         |
| Gross Forwarded:                  | \$632,812.50                           |
| Forward Percent:                  | 56.25%                                 |
| Net Forwarded:                    | \$601,171.87                           |
| Fees for first 30 days:           | \$31,640.63                            |
| Daily Interest to Crystal Wealth: | \$316.41                               |

---

|                                         |                                                |
|-----------------------------------------|------------------------------------------------|
| Total Invoice:                          | \$1,125,000.00                                 |
| Total Gross Forwarded:                  | \$632,812.50                                   |
| Total Net Forwarded:                    | <b>\$601,171.87 CAD to be wired to Zomongo</b> |
| Total Fees for first 30 days:           | <b>\$31,640.63 to be wired to Frontline</b>    |
| Total Daily Interest to Crystal Wealth: | \$316.41                                       |

**Due Diligence Summary:**

Here is the next invoice for Zomongo. We have only advanced 56.25% on this invoice to maintain a healthy reserve.

**Wire Instructions:**

Zomongo.tv Corp  
Box 658  
Cochrane AB T4C 1A8  
Acct. #1994885  
Bank of Montreal  
101 Crowfoot Way NW, Calgary AB, T3G 2R2  
Transit #06469  
Swift Code: BOFMCAM2  
Institution No: 001



230-7194649S  
Lethbridge, Alberta  
T1J 0P1, Canada

680

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola', with a long horizontal flourish extending to the right.

Steven Bandola  
Frontline Factoring Inc.  
403 715-3901

May 25, 2016

**RE: Crystal Wealth Invoice Summary for Zomongo TV Corp**

Fund: Crystal Enlightened Factoring Strategy  
Merchant: Zomongo TV Corp.

Invoice #: EC-05-21-2016

Debtor: Eyeconic.tv  
Invoice Total: \$1,125,000.00  
Gross Forwarded: \$526,500.00  
Forward Percent: 46.80%  
Net Forwarded: \$500,175.00  
Fees for first 30 days: \$26,325.00  
Daily Interest to Crystal Wealth: \$263.25

---

Total Invoice: \$1,125,000.00  
Total Gross Forwarded: \$526,500.00  
Total Net Forwarded: **\$500,175.00 CAD to be wired to Zomongo**  
Total Fees for first 30 days: **\$26,325.00 to be wired to Frontline**  
Total Daily Interest to Crystal Wealth: **\$263.25**

**Due Diligence Summary:**

Here is the next invoice summary for Zomongo.

**Wire Instructions:**

Zomongo.tv Corp  
Box 658  
Cochrane AB T4C 1A8  
Acct. #1994885  
Bank of Montreal  
101 Crowfoot Way NW, Calgary AB, T3G 2R2  
Transit #06469  
Swift Code: BOFMCAM2  
Institution No: 001



230-7194654S  
Lethbridge, Alberta  
T1J 0P1, Canada

682

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola'.

Steven Bandola  
Frontline Factoring Inc.  
403 715-3901

July 12, 2016

**RE: Crystal Wealth Invoice Summary for Zomongo TV Corp**

Fund: Crystal Enlightened Factoring Strategy  
Merchant: Zomongo TV Corp.

Invoice #: EC-06-16-2016  
Debtor: Eyeconic.tv  
Invoice Total: \$1,125,000.00  
Gross Forwarded: \$213,750.00  
Forward Percent: 19.00%  
Net Forwarded: \$203,062.50  
Fees for first 30 days: \$10,687.50  
Daily Interest to Crystal Wealth: \$106.88

Invoice #: EC-06-29-2016  
Debtor: Eyeconic.tv  
Invoice Total: \$1,125,000.00  
Gross Forwarded: \$213,750.00  
Forward Percent: 19.00%  
Net Forwarded: \$203,062.50  
Fees for first 30 days: \$10,687.50  
Daily Interest to Crystal Wealth: \$106.88

---

Total Invoice: \$2,250,000.00  
Total Gross Forwarded: \$427,500.00  
Total Net Forwarded: **\$406,125.00 CAD to be wired to Zomongo**  
Total Fees for first 30 days: **\$21,375.00 to be wired to Frontline**  
Total Daily Interest to Crystal Wealth: \$213.76

**Due Diligence Summary:**

Here is the next invoice for Zomongo TV Corp.



230-7194653  
Lethbridge, Alberta  
T1J 0P1, Canada

684

**Wire Instructions:**

Zomongo.tv Corp  
Box 658  
Cochrane AB T4C 1A8  
Acct. #1994885  
Bank of Montreal  
101 Crowfoot Way NW, Calgary AB, T3G 2R2  
Transit #06469  
Swift Code: BOFMCAM2  
Institution No: 001

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola'.

Steven Bandola  
Frontline Factoring Inc.  
403 715-3901

June 20, 2016

**RE: Crystal Wealth Invoice Summary for Zomongo TV Corp**

|                                   |                                                 |
|-----------------------------------|-------------------------------------------------|
| Fund:                             | Crystal Enlightened Factoring Strategy          |
| Merchant:                         | Zomongo TV Corp.                                |
| Invoice #:                        | EC-06-16-2016                                   |
| Debtor:                           | Eyeconic.tv                                     |
| Invoice Total:                    | \$1,125,000.00                                  |
| Gross Forwarded:                  | \$421,875.00                                    |
| Forward Percent:                  | 37.50%                                          |
| Net Forwarded:                    | <b>\$400,781.25 CAD to be wired to Zomongo</b>  |
| Fees for first 30 days:           | <b>\$21,093.75 CAD to be wired to Frontline</b> |
| Daily Interest to Crystal Wealth: | <b>\$210.94</b>                                 |

---

**Due Diligence Summary:**

Here is the next invoice summary for Zomongo.

**Wire Instructions:**

Zomongo.tv Corp  
Box 658  
Cochrane AB T4C 1A8  
Acct. #1994885  
Bank of Montreal  
101 Crowfoot Way NW, Calgary AB, T3G 2R2  
Transit #06469  
Swift Code: BOFMCAM2  
Institution No: 001

Sincerely,



Steven Bandola  
Frontline Factoring Inc.  
403 715-3901

June 30, 2016

**RE: Crystal Wealth Invoice Summary for Zomongo TV Corp**

|                                   |                                                 |
|-----------------------------------|-------------------------------------------------|
| Fund:                             | Crystal Enlightened Factoring Strategy          |
| Merchant:                         | Zomongo TV Corp.                                |
| Invoice #:                        | EC-06-29-2016                                   |
| Debtor:                           | Eyeconic.tv                                     |
| Invoice Total:                    | \$1,125,000.00                                  |
| Gross Forwarded:                  | \$421,875.00                                    |
| Forward Percent:                  | 37.50%                                          |
| Net Forwarded:                    | <b>\$400,781.25 CAD to be wired to Zomongo</b>  |
| Fees for first 30 days:           | <b>\$21,093.75 CAD to be wired to Frontline</b> |
| Daily Interest to Crystal Wealth: | <b>\$210.94</b>                                 |

---

**Due Diligence Summary:**

Here is the next advance on the previously sent invoices.

**Wire Instructions:**

Zomongo.tv Corp  
Box 658  
Cochrane AB T4C 1A8  
Acct. #1994885  
Bank of Montreal  
101 Crowfoot Way NW, Calgary AB, T3G 2R2  
Transit #06469  
Swift Code: BOFMCAM2  
Institution No: 001

Sincerely,



Steven Bandola  
Frontline Factoring Inc.  
403 715-3901



January 6, 2016

RE: **Crystal Wealth Invoice Summary for Zomongo TV Corp**

|                                                 |                                                 |
|-------------------------------------------------|-------------------------------------------------|
| <b>Merchant:</b>                                | <b>Zomongo TV Corp.</b>                         |
| <b>Invoice #:</b>                               | <b>EC-12-15b-2015</b>                           |
| <b>Debtor:</b>                                  | <b>Eyeconic.tv</b>                              |
| <b>Total Invoice:</b>                           | <b>\$1,102,500.00</b>                           |
| <b>Total Gross Forwarded:</b>                   | <b>\$661,500.00</b>                             |
| <b>Forward Percent:</b>                         | <b>60%</b>                                      |
| <b>Total Net Forwarded:</b>                     | <b>\$628,425.00 CAD to be wired to Zomongo</b>  |
| <b>Total Frontlines Fees for first 30 days:</b> | <b>\$23,152.50 CAD to be wired to Frontline</b> |
| <b>Total Daily Interest to Crystal Wealth:</b>  | <b>\$330.75</b>                                 |
| <b>Total Fees for first 30 days:</b>            | <b>\$33,075.00</b>                              |

**Due Diligence Summary:**

Here is the next invoice for Zomongo TV Corp. Client continues to grow and has recently reached a deal with Pay Day loans for 150 screens. The billing is done through Eyeconic.tv. As payment from Eyeconic.TV has a history of being slow, we have reduced the forward percentage to 60% from 80%.

**Wire Instructions:**

Zomongo.tv Corp  
Acct. #1994885  
Bank of Montreal  
101 Crowfoot Way NW, Calgary AB, T3G 2R2  
Transit #06469  
Swift Code: BOFMCAM2  
Institution No: 001

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola', with a horizontal line extending to the right.

Steven Bandola  
Frontline Factoring Inc.  
403 715-3901

April 7, 2016

**RE: Crystal Wealth Invoice Summary for Zomongo TV Corp**

Fund: Hedge Fund  
Merchant: Zomongo TV Corp.

Invoice #: GS-2016-04-4a  
Debtor: Golden Shores Enterprises Inc  
Invoice Total: \$750,000.00  
Gross Forwarded: \$263,157.90  
Forward Percent: 35.0877200%  
Net Forwarded: \$250,000.00  
Fees for first 30 days: \$13,157.90  
Daily Interest to Crystal Wealth: \$219.30

Invoice #: GS-2016-04-4b  
Debtor: Golden Shores Enterprises Inc  
Invoice Total: \$750,000.00  
Gross Forwarded: \$263,157.90  
Forward Percent: 35.0877200%  
Net Forwarded: \$250,000.00  
Fees for first 30 days: \$13,157.90  
Daily Interest to Crystal Wealth: \$219.30

---

Total Invoice: \$1,500,000.00  
Total Gross Forwarded: \$526,315.80  
Total Net Forwarded: **\$500,000.00 CAD to be wired to Zomongo**  
Total Fees for first 30 days: **\$26,315.80 to be wired to Frontline**  
Total Daily Interest to Crystal Wealth: \$438.60

**Due Diligence Summary:**

Here is the next Golden Shore invoice.

**Wire Instructions:**

Zomongo.tv Corp  
Box 658  
Cochrane AB T4C 1A8  
Acct. #1994885  
Bank of Montreal  
101 Crowfoot Way NW, Calgary AB, T3G 2R2



230-719-4658  
Lethbridge, Alberta  
T1J 0P1, Canada

689

Transit #06469  
Swift Code: BOFMCAM2  
Institution No: 001

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola', with a long horizontal flourish extending to the right.

Steven Bandola  
Frontline Factoring Inc.  
403 715-3901



May 10, 2016

**RE: Hedge Fund Invoice Summary for Zomongo TV Corp**

|                               |                               |
|-------------------------------|-------------------------------|
| Invoice #:                    | GS-2016-04-4a                 |
| Debtor:                       | Golden Shores Enterprises Inc |
| Invoice:                      | \$750,000.00                  |
| Gross Forwarded:              | \$210,526.32                  |
| Forward Percent:              | 28.0701760%                   |
| Net Forwarded:                | \$200,000.00 CAD              |
| Fees for first 30 days:       | \$10,526.32                   |
| Daily Interest to Hedge Fund: | \$175.44                      |

|                               |                               |
|-------------------------------|-------------------------------|
| Invoice #:                    | GS-2016-04-4b                 |
| Debtor:                       | Golden Shores Enterprises Inc |
| Invoice:                      | \$750,000.00                  |
| Gross Forwarded:              | \$210,526.32                  |
| Forward Percent:              | 28.0701760%                   |
| Net Forwarded:                | \$200,000.00                  |
| Fees for first 30 days:       | \$10,526.32                   |
| Daily Interest to Hedge Fund: | \$175.44                      |

|                                            |                                                |
|--------------------------------------------|------------------------------------------------|
| <b>Merchant:</b>                           | <b>Zomongo TV Corp.</b>                        |
| <b>Total Invoice:</b>                      | <b>\$1,500,000.00</b>                          |
| <b>Total Gross Forwarded:</b>              | <b>\$421,052.64</b>                            |
| <b>Forward Percent:</b>                    | <b>28.0701760%</b>                             |
| <b>Total Net Forwarded:</b>                | <b>\$400,000.00 CAD to be wired to Zomongo</b> |
| <b>Total Fees for first 30 days:</b>       | <b>\$21,052.64 to be wired to Frontline</b>    |
| <b>Total Daily Interest to Hedge Fund:</b> | <b>\$350.88</b>                                |

**Due Diligence Summary:**

Here is the next invoice for Golden Shores.

**Wire Instructions:**

Zomongo.tv Corp  
Box 658  
Cochrane AB T4C 1A8  
Acct. #1994885  
Bank of Montreal  
101 Crowfoot Way NW, Calgary AB, T3G 2R2  
Transit #06469  
Swift Code: BOFMCAM2  
Institution No: 001

Sincerely,



Steven Bandola  
Frontline Factoring Inc.  
403 715-3901

Sept 20, 2016

**RE: Crystal Wealth Invoice Summary for Zomongo TV Corp**

Fund: Crystal Wealth Enlightened Factoring Strategy  
Merchant: Zomongo TV Corp.

Invoice #: MM-2016-17-8a  
Debtor: Moblty Media & TV  
Invoice Total: \$1,500,000.00  
Gross Forwarded: \$211,500.00  
Forward Percent: 14.1%  
Net Forwarded: \$200,925.00  
Fees for first 30 days: \$10,575.00  
Daily Interest to Crystal Wealth: \$105.75

---

Invoice #: MM-2016-17-8b  
Debtor: Moblty Media & TV  
Invoice Total: \$1,500,000.00  
Gross Forwarded: \$211,500.00  
Forward Percent: 14.1%  
Net Forwarded: \$200,925.00  
Fees for first 30 days: \$10,575.00  
Daily Interest to Crystal Wealth: \$105.75

Total Gross Forwarded: **\$423,000.00 to be wired to Frontline**  
Total Net Forwarded: \$401,850.00 CAD  
Total Fees for first 30 days: \$21,150.00  
Total Daily Interest to Crystal Wealth: **\$211.50**

**Due Diligence Summary:**

Here is the next advance on the previously sent invoices.

Sincerely,



Steven Bandola  
Frontline Factoring Inc.  
403 715-3901

April 7, 2016

**RE: Crystal Wealth Invoice Summary for Zomongo TV Corp**

Fund: Crystal Enlightened Factoring Strategy  
Merchant: Zomongo TV Corp.

Invoice #: VA-2016-04-4a  
Debtor: Vanus Consulting Inc  
Invoice Total: \$750,000.00  
Gross Forwarded: \$210,526.32  
Forward Percent: 28.07017600%  
Net Forwarded: \$200,000.00  
Fees for first 30 days: \$10,526.32  
Daily Interest to Crystal Wealth: \$105.26

Invoice #: VA-2016-04-4b  
Debtor: Vanus Consulting Inc  
Invoice Total: \$750,000.00  
Gross Forwarded: \$210,526.32  
Forward Percent: 28.07017600%  
Net Forwarded: \$200,000.00  
Fees for first 30 days: \$10,526.32  
Daily Interest to Crystal Wealth: \$105.26

---

Total Invoice: \$1,500,000.00  
Total Gross Forwarded: \$421,052.64  
Total Net Forwarded: **\$400,000.00 CAD to be wired to Zomongo**  
Total Fees for first 30 days: **\$21,052.64 to be wired to Frontline**  
Total Daily Interest to Crystal Wealth: \$210.52

**Due Diligence Summary:**

Here is the next invoice for Zomongo TV Corp. Vanus is an advertising agency is investing in units in various convenience store locations with Zomongo.

**Wire Instructions:**

Zomongo.tv Corp  
Box 658  
Cochrane AB T4C 1A8  
Acct. #1994885  
Bank of Montreal



230-7194668S  
Lethbridge, Alberta  
T1J 0P1, Canada

694

101 Crowfoot Way NW, Calgary AB, T3G 2R2  
Transit #06469  
Swift Code: BOFMCAM2  
Institution No: 001

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola', with a long horizontal flourish extending to the right.

Steven Bandola  
Frontline Factoring Inc.  
403 715-3901

April 19, 2016

**RE: Crystal Wealth Invoice Summary for Zomongo TV Corp**

\*this is a second identical invoice summary for the same invoices sent on April 7, 2016

Fund: Crystal Enlightened Factoring Strategy  
Merchant: Zomongo TV Corp.

Invoice #: VA-2016-04-4a  
Debtor: Vanus Consulting Inc  
Invoice Total: \$750,000.00  
Gross Forwarded: \$210,526.32  
Forward Percent: 28.07017600%  
Net Forwarded: \$200,000.00  
Fees for first 30 days: \$10,526.32  
Daily Interest to Crystal Wealth: \$105.26

Invoice #: VA-2016-04-4b  
Debtor: Vanus Consulting Inc  
Invoice Total: \$750,000.00  
Gross Forwarded: \$210,526.32  
Forward Percent: 28.07017600%  
Net Forwarded: \$200,000.00  
Fees for first 30 days: \$10,526.32  
Daily Interest to Crystal Wealth: \$105.26

---

Total Invoice: \$1,500,000.00  
Total Gross Forwarded: \$421,052.64  
Total Net Forwarded: **\$400,000.00 CAD to be wired to Zomongo**  
Total Fees for first 30 days: **\$21,052.64 to be wired to Frontline**  
Total Daily Interest to Crystal Wealth: \$210.52

**Due Diligence Summary:**

Here is the next advance on the previously sent invoices.



230-7194665  
Lethbridge, Alberta  
T1J 0P1, Canada

696

**Wire Instructions:**

Zomongo.tv Corp  
Box 658  
Cochrane AB T4C 1A8  
Acct. #1994885  
Bank of Montreal  
101 Crowfoot Way NW, Calgary AB, T3G 2R2  
Transit #06469  
Swift Code: BOFMCAM2  
Institution No: 001

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola', with a long horizontal flourish extending to the right.

Steven Bandola  
Frontline Factoring Inc.  
403 715-3901

# TAB 39

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**From:** Jerry Froese  
**Sent:** Friday, September 29, 2017 4:21 PM Knight,  
**To:** Jason; Bando, Bruce  
**Cc:** Samuel Kurtz  
**Subject:** Exhibit C and written reports

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Response to call September 29

As per request, Exhibit "C" was never completed in the Factoring Procurement and Administration Agreement. There were many discussions with Clayton Smith although I don't believe we ever came to an agreement. We started with conversations on each deal as well as an invoice summary and if Crystal Wealth requested any addition information we would give it to them.

Because of that, there were no written reports as there was nothing to reference.

Let me know if you have any other questions.

Thanks,

--  
**Jerry Froese**  
**President/CEO**  
Frontline Factoring Inc.  
Phone: 403.795.0718  
Fax: 587.787.0897

# TAB 40

## **EXHIBIT A**

### **DUE DILIGENCE GUIDELINES**

The following is a guideline of the base due diligence that Fund will require for a factoring arrangement to be initiated by Frontline and approved by Fund:

#### **SECTION 1**

##### **Category 1 Documents (From Merchant)**

- Merchant Application
- Articles of Organization or Incorporation
- Driver's License from all Owners
- A/R Aging Summary By Debtor
- Business Licenses / Permits
- Six Month Closed History Spreadsheet

#### **SECTION 2**

##### **Initial Review**

- Review of Section 1 Documents
- Prepare Merchant Summary
- Issue Term Sheet
- Send Term Sheet Package Complete

#### **SECTION 3**

##### **Category 2 Documents (From Merchant)**

- Returned Signed Term Sheet
- Obtain Proof of Insurance
- Financials 2 years
- Tax Returns 2 years
- Number of Filings Found
- Copies of Filings Attached
- Audit - 3 months
  - Bank Statements
  - Deposit Slips

#### **SECTION 4**

- PPSA Filings/Searches Request
- Credit Report(s)
- Subordination Agreement if Needed

#### **SECTION 5**

##### **Debtor Review**

- Credit Insurance Coverage
- D&B Reports

## SECTION 6

### Audit Review

- Test File/Backup
- Final Audit Report

## SECTION 7

### Closing Documents

- Bank Account Requested and Opened
  - Lockbox if Needed
- Factoring Agreement
- Lock Box Agreement
- Notification Letter (GENERIC)
- Notification Letter (DEBTOR SPECIFIC)
- All Notification Letters Sent
- Wire transfer instructions

## SECTION 8

### Final Signoff

- Final Approval
- Merchant Summary (Final)

# TAB 41

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**From:** Jerry Froese  
**Sent:** Tuesday, October 31, 2017 1:53 PM  
**To:** Knight, Jason; Samuel Kurtz  
**Cc:** Bando, Bruce; Steve Graff; Mark van Zandvoort  
**Subject:** RE: Frontline

Hi Jason,

As per previous conversations, there was no formal Schedule "A" and the schedule you have may have been a draft copy for discussion purposes, although was never part of the agreement. As per information, I believe we have sent you everything that we have.

Let me know if you require any additional information.

Regards,

--

**Jerry Froese**  
**President/CEO**  
Frontline Factoring inc.  
Phone: 403.795.0718  
Fax: 587.787.0897

---

**From:** Knight, Jason  
**Sent:** Tuesday, October 31, 2017 10:46 AM  
**To:** Jerry Froese; Samuel Kurtz  
**Cc:** Bando, Bruce; Steve Graff; Mark van Zandvoort  
**Subject:** RE: Frontline

Hi Jerry,

To follow-up on our initial request on September 11, 2017, can you please provide the following items to the Receiver with respect to the Factoring Procurement and Administration Agreements ("FPAA's"). I have cited particular section references with respect to the Receiver's requests based on the FPAA between Frontline and the Crystal Enlightened Income Fund dated November 25, 2014 (attached to this email). I have bolded these section references for your convenience.

- The Lockbox Agreement – **Section 1.1(g)**
- Documentation (e.g. reports, correspondence, supporting documentation obtained and/or reviewed by Frontline as required by the Exhibit "A" Due Diligence Guidelines, etc.) to support Frontline's due diligence of each Merchant, and that the Due Diligence Guidelines (as defined in the FPAA) for each Merchant were met, including but not limited to, a review of the operations and credit worthiness of the Merchants, the Debtors involved, and the accounts receivable aging – **Section 2**
- The written reports provided to Crystal Wealth as to whether the specific proposed factoring arrangement complies with the Due Diligence Guidelines – **Section 2, "Due Diligence Guidelines" are defined in Section 1.1(i) making reference to Exhibit "A"** (I have attached Exhibit "A" for your convenience).

Please provide the above noted documents to the Receiver no later than 5:00 PM MST on November 2, 2017.

Regards,

**Jason Knight, CPA, CA | Manager**  
Recovery & Reorganization  
Grant Thornton Limited

# TAB 42



**4674**  
230-719 4<sup>th</sup> Ave S  
Lethbridge, Alberta  
T1J 0P1, Canada

August 11, 2017

RE: Payment Summary

Client: Advanced Metals Concepts and Fabrication

|                         |             |
|-------------------------|-------------|
| Invoice #:              | 35507       |
| Payment Amount:         | \$25,000.00 |
| Principle Paid:         | \$0.00      |
| Interest Paid:          | \$25,000.00 |
| Duration:               | 232         |
| CW Revenue Paid:        | \$9,615.38  |
| CW Revenue Outstanding: | \$43,521.90 |

---

|                        |                   |
|------------------------|-------------------|
| CW Revenue Collected:  | \$9,615.38        |
| Principal Collected:   | \$0.00            |
| <b>Transfer to CW:</b> | <b>\$9,615.38</b> |

|                           |                |
|---------------------------|----------------|
| Client Total Outstanding: | \$1,760,208.81 |
| New CW Daily Rate:        | \$628.16       |

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Bandola'.

Steven Bandola  
Account Manager  
Frontline Factoring Inc.  
(403) 715-3901



4675  
230-719 4<sup>th</sup> Ave S  
Lethbridge, Alberta  
T1J 0P1, Canada

September 21, 2017

RE: Payment Summary

Client: Advanced Metals Concepts and Fabrication Ltd.

Invoice #: 35507  
Payment Amount: \$113,044.51  
Principle Paid: \$0.00  
Interest Paid: \$113,044.51  
Duration: 41  
CW Revenue Paid: \$43,478.64  
CW Revenue Outstanding: \$9,433.90

---

CW Revenue Collected: \$43,478.64  
Principal Collected: \$0.00  
**Transfer to CW: \$43,478.64**

Client Total Outstanding: \$1,704,306.82  
New CW Daily Rate: \$628.16

Sincerely,

A handwritten signature in black ink, appearing to read 'Sam Kurtz'.

Sam Kurtz  
Operations Manager  
Frontline Factoring Inc.  
(403) 942-7233



Phone: 403 942-7233  
Email: [info@frontlinefactoring.com](mailto:info@frontlinefactoring.com)

# TAB 43

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**From:** Jerry Froese  
**Sent:** Wednesday, October 18, 2017 4:56 PM  
**To:** Knight, Jason  
**Cc:** Bando, Bruce; Mark van Zandvoort; Steve Graff; Samuel Kurtz  
**Subject:** RE: Crystal Wealth - Frontline Factoring

Hi Jason,

I'm waiting on a deposit in Frontline. It was supposed to hit my account today, but it has not hit. I will advise and send wire as soon as funds hit my account.

Regards,

--  
**Jerry Froese**  
**President/CEO**  
Frontline Factoring inc.  
Phone: 403.795.0718  
Fax: 587.787.0897

**From:** Knight, Jason  
**Sent:** Monday, October 16, 2017 2:44 PM  
**To:** Jerry Froese  
**Cc:** Bando, Bruce; Mark van Zandvoort; Steve Graff; Samuel Kurtz  
**Subject:** RE: Crystal Wealth - Frontline Factoring

Hi Jerry,

During our telephone discussion on October 3, 2017, we inquired as to why the payments which Frontline received from Merchants since the Receiver's appointment (specifically, the August 11 and September 21, 2017 payments from Advanced Metal) were not remitted in their entirety to the Factoring Fund. You advised that Frontline had some form of verbal arrangement with Clayton Smith, whereby Frontline was permitted to retain certain sums of the payments received from Merchants on account of interest in priority to repayment being first made to the Factoring Fund. That arrangement is contrary to s. 4.6 of Factoring Procurement and Administration Agreement dated November 25, 2014, which provides that all monies received by Frontline from a Merchant or Debtors shall be paid firstly to the Factoring Fund until the amount advanced by the Fund has been repaid in full, and secondly, on a pro rata basis to Frontline and the Fund for the amounts of the fees due to each of them under the agreement. The Receiver has not – and does not – approve of a priority arrangement for payment which is different from the priority arrangement prescribed by the Factoring Procurement and Administration Agreement. Nor is there any other agreement in place that could legitimize Frontline's administration of funds received from the Merchants (or Debtors) in the manner which would permit Frontline to retain portions of the payments received in priority to the Fund in circumstances where the amount advanced by the Fund has not yet been repaid in full. We therefore reiterate that the entirety of the payments, and all future payments received, must be immediately remitted to the Receiver in trust for the Fund in accordance with the

priority scheme set out in the Factoring Procurement and Administration Agreement. Should such payments not be received by the Receiver in full, Frontline's failure to remit payment will be brought to the attention of the Court. 709 4678

Please also provide full particulars of the quantum of funds, and source thereof, which you anticipate receiving today or tomorrow.

We trust that the foregoing is clear, and look forward to receiving payment as required without further delay.

Thank you.

Regards,

**Jason Knight, CPA, CA | Manager**  
Recovery & Reorganization  
Grant Thornton Limited  
T +1 416 369 7017

**From:** Jerry Froese  
**Sent:** Monday, October 16, 2017 1:44 PM  
**To:** Knight, Jason  
**Cc:** Bando, Bruce; Mark van Zandvoort; Steve Graff; Samuel Kurtz  
**Subject:** RE: Crystal Wealth - Frontline Factoring

Hi Jason,

As this is not how we were administrating and distributing funds, and the receiver did not notify us of any change or dispute when invoice summaries were sent, we did not hold the full amount of funds for the receiver. At this point we do not have sufficient funds to send the full amount to the receiver although we are expecting funds today or tomorrow. At that point we can send funds to receiver. Do you want me to send partial payment today? Can you also clarify your position on how funds are to be distributed in the future? I understand you want full payment to receiver, although as funds are collected and invoices are paid off, at what time will Frontline receive fees?

Thanks,

--  
**Jerry Froese**  
**President/CEO**  
Frontline Factoring inc.  
Phone: 403.795.0718  
Fax: 587.787.0897

**From:** Knight, Jason  
**Sent:** Friday, October 13, 2017 4:10 PM  
**To:** Jerry Froese  
**Cc:** Bando, Bruce; Mark van Zandvoort; Steve Graff  
**Subject:** RE: Crystal Wealth - Frontline Factoring

Hi Jerry,

As indicated in my email of October 10, 2017 below, the Receiver requires that the entire \$113,044.54 payment received by Frontline from Advance Metal in September 2017 on account of Lotus Invoice 33507 be remitted to the Receiver, in Trust for the Factoring Fund, in accordance with s. 4.6 of Factoring Procurement and Administration Agreement dated November 25, 2014. For the same reason, the entire \$25,000 payment received by Frontline from Advanced Metal on August 11, 2017 on account of Lotus Invoice 33507 ought to have been remitted to the Receiver, as opposed to the \$9,615.38 which was allocated to the Factoring Fund in Frontline's weekly summary. Please transfer both amounts by wire transfer to the Receiver in Trust for the Factoring Fund, to the wire transfer instructions set out in my October 10<sup>th</sup> email below.

Should the Receiver not be sent the entire amounts, the Receiver will be required to report to the Court concerning the failure of Frontline to remit the entirety of the payments to the Receiver, contrary to the Receiver's requests and the express requirements of the Factoring Procurement and Administration Agreement.

Please confirm that payment will be remitted today as requested.

Thank you.

Regards,

- Jason

**Jason Knight, CPA, CA | Manager**  
Recovery & Reorganization  
Grant Thornton Limited  
T +1 416 369 7017

**From:** Jerry Froese  
**Sent:** Friday, October 13, 2017 3:57 PM  
**To:** Knight, Jason  
**Cc:** Bando, Bruce  
**Subject:** RE: Crystal Wealth - Frontline Factoring

Hi Jason,

Frontline has been caught off guard with the request to send all the funds from the invoices to the receiver. As precedent had been set and agreed to by Crystal Wealth with the way we were handling all payments and per instructions from receiver to continue operations as we always have, would it be possible to start with the new calculations (per original agreement) going forward. We will send the original amount from the invoice summaries right away.

Thanks,

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**Jerry Froese**  
**President/CEO**  
Frontline Factoring inc.  
Phone: 403.795.0718  
Fax: 587.787.0897

4680

**From:** Knight, Jason  
**Sent:** Thursday, October 12, 2017 5:19 PM  
**To:** Jerry Froese  
**Cc:** Bando, Bruce; Samuel Kurtz; Mark van Zandvoort; Steve Graff  
**Subject:** RE: Crystal Wealth - Frontline Factoring

Jerry,

We have not received a response from you to my email below, and have not received any of the information and documentation requested. Nor have we received the \$113,044.51 payment received by Frontline from Advance Metal in September on account of Lotus Invoice 33507. We require that the foregoing be delivered today, as per my email below.

Thank you.

Regards,  
 • Jason

**Jason Knight, CPA, CA | Manager**  
 Recovery & Reorganization  
 Grant Thornton Limited  
 T +1 416 369 7017

**From:** Knight, Jason  
**Sent:** Tuesday, October 10, 2017 11:00 AM  
**To:** 'Jerry Froese'  
**Cc:** Bando, Bruce; Samuel Kurtz; Mark van Zandvoort; Steve Graff  
**Subject:** Crystal Wealth - Frontline Factoring

Jerry,

By way of follow-up to our conference call on Tuesday, October 3, 2017, we require that you please send to us the following documentation by no later than Thursday, October 12, 2017:

- A complete set of all of the General Security Agreements executed by each Merchant in favour of both the Factoring and Hedge Funds;
- With respect to the attached document entitled "Dome Mountain – 205":
  - a copy of the "purchase agreement" referenced at p. 1 thereof;
  - the initial performance guarantee which guaranteed \$12MM payment within 12 months of November 6, 2015;
- With respect to the attached document entitled "Dome Mountain – 206":
  - Each of the following documents listed under the "Previously sent" and "Attached" headings on p. 2:
    - Security Agreement (if different from the November 4, 2016 Security Agreement already provided);
    - Mandate Letter;
    - Deed of Guarantee (if different from the November 4, 2016 Deed of Guarantee already provided);
    - Coverage email from BMI Reinsurance Division committing that executed insurance documents will be received from the head office;

- Draft of Lawyer Confirming Insurance;
  - Any other correspondence from the lawyer, Dome, or MGE confirming the insurance was in place, or advising that the premium had not been paid;
  - Signed Reinsurance Cover Note;
  - Signed Deed of Guarantee;
  - Factoring Agreement; and
  - Term Sheet;
- With respect to the attached document entitled “Restoration Energy – 20160309, 20151201C”, all security documents pertaining to the land security described at p. 2, including without limitation copies of the registered mortgage referenced; and
  - Please provide a copy of the agreement pursuant to which Dome Mountain was acquiring the whole share capital of Gavin Mines Inc. (as referenced at recital B of the November 4, 2016 Deed of Guarantee, attached), and confirm whether Dome Mountain is the sole shareholder of Gavin Mines Inc., and if not, provide a breakdown of the shareholdings in Gavin Mines Inc.

Lastly, the entire \$113,044.51 payment received by Frontline from Advance Metal on September 2017 on account of Lotus Invoice 33507 must be remitted to the Receiver, in Trust for the Factoring Fund, in accordance with s. 4.6 of Factoring Procurement and Administration Agreement dated November 25, 2014. For the same reason, the entire \$25,000 payment received by Frontline from Advanced Metal on August 11, 2017 on account of Lotus Invoice 33507 ought to have been remitted to the Receiver, as opposed to the \$9,615.38 which was allocated to the Factoring Fund in Frontline’s weekly summary. Please transfer both amounts by wire transfer to the Receiver in Trust for the Factoring Fund – the details of which are attached to this email with the associated USD and CAD accounts outlined below:

**USD – Account: 27Q090F**

**CAD – Account: 27Q090E**

Please confirm today once the payments have been sent so that we may look out for them:

Thank you.

Jason

**Jason Knight, CPA, CA | Manager**

Recovery & Reorganization

Grant Thornton Limited

11th Floor | 200 King Street West | Box 11 | Toronto | ON | M5H 3T4

T +1 416 369 7017 | F +1 416 360 4949

[Linked In profile](#)



# TAB 44

**Crystal Wealth Funding Breakdown Report**

Date: November 17, 2017

**CAD**
**CWEFS**

|                        |                 |                 |                |                    |                 |
|------------------------|-----------------|-----------------|----------------|--------------------|-----------------|
| Principal Outstanding: | \$22,875,728.58 | CW Outstanding: | \$4,034,418.25 | Total Outstanding: | \$31,744,255.77 |
|------------------------|-----------------|-----------------|----------------|--------------------|-----------------|

**CWEHF**

|                        |                 |                 |                |                    |                 |
|------------------------|-----------------|-----------------|----------------|--------------------|-----------------|
| Principal Outstanding: | \$3,011,397.21  | CW Outstanding: | \$948,392.22   | Total Outstanding: | \$4,620,899.57  |
|                        | \$25,887,125.79 |                 | \$4,982,810.47 |                    | \$36,365,155.34 |

**CWEFS - General Summary**
[BACK](#)
**Zomongo TV Corp**

|                   |                    |                    |                       |                         |                   |
|-------------------|--------------------|--------------------|-----------------------|-------------------------|-------------------|
| CW Daily Interest | CW Revenue To-Date | FL Revenue To-Date | Principal Outstanding | CW Interest Outstanding | Total Outstanding |
| \$3,102.20        | \$1,922,373.92     | \$4,478,399.53     | \$6,204,373.05        | \$913,644.02            | \$11,100,229.45   |

**Dome Mountain**

|                   |                    |                    |                       |                         |                   |
|-------------------|--------------------|--------------------|-----------------------|-------------------------|-------------------|
| CW Daily Interest | CW Revenue To-Date | FL Revenue To-Date | Principal Outstanding | CW Interest Outstanding | Total Outstanding |
| \$6,534.65        | \$4,237,418.54     | \$78,024.80        | \$12,793,174.87       | \$2,424,355.15          | \$15,457,297.70   |

**Advanced Metal**

|                   |                    |                    |                       |                         |                   |
|-------------------|--------------------|--------------------|-----------------------|-------------------------|-------------------|
| CW Daily Interest | CW Revenue To-Date | FL Revenue To-Date | Principal Outstanding | CW Interest Outstanding | Total Outstanding |
| \$559.14          | \$442,702.19       | \$567,530.03       | \$1,118,266.05        | \$310,496.00            | \$1,772,187.71    |

**1566496 Alberta Ltd.**

|                   |                    |                    |                       |                         |                   |
|-------------------|--------------------|--------------------|-----------------------|-------------------------|-------------------|
| CW Daily Interest | CW Revenue To-Date | FL Revenue To-Date | Principal Outstanding | CW Interest Outstanding | Total Outstanding |
| \$412.02          | \$446,762.80       | \$159,258.58       | \$824,038.65          | \$149,382.86            | \$1,012,325.46    |

**647497 Bc Ltd**

|                   |                    |                    |                       |                         |                   |
|-------------------|--------------------|--------------------|-----------------------|-------------------------|-------------------|
| CW Daily Interest | CW Revenue To-Date | FL Revenue To-Date | Principal Outstanding | CW Interest Outstanding | Total Outstanding |
| \$219.84          | \$367,391.37       | \$122,492.12       | \$439,698.00          | \$114,096.96            | \$583,038.57      |

**Restoration Energy**

|                   |                    |                    |                       |                         |                   |
|-------------------|--------------------|--------------------|-----------------------|-------------------------|-------------------|
| CW Daily Interest | CW Revenue To-Date | FL Revenue To-Date | Principal Outstanding | CW Interest Outstanding | Total Outstanding |
| \$0.00            | \$332,320.60       | \$570,165.33       | \$1,402,193.21        | \$100,875.68            | \$1,684,592.77    |

**Single Source Services**

|                   |                    |                    |                       |                         |                   |
|-------------------|--------------------|--------------------|-----------------------|-------------------------|-------------------|
| CW Daily Interest | CW Revenue To-Date | FL Revenue To-Date | Principal Outstanding | CW interest Outstanding | Total Outstanding |
| \$46.99           | \$21,239.48        | \$23,119.27        | \$93,984.75           | \$21,239.48             | \$134,584.11      |

**CAD Totals**

|                         |                 |
|-------------------------|-----------------|
| Total CW Daily Interest | \$10,874.84     |
| CW Revenue To-Date:     | \$7,782,421.52  |
| FL Revenue To-Date:     | \$6,014,710.84  |
| Principal Outstanding:  | \$22,875,728.58 |
| CW Outstanding:         | \$4,034,418.25  |
| Total Outstanding:      | \$31,744,255.77 |

**Zomongo TV Corp**
[BACK](#)

Currency: Canadian Dollar (CAD)

|                          | Daily Interest | Avg Days Past Term       | Principal Outstanding | Interest Outstanding          | Total Outstanding |
|--------------------------|----------------|--------------------------|-----------------------|-------------------------------|-------------------|
|                          | \$10,330.29    |                          | \$6,204,373.05        | \$4,895,856.40                | \$11,100,229.45   |
| CW Daily Interest:       | \$3,102.20     | FL Daily Interest:       | \$7,228.09            | Interest Revenue To-Date:     | \$6,065,557.46    |
| CW Fees Upfront:         | \$38,813.99    | FL Fees Upfront:         | \$296,402.00          | Fees Upfront Revenue To-Date: | \$335,215.99      |
| CW Revenue To-Date:      | \$1,922,373.92 | FL Revenue To-Date:      | \$4,478,399.53        | Revenue To-Date:              | \$6,400,773.45    |
| Paid to CW:              | \$1,008,729.90 | Paid to FL:              | \$496,187.15          | Interest Collected:           | \$1,169,701.06    |
| CW Interest Outstanding: | \$913,644.02   | FL Interest Outstanding: | \$3,982,212.38        | Interest Outstanding:         | \$4,895,856.40    |

| Invoice #: AC-2015-08-27a |                  | Invoice Amt:      |                     | \$393,750.00             |                 |
|---------------------------|------------------|-------------------|---------------------|--------------------------|-----------------|
| Date Advanced             | Amount Collected | Total Duration    | Principal           | FL Fees Upfront          | CW Fees Upfront |
| October 1, 2015           | \$197,568.93     | 778               | \$315,000.00        | \$11,025.00              | \$4,725.00      |
| Payment Date              | Payment Amount   | Days of interest  | Principal Collected | Interest Collected       | CW Revenue      |
| October 3, 2016           | \$75,505.58      | 338               | \$0.00              | \$75,505.58              | \$22,651.67     |
| January 30, 2017          | \$150,649.57     | 119               | \$51,323.74         | \$99,325.83              | \$49,325.83     |
| March 24, 2017            | \$206,886.14     | 53                | \$199,898.62        | \$6,987.52               | \$6,987.52      |
|                           | \$433,041.29     | 510               | \$251,222.36        | \$181,818.93             | \$78,965.02     |
| CW Total Revenue:         | \$91,279.84      | Total Paid to CW: | \$83,690.02         | CW Interest Outstanding: | \$7,589.82      |
|                           |                  |                   |                     | Principal Outstanding:   | \$63,777.64     |
|                           |                  |                   |                     | CW Total Outstanding:    | \$71,367.46     |

| Invoice #: AC-2015-08-27b |                  | Invoice Amt:      |                     | \$393,750.00             |                 |
|---------------------------|------------------|-------------------|---------------------|--------------------------|-----------------|
| Date Advanced             | Amount Collected | Total Duration    | Principal           | FL Fees Upfront          | CW Fees Upfront |
| October 1, 2015           | \$87,727.50      | 778               | \$315,000.00        | \$11,025.00              | \$4,725.00      |
| Payment Date              | Payment Amount   | Days of interest  | Principal Collected | Interest Collected       | CW Revenue      |
| January 30, 2017          | \$71,977.50      | 457               |                     | \$71,977.50              | \$71,977.50     |
| CW Total Revenue:         | \$122,535.00     | Total Paid to CW: | \$76,702.50         | CW Interest Outstanding: | \$45,832.50     |
|                           |                  |                   |                     | Principal Outstanding:   | \$315,000.00    |
|                           |                  |                   |                     | CW Total Outstanding:    | \$360,832.50    |

Invoice #: VA-2016-04-4b

Invoice Amt: \$750,000.00

| Date Advanced     | Amount Collected | Total Duration    | Principal           | FL Fees Upfront          | CW Fees Upfront |
|-------------------|------------------|-------------------|---------------------|--------------------------|-----------------|
| April 8, 2016     | \$41,788.54      | 588               | \$210,526.32        | \$10,526.32              | \$0.00          |
| Payment Date      | Payment Amount   | Days of Interest  | Principal Collected | Interest Collected       | CW Revenue      |
| January 30, 2017  | \$31,262.22      | 267               |                     | \$31,262.22              | \$31,262.22     |
| CW Total Revenue: | \$61,892.88      | Total Paid to CW: | \$31,262.22         | CW Interest Outstanding: | \$30,630.66     |
|                   |                  |                   |                     | Principal Outstanding:   | \$210,526.32    |
|                   |                  |                   |                     | CW Total Outstanding:    | \$241,156.98    |

Invoice #: VA-2016-04-4a

Invoice Amt: \$750,000.00

| Date Advanced     | Amount Collected | Total Duration    | Principal           | FL Fees Upfront          | CW Fees Upfront |
|-------------------|------------------|-------------------|---------------------|--------------------------|-----------------|
| April 21, 2016    | \$40,420.16      | 575               | \$210,526.32        | \$10,526.32              | \$0.00          |
| Payment Date      | Payment Amount   | Days of Interest  | Principal Collected | Interest Collected       | CW Revenue      |
| January 30, 2017  | \$29,893.84      | 254               |                     | \$29,893.84              | \$29,893.84     |
| CW Total Revenue: | \$60,524.50      | Total Paid to CW: | \$29,893.84         | CW Interest Outstanding: | \$30,630.66     |
|                   |                  |                   |                     | Principal Outstanding:   | \$210,526.32    |
|                   |                  |                   |                     | CW Total Outstanding:    | \$241,156.98    |

invoice #: VA-2016-04-4b

Invoice Amt: \$750,000.00

| Date Advanced     | Amount Collected | Total Duration    | Principal           | FL Fees Upfront          | CW Fees Upfront |
|-------------------|------------------|-------------------|---------------------|--------------------------|-----------------|
| April 21, 2016    | \$40,420.16      | 575               | \$210,526.32        | \$10,526.32              | \$0.00          |
| Payment Date      | Payment Amount   | Days of Interest  | Principal Collected | Interest Collected       | CW Revenue      |
| January 30, 2017  | \$29,893.84      | 254               |                     | \$29,893.84              | \$29,893.84     |
| CW Total Revenue: | \$60,524.50      | Total Paid to CW: | \$29,893.84         | CW Interest Outstanding: | \$30,630.66     |
|                   |                  |                   |                     | Principal Outstanding:   | \$210,526.32    |
|                   |                  |                   |                     | CW Total Outstanding:    | \$241,156.98    |

Invoice #: EC-05-19-2016

Invoice Amt: \$1,125,000.00

| Date Advanced     | Amount Collected | Total Duration    | Principal           | FL Fees Upfront          | CW Fees Upfront |
|-------------------|------------------|-------------------|---------------------|--------------------------|-----------------|
| May 20, 2016      | \$112,325.18     | 546               | \$632,812.50        | \$31,640.63              | \$0.00          |
| Payment Date      | Payment Amount   | Days of Interest  | Principal Collected | Interest Collected       | CW Revenue      |
| January 30, 2017  | \$80,684.55      | 225               |                     | \$80,684.55              | \$80,684.55     |
| CW Total Revenue: | \$172,759.86     | Total Paid to CW: | \$80,684.55         | CW Interest Outstanding: | \$92,075.31     |
|                   |                  |                   |                     | Principal Outstanding:   | \$632,812.50    |
|                   |                  |                   |                     | CW Total Outstanding:    | \$724,887.81    |

Invoice #: EC-05-21-2016

Invoice Amt: \$1,125,000.00

| Date Advanced     | Amount Collected | Total Duration    | Principal           | FL Fees Upfront          | CW Fees Upfront |
|-------------------|------------------|-------------------|---------------------|--------------------------|-----------------|
| May 27, 2016      | \$91,611.00      | 539               | \$526,500.00        | \$26,325.00              | \$0.00          |
| Payment Date      | Payment Amount   | Days of Interest  | Principal Collected | Interest Collected       | CW Revenue      |
| January 30, 2017  | \$65,286.00      | 218               |                     | \$65,286.00              | \$65,286.00     |
| CW Total Revenue: | \$141,891.75     | Total Paid to CW: | \$65,286.00         | CW Interest Outstanding: | \$76,605.75     |
|                   |                  |                   |                     | Principal Outstanding:   | \$526,500.00    |
|                   |                  |                   |                     | CW Total Outstanding:    | \$603,105.75    |

Invoice #: MM-2016-17-8b

Invoice Amt:

\$1,500,000.00

| Date Advanced     | Amount Collected | Total Duration    | Principal    | FL Fees Upfront          | CW Fees Upfront |
|-------------------|------------------|-------------------|--------------|--------------------------|-----------------|
| October 3, 2016   | \$10,575.00      | 410               | \$211,500.00 | \$10,575.00              | \$0.00          |
| CW Total Revenue: |                  | Total Paid to CW: | \$0.00       | CW Interest Outstanding: | \$43,674.75     |
|                   |                  |                   |              | Principal Outstanding:   | \$211,500.00    |
|                   |                  |                   |              | CW Total Outstanding:    | \$255,174.75    |



Invoice #: 35615 Invoice Amt: \$191,990.93

| Date Advanced     | Amount Collected | Total Duration    | Principal    | FL Fees Upfront          | CW Fees Upfront |
|-------------------|------------------|-------------------|--------------|--------------------------|-----------------|
| August 25, 2016   | \$5,375.75       | 449               | \$153,592.74 | \$5,375.75               | \$0.00          |
| <hr/>             |                  |                   |              |                          |                 |
| CW Total Revenue: | \$34,483.20      | Total Paid to CW: | \$0.00       | CW Interest Outstanding: | \$34,483.20     |
|                   |                  |                   |              | Principal Outstanding:   | \$153,592.74    |
|                   |                  |                   |              | CW Total Outstanding:    | \$188,075.94    |

Invoice #: 223 Invoice Amt: \$250,000.00

| Date Advanced     | Amount Collected | Total Duration    | Principal    | FL Fees Upfront          | CW Fees Upfront |
|-------------------|------------------|-------------------|--------------|--------------------------|-----------------|
| March 8, 2017     | \$4,000.00       | 254               | \$200,000.00 | \$4,000.00               | \$0.00          |
| <hr/>             |                  |                   |              |                          |                 |
| CW Total Revenue: | \$25,400.00      | Total Paid to CW: | \$0.00       | CW Interest Outstanding: | \$25,400.00     |
|                   |                  |                   |              | Principal Outstanding:   | \$200,000.00    |
|                   |                  |                   |              | CW Total Outstanding:    | \$225,400.00    |

Invoice #: 336 Invoice Amt: \$173,565.00

| Date Advanced     | Amount Collected | Total Duration    | Principal    | FL Fees Upfront          | CW Fees Upfront |
|-------------------|------------------|-------------------|--------------|--------------------------|-----------------|
| June 16, 2016     | \$2,638.19       | 519               | \$131,909.40 | \$2,638.19               | \$0.00          |
| CW Total Revenue: |                  | Total Paid to CW: | \$0.00       | CW Interest Outstanding: | \$34,228.05     |
|                   |                  |                   |              | Principal Outstanding:   | \$131,909.40    |
|                   |                  |                   |              | CW Total Outstanding:    | \$166,137.45    |

Invoice #: 20151201C

Invoice Amt: \$700,000.00

| Date Advanced     | Amount Collected   | Total Duration    | Principal           | FL Fees Upfront          | CW Fees Upfront    |
|-------------------|--------------------|-------------------|---------------------|--------------------------|--------------------|
| January 29, 2016  | \$32,950.37        | 237               | \$261,096.61        | \$11,096.61              | \$0.00             |
| Payment Date      | Payment Amount     | Days of Interest  | Principal Collected | Interest Collected       | CW Revenue         |
| February 29, 2016 | \$352.48           | 1                 | \$0.00              | \$352.48                 | \$130.55           |
| March 31, 2016    | \$10,926.88        | 31                | \$0.00              | \$10,926.88              | \$7,963.55         |
| April 30, 2016    | \$10,574.40        | 30                | \$0.00              | \$10,574.40              | \$3,916.50         |
|                   | <u>\$21,853.76</u> | <u>62</u>         | <u>\$0.00</u>       | <u>\$21,853.76</u>       | <u>\$12,010.60</u> |
| CW Total Revenue: | \$30,940.35        | Total Paid to CW: | \$12,010.60         | CW Interest Outstanding: | \$18,929.75        |
|                   |                    |                   |                     | Principal Outstanding:   | \$261,096.61       |
|                   |                    |                   |                     | CW Total Outstanding:    | \$280,026.36       |

Invoice #: 20151201C

Invoice Amt: \$700,000.00

| Date Advanced     | Amount Collected  | Total Duration    | Principal           | FL Fees Upfront          | CW Fees Upfront   |
|-------------------|-------------------|-------------------|---------------------|--------------------------|-------------------|
| February 24, 2016 | \$9,514.28        | 211               | \$104,438.64        | \$4,438.64               | \$0.00            |
| Payment Date      | Payment Amount    | Days of Interest  | Principal Collected | Interest Collected       | CW Revenue        |
| March 31, 2016    | \$845.94          | 6                 | \$0.00              | \$845.94                 | \$1,879.92        |
| April 30, 2016    | \$4,229.70        | 30                | \$0.00              | \$4,229.70               | \$3,133.20        |
|                   | <u>\$5,075.64</u> | <u>36</u>         | <u>\$0.00</u>       | <u>\$5,075.64</u>        | <u>\$5,013.12</u> |
| CW Total Revenue: | \$11,018.42       | Total Paid to CW: | \$5,013.12          | CW Interest Outstanding: | \$6,005.30        |
|                   |                   |                   |                     | Principal Outstanding:   | \$104,438.64      |
|                   |                   |                   |                     | CW Total Outstanding:    | \$110,443.94      |

Invoice #: 20151201C

Invoice Amt: \$700,000.00

| Date Advanced     | Amount Collected | Total Duration    | Principal    | FL Fees Upfront          | CW Fees Upfront |
|-------------------|------------------|-------------------|--------------|--------------------------|-----------------|
| April 20, 2016    | \$6,657.96       | 155               | \$156,657.96 | \$6,657.96               | \$0.00          |
| CW Total Revenue: | \$12,141.15      | Total Paid to CW: | \$0.00       | CW Interest Outstanding: | \$12,141.15     |
|                   |                  |                   |              | Principal Outstanding:   | \$156,657.96    |
|                   |                  |                   |              | CW Total Outstanding:    | \$168,799.11    |

**CWEHF - General Summary**
[BACK](#)
**Zomongo TV Corp**

| CW Daily Interest | CW Revenue To-Date | FL Revenue To-Date | Principal Outstanding | CW Interest Outstanding | Total Outstanding |
|-------------------|--------------------|--------------------|-----------------------|-------------------------|-------------------|
| \$1,245.11        | \$687,699.23       | \$686,962.80       | \$1,494,736.86        | \$687,699.23            | \$2,794,662.03    |

**Dome Mountain**

| CW Daily Interest | CW Revenue To-Date | FL Revenue To-Date | Principal Outstanding | CW Interest Outstanding | Total Outstanding |
|-------------------|--------------------|--------------------|-----------------------|-------------------------|-------------------|
| \$518.79          | \$367,159.82       | \$6,846.62         | \$1,015,660.35        | \$192,471.09            | \$1,227,166.79    |

**Restoration Energy**

| CW Daily Interest | CW Revenue To-Date | FL Revenue To-Date | Principal Outstanding | CW Interest Outstanding | Total Outstanding |
|-------------------|--------------------|--------------------|-----------------------|-------------------------|-------------------|
| \$0.00            | \$79,797.28        | \$50,528.98        | \$501,000.00          | \$68,221.90             | \$599,070.75      |

**CAD Totals**

|                         |                |
|-------------------------|----------------|
| Total CW Daily Interest | \$1,763.90     |
| CW Revenue To-Date:     | \$1,134,656.33 |
| FL Revenue To-Date:     | \$744,338.40   |
| Principal Outstanding:  | \$3,011,397.21 |
| CW Outstanding:         | \$948,392.22   |
| Total Outstanding:      | \$4,620,899.57 |

Invoice #: GS-2016-04-4a

Invoice Amt:

\$750,000.00

| Date Advanced     | Amount Collected | Total Duration    | Principal    | FL Fees Upfront          | CW Fees Upfront |
|-------------------|------------------|-------------------|--------------|--------------------------|-----------------|
| May 13, 2016      | \$10,526.32      | 553               | \$210,526.32 | \$10,526.32              | \$0.00          |
| CW Total Revenue: |                  | Total Paid to CW: | \$0.00       | CW Interest Outstanding: | \$96,979.61     |
|                   |                  |                   |              | Principal Outstanding:   | \$210,526.32    |
|                   |                  |                   |              | CW Total Outstanding:    | \$307,505.93    |

Invoice #: GS-2016-04-4b

Invoice Amt:

\$750,000.00

| Date Advanced     | Amount Collected | Total Duration    | Principal    | FL Fees Upfront          | CW Fees Upfront |
|-------------------|------------------|-------------------|--------------|--------------------------|-----------------|
| May 13, 2016      | \$10,526.32      | 553               | \$210,526.32 | \$10,526.32              | \$0.00          |
| CW Total Revenue: |                  | Total Paid to CW: | \$0.00       | CW Interest Outstanding: | \$96,979.61     |
|                   |                  |                   |              | Principal Outstanding:   | \$210,526.32    |
|                   |                  |                   |              | CW Total Outstanding:    | \$307,505.93    |

Invoice #: MM-2016-17-8a

Invoice Amt:

\$1,500,000.00

| Date Advanced     | Amount Collected | Total Duration    | Principal    | FL Fees Upfront          | CW Fees Upfront |
|-------------------|------------------|-------------------|--------------|--------------------------|-----------------|
| August 22, 2016   | \$7,500.00       | 452               | \$150,000.00 | \$7,500.00               | \$0.00          |
| CW Total Revenue: |                  | Total Paid to CW: | \$0.00       | CW Interest Outstanding: | \$56,477.40     |
|                   |                  |                   |              | Principal Outstanding:   | \$150,000.00    |
|                   |                  |                   |              | CW Total Outstanding:    | \$206,477.40    |

Invoice #: MM-2016-17-8b

Invoice Amt:

\$1,500,000.00

| Date Advanced     | Amount Collected | Total Duration    | Principal    | FL Fees Upfront          | CW Fees Upfront |
|-------------------|------------------|-------------------|--------------|--------------------------|-----------------|
| August 22, 2016   | \$7,500.00       | 452               | \$150,000.00 | \$7,500.00               | \$0.00          |
| CW Total Revenue: |                  | Total Paid to CW: | \$0.00       | CW Interest Outstanding: | \$56,477.40     |
|                   |                  |                   |              | Principal Outstanding:   | \$150,000.00    |
|                   |                  |                   |              | CW Total Outstanding:    | \$206,477.40    |

**Restoration Energy**
[BACK](#)

Currency: Canadian Dollar (CAD)

|                          | Daily Interest | Avg Days Past Term       | Principal Outstanding | Interest Outstanding          | Total Outstanding |
|--------------------------|----------------|--------------------------|-----------------------|-------------------------------|-------------------|
|                          | \$0.00         |                          | \$501,000.00          | \$98,070.75                   | \$599,070.75      |
| CW Daily Interest:       | \$0.00         | FL Daily Interest:       | \$0.00                | Interest Revenue To-Date:     | \$109,033.76      |
| CW Fees Upfront:         | \$0.00         | FL Fees Upfront:         | \$21,292.50           | Fees Upfront Revenue To-Date: | \$21,292.50       |
| CW Revenue To-Date:      | \$79,797.28    | FL Revenue To-Date:      | \$50,528.98           | Revenue To-Date:              | \$130,326.26      |
| Paid to CW:              | \$11,575.38    | Paid to FL:              | \$20,680.13           | Interest Collected:           | \$10,963.01       |
| CW Interest Outstanding: | \$68,221.90    | FL Interest Outstanding: | \$29,848.85           | Interest Outstanding:         | \$98,070.75       |

|                   |                  |                   |                     |                          |                 |
|-------------------|------------------|-------------------|---------------------|--------------------------|-----------------|
| Invoice #:        | 20160309         | Invoice Amt:      | \$600,000.00        |                          |                 |
| Date Advanced     | Amount Collected | Total Duration    | Principal           | FL Fees Upfront          | CW Fees Upfront |
| March 14, 2016    | \$19,823.02      | 192               | \$302,872.06        | \$12,872.06              | \$0.00          |
| Payment Date      | Payment Amount   | Days of Interest  | Principal Collected | Interest Collected       | CW Revenue      |
| April 30, 2016    | \$6,950.96       | 17                | \$0.00              | \$6,950.96               | \$7,117.68      |
| CW Total Revenue: | \$48,439.68      | Total Paid to CW: | \$7,117.68          | CW Interest Outstanding: | \$41,322.00     |
|                   |                  |                   |                     | Principal Outstanding:   | \$302,872.06    |
|                   |                  |                   |                     | CW Total Outstanding:    | \$344,194.06    |

|                   |                  |                   |                     |                          |                 |
|-------------------|------------------|-------------------|---------------------|--------------------------|-----------------|
| Invoice #:        | 20151201C        | Invoice Amt:      | \$700,000.00        |                          |                 |
| Date Advanced     | Amount Collected | Total Duration    | Principal           | FL Fees Upfront          | CW Fees Upfront |
| March 16, 2016    | \$1,317.75       | 190               | \$21,000.00         | \$892.50                 | \$0.00          |
| Payment Date      | Payment Amount   | Days of Interest  | Principal Collected | Interest Collected       | CW Revenue      |
| April 30, 2016    | \$425.25         | 15                | \$0.00              | \$425.25                 | \$472.50        |
| CW Total Revenue: | \$3,323.10       | Total Paid to CW: | \$472.50            | CW Interest Outstanding: | \$2,850.60      |
|                   |                  |                   |                     | Principal Outstanding:   | \$21,000.00     |
|                   |                  |                   |                     | CW Total Outstanding:    | \$23,850.60     |

|                   |                  |                   |                     |                          |                 |
|-------------------|------------------|-------------------|---------------------|--------------------------|-----------------|
| Invoice #:        | 20160309         | Invoice Amt:      | \$600,000.00        |                          |                 |
| Date Advanced     | Amount Collected | Total Duration    | Principal           | FL Fees Upfront          | CW Fees Upfront |
| March 16, 2016    | \$11,114.74      | 190               | \$177,127.94        | \$7,527.94               | \$0.00          |
| Payment Date      | Payment Amount   | Days of Interest  | Principal Collected | Interest Collected       | CW Revenue      |
| April 30, 2016    | \$3,586.80       | 15                | \$0.00              | \$3,586.80               | \$3,985.20      |
| CW Total Revenue: | \$28,034.50      | Total Paid to CW: | \$3,985.20          | CW Interest Outstanding: | \$24,049.30     |
|                   |                  |                   |                     | Principal Outstanding:   | \$177,127.94    |
|                   |                  |                   |                     | CW Total Outstanding:    | \$201,177.24    |

**TAB 45**



CRYSTAL WEALTH

24 April 2017

British Columbia Securities Commission  
 P.O. Box 10142, Pacific Centre  
 12<sup>th</sup> Floor  
 701 West Georgia St.  
 Vancouver, BC V7Y 1L2  
 Attn: Roy Leon  
 Delivered via email

WITHOUT PREJUDICE

RE: Order for Production, April 11, 2017

1. Crystal Wealth Management System Limited (the "Registrant") has provided the following additional funds to Onstar since September 10, 2015:
  - a) \$500,000 from Crystal Enlightened Factoring Strategy on 2 December 2016.  
 Please provide a list of other companies associated with Brett Johnson, and I will search our books and records for any transactions associated with those entities.
2. Copies of all contracts, gold purchase agreements, gold certificates, share certificates, collateral agreements or any other arrangement between the Registrant and any entity or individual regarding the Funds are included by way of attachment.
3. Copies of all documents provided to the Registrant supporting its investment of the Funds, including but not limited to, term sheets, offering memorandums, property option agreements, collateral agreements, and technical reports are included by way of attachment.
4. Listed below are the names and contact information for all persons who communicated with any staff of the Registrant regarding its investment in the Funds.
  - Jerry Braun Email: [jbrown19@gmail.com](mailto:jbrown19@gmail.com) Phone: 604-240-7504
  - Taz Faryad, [tazfaryad@sutton.com](mailto:tazfaryad@sutton.com) 604 700 5200
  - Alan Braun, [alan.g.braun@gmail.com](mailto:alan.g.braun@gmail.com) 604.839.4626
  - Rene Gladu, [gladurene@gmail.com](mailto:gladurene@gmail.com)
  - Chuck Pinnell, [crp52els@gmail.com](mailto:crp52els@gmail.com) 778 214 3407
  - David Denhollander, [denhollander98@gmail.com](mailto:denhollander98@gmail.com) 250 833 9876
  - Brent Johnson, [bjohnson.comm@shaw.ca](mailto:bjohnson.comm@shaw.ca)
5. Copies of all written communication, including, but not limited to, faxes, emails, letters and other electronic communication, between any staff of the Registrant and all of the persons included in request #4 are included by way of attachment.
6. All written communications with Brent Johnson and Jorge Lopehandia are included in question 5.

7. The circumstances under which Alan Braun was introduced to the Registrant through Albert Housego, an advising representative of the Registrant, are described below:

Mr. Housego was introduced to Alan Braun through Taz Faryad. Mr. Faryad was trying to connect gold sellers and gold buyers. The Registrant manages a number of mutual fund trusts for which Mr. Housego acts as lead portfolio manager and in which Mr. Housego was looking to invest in gold. Presumably, Alan Braun was involved in a company or companies that produces gold so Mr. Faryad connected us to see if there was a fit. Mr. Housego first met Alan Braun at a meeting in Vancouver in early August 2016. Taz Faryad, Jerry Braun and Rene Gladu were also present.



Clayton Smith  
Chief Executive Officer

**TAB 46**

**AIRD BERLIS**

Kyle Plunkett  
Direct: 416.865.3406  
E-mail: kplunkett@airdberlis.com

October 26, 2017

BY EMAIL – [alan.g.braun@gmail.com](mailto:alan.g.braun@gmail.com)

**Onstar Exploration Ltd.**

Suite 704-595 Howe Street, Box 35  
Vancouver, BC V6C 2T5

Attention: Alan Braun

Dear Mr. Braun

**Re: Gold Certificates for 4000 Troy Ounces of Gold Bullion**

---

We are the solicitors for Grant Thornton Limited (in such capacity, the "**Receiver**"), in its capacity as Court-appointed receiver of, among others, Crystal Enlightened Hedge Fund and Crystal Enlightened Factoring Strategy Fund (together, the "**Crystal Funds**") pursuant to an Order of The Honourable Justice Newbould (as he was then known) dated April 26, 2017 (the "**Appointment Order**").

We also refer to four (4) Gold Certificate Subscription Agreements entered into between the Crystal Funds and Onstar Exploration Ltd. ("**Onstar**") dated August 12, 2016, September 25, 2016 and November 27, 2016 (collectively, the "**Subscription Agreements**"), pursuant to which the following Gold Certificates (as defined below) were issued by Onstar in favour of the Crystal Funds:

- a) Gold Certificate dated September 25, 2016 in favour of Crystal Enlightened Hedge Fund with a face amount of USD\$1,000,000 securing the delivery of 1,000 troy ounces of GOLD BULLION;
- b) Gold Certificate dated September 25, 2016 in favour of Crystal Enlightened Factoring Strategy Fund with a face amount of USD\$1,000,000 securing the delivery of 1,000 troy ounces of GOLD BULLION;
- c) Gold Certificate dated August 12, 2016 in favour of Crystal Enlightened Factoring Strategy Fund with a face amount of USD\$1,000,000 securing the delivery of 1,000 troy ounces of GOLD BULLION; and
- d) Gold Certificate dated November 27, 2016 in favour of Crystal Enlightened Factoring Strategy Fund with a face amount of CAD\$500,000 securing the delivery of 1,000 troy ounces of GOLD BULLION,

(collectively, the "**Gold Certificates**")

Enclosed herewith for ease of reference is a copy of the agreed form of gold certificate which forms part of the Subscription Agreements that was provided to the Receiver by Mr. Braun via email dated June 6, 2017. Under the terms of the Gold Certificates, delivery of the Gold Bullion

October 26, 2017

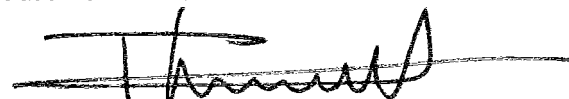
Page 2

owned by the Crystal Funds was to commence on April 30, 2017 followed by monthly deliveries until such time as the balance of the Gold due under the Gold Certificates has been delivered to the respective Crystal Funds in full.

As of today's date, the Crystal Funds have not received any delivery of Gold clearly reflecting a breach under the Gold Certificates. On behalf of the Receiver, we hereby demand immediate delivery of Gold in accordance with the terms of the Gold Certificates. If delivery of the Gold is not received, or alternate arrangements satisfactory to our client are not put in place forthwith, the Receiver shall take whatever steps it considers necessary or appropriate to collect and recover the Gold owing to the Crystal Funds. In the event that the Receiver is required to incur costs to enforce its rights, it will also be seeking all costs incurred in so doing.

Yours truly,

AIRD & BERLIS LLP



Kyle Plunkett

KP/ph

cc: Mark van Zandvoort, Aird & Berlis LLP  
Steven Graff, Aird & Berlis LLP  
Jason Knight, Grant Thornton Limited  
Bruce Brando, Grant Thornton Limited

29743555.2

AIRD BERLIS

**Kyle Plunkett**

---

**From:** Alan Braun <alan.g.braun@gmail.com>  
**Sent:** June-06-17 11:55 AM  
**To:** Knight, Jason  
**Subject:** Re: Crystal Wealth Management System Limited (the "Company") - Gold Certificate Subscription Agreements  
**Attachments:** Gold Certificate Subscription Agreement-2.pdf.html  
**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

The certificate is on the final page. Thank you.

On Tue, Jun 6, 2017 at 7:16 AM, Knight, Jason <[Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com)> wrote:

Hi Alan,

Thank you for your response and clarifications.

Could you please provide the Gold Certificates.

**Jason Knight, CPA, CA | Manager**  
 Recovery & Reorganization

Grant Thornton Limited

**T** [+1 416 369 7017](tel:+14163697017) | **C** [+1 416 434 8074](tel:+14164348074)

**From:** Alan Braun [<mailto:alan.g.braun@gmail.com>]  
**Sent:** Monday, June 5, 2017 6:11 PM  
**To:** Knight, Jason <[Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com)>  
**Subject:** Fwd: Crystal Wealth Management System Limited (the "Company") - Gold Certificate Subscription Agreements

Jason,

Thank you for your letter indicating our conversation.

I wanted to state, for the record, OnStar was promised we would be receiving \$10M for the extraction of gold from the Juno claim. This did not happen. This is why we are presently on our own search for the necessary funds to complete. If your team was committed to further the \$6M, it would speed our delivery dates up considerably.

You also mention the Agreements expired on May 31, 2017; this is not accurate. This is when the agreements begin to be filled but this comes with a completion date of April 30, 2019 before we are offside.

*"It is expected that all gold payments will be completed no later than April 30, 2019"* this statement is right on the issued Certificates.

You also stated: you had indicated that Onstar would be open to paying an amount to the Receiver for the outstanding fair value of the Agreements (by way of external financing currently being pursued by Onstar). We need our borrowed funds now that Crystal Wealth is not providing us funding for the future delivery gold contracts.

You also wanted: Could you please provide a proposal of what the settlement of these Agreements would entail under both: (i) physical delivery of gold and (ii) payment for the market value of the Agreements.

I had understood that this proposal was coming from you to us.

1. Physical delivery is 4000 ounces of gold delivered by April 30, 2019. Which we will honour.
2. I didn't know what numbers you were expecting for a quick financial payout. If you are asking 5 or 10c on the dollar, I will arrange funding to pay out by July 30, 2017. If you are seeking higher financial amounts for a quick return, I must have you understand that OnStar must be careful to have funds on hand to complete its gold contracts, as a first priority.

If you give us a proposal we will seriously consider how to wrap this up quickly for you.

On Sun, Jun 4, 2017 at 8:05 AM, Knight, Jason <[Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com)> wrote:

Hi Alan,

I am following up on the status of the documents requested by the Receiver in our conversation on May 24, 2017 supporting the Gold Certificate Subscription Agreements the Company, on behalf of certain Crystal Wealth funds, had entered into with Onstar Exploration Ltd. ("Onstar") (the "Agreements"). For greater clarity, the following documents were requested:

- copies of Gold Certificates;
- copies of Agreements executed by the Company and Onstar; and
- any internal tracking sheets showing the cumulative ounces owned by the Company

In addition, as the Agreements expired on May 31, 2017, you had indicated that Onstar would be open to paying an amount to the Receiver for the outstanding fair value of the Agreements (by way of external financing currently being pursued by Onstar). Could you please provide a proposal of what the settlement of these Agreements would entail under both: (i) physical delivery of gold and (ii) payment for the market value of the Agreements.

We look forward to receiving the documents noted above and Onstar's proposal.

Kind regards,

- Jason

**Jason Knight, CPA, CA | Manager**  
Recovery & Reorganization

Grant Thornton Limited

T +1 416 369 7017 | C +1 416 434 8074

**From:** Alan [mailto:[alan.g.braun@gmail.com](mailto:alan.g.braun@gmail.com)]  
**Sent:** Wednesday, May 24, 2017 11:07 AM  
**To:** Knight, Jason <[Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com)>  
**Cc:** Bando, Bruce <[Bruce.Bando@ca.gt.com](mailto:Bruce.Bando@ca.gt.com)>  
**Subject:** Re: Crystal Wealth Management System Limited (the "Company") - Gold Contracts

I will call you today. Thanks

Cheers

On May 24, 2017, at 7:57 AM, Knight, Jason <[Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com)> wrote:

Hi Alan,

I am just following up to the below email. As the contracts with Onstar Exploration expire on May 31, 2017, could you please provide a response as soon as possible.

**Jason Knight, CPA, CA | Manager**  
Recovery & Reorganization

Grant Thornton Limited

T [+1 416 369 7017](tel:+14163697017) | C [+1 416 434 8074](tel:+14164348074)

**From:** Knight, Jason  
**Sent:** Friday, May 19, 2017 7:43 PM  
**To:** 'Alan.g.braun@gmail.com' <[Alan.g.braun@gmail.com](mailto:Alan.g.braun@gmail.com)>  
**Cc:** Bando, Bruce <[Bruce.Bando@ca.gt.com](mailto:Bruce.Bando@ca.gt.com)>  
**Subject:** Crystal Wealth Management System Limited (the "Company") - Gold Contracts

Hi Alan,

We wish to confirm that Grant Thornton Limited was appointed as receiver and manager (the "Receiver") of all of the assets, undertakings and properties of the Company pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) issued on April 26, 2017 (the "Appointment Order"). A copy of the Appointment Order is attached and can also be found on the Receiver's Case Website at: [www.grantthornton.ca/crystalwealth](http://www.grantthornton.ca/crystalwealth).

Pursuant to the Appointment Order, Grant Thornton Limited also became the Receiver of all of the assets, undertakings, and properties of certain additional persons and entities, including 15 proprietary open-ended mutual fund trusts created and managed by the Company.

We would like to have a discussion with you to discuss the various gold contracts purchased by Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund to gain a better understanding of same.

Could you please let us know your earliest availability.

Thanks,

- Jason

**Jason Knight, CPA, CA | Manager**  
Recovery & Reorganization

Grant Thornton Limited

11th Floor | 200 King Street West | Box 11 | Toronto | ON | M5H 3T4  
T +1 416 369 7017 | F +1 416 360 4949 | C +1 416 434 8074  
E Jason.Knight@ca.gt.com | W http://www.grantthornton.ca/

Grant Thornton LLP is proud  
to be  
recognized as one of Canada's  
best  
workplaces for our ninth  
consecutive year!

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Alan Braun

604.839.4626

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Alan Braun

604.839.4626

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--

Alan Braun

604.839.4626

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- 2 -

#●

**ONSTAR EXPLORATION LTD.**

(the "Company")

(Incorporated under the laws of British Columbia., Canada).

**USD\$1,000,000 Face Amount****Securing the Delivery of 1,000 troy ounces of GOLD BULLION****GOLD CERTIFICATE**

*This is to certify that ●, the registered owner (the "Owner") of this Gold Certificate is entitled to receive delivery of 1,000 troy ounces of 93% purity or better miner's gold, produced and processed by or on behalf of the Company from mining operations in Juneau, Alaska.*

*Gold deliveries to the Owner shall commence on April 30, 2017 F.O.B. Juneau, Alaska and shall occur monthly, until the entire 1,000 ounces of gold due under this Certificate has been delivered to the Owner.*

*It is expected that all gold payments will be completed no later than April 30, 2019.*

*IN WITNESS WHEREOF, the President and Secretary of the Company have respectively authorized the issuance of this Certificate this ●, day of ●, 2016 by affixing the signatures below.*

**ONSTAR EXPLORATION LTD.**

Per: \_\_\_\_\_  
●, President

Per: \_\_\_\_\_  
●, Secretary

*This Certificate is transferable with the consent of the Company, such consent not to be unreasonably withheld. For greater certainty, transferability is subject to information having been provided by any transferee(s) which is sufficient to allow the Company to satisfy and discharge its legal obligations relating to owner identification and money laundering legislation.*

# TAB 47

---

**From:** Bill McKenzie <lawyerbill@rogers.com>  
**Sent:** November-11-17 2:05 PM  
**To:** Timothy Jones  
**Cc:** Miranda Spence; Mark van Zandvoort; Steve Graff; 'Bando, Bruce'; 'Knight, Jason'  
**Subject:** RE: Receivership of Crystal Wealth Group / OOM Energy / MCSnoxrecovery Inc.

Hi Timothy: I think you meant October 26 2017. Anyway this is all a bit of blur by now and of course my clients are trying to dig out of the mess created by the receivership so that the projects can be completed. If you would please send me the documents you are relying on that would help us to sort this out: my client wants to meet with the Receiver and arrange a final resolution so if we can have all the documents so I can review them and advise that will move this forward.

Regards, Bill McKenzie

---

**From:** Timothy Jones [<mailto:tjones@airdberlis.com>]  
**Sent:** November-03-17 3:46 PM  
**To:** 'craig@oomenergy.com'  
**Cc:** 'lawyerbill@rogers.com'; Miranda Spence; Mark van Zandvoort; Steve Graff; 'Bando, Bruce'; 'Knight, Jason'  
**Subject:** Receivership of Crystal Wealth Group / OOM Energy / MCSnoxrecovery Inc.

Mr. Clydesdale,

We attach a letter from our firm of today's date, which is sent to your attention.

**Timothy Jones**

T 416.865.3086  
F 416.863.1515  
E [tjones@airdberlis.com](mailto:tjones@airdberlis.com)

**Aird & Berlis LLP** | Lawyers  
Brookfield Place, 181 Bay Street, Suite 1800  
Toronto, Canada M5J 2T9 | [airdberlis.com](http://airdberlis.com)



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**TAB 48**

### AMENDMENT TO LOAN AGREEMENT

**THIS AMENDMENT TO LOAN AGREEMENT** (this "**Amendment**") is made as of this 11<sup>th</sup> day of August, 2017

**A M O N G:**

**GRANT THORNTON LIMITED ("GTL")**, in its capacity as the Court-appointed receiver and manager of Crystal Wealth Management System Limited (the "**Lender**")

(hereinafter referred to, in such capacity, as the "**Receiver**")

- and -

**POND TECHNOLOGIES INC., formerly Pond Biofuels Inc.**  
(the "**Borrower**")

**WHEREAS:**

- A. The Lender and the Borrower entered into a loan agreement dated as of December 15, 2015 (as amended, replaced, restated or supplemented from time to time, the "**Loan Agreement**"), pursuant to which the Lender provided certain credit facilities to the Borrower;
- B. Pursuant to amendments dated October 5, 2016, October 20, 2016, October 26, 2016, and February 8, 2017, the Lender agreed to defer but not waive the payment of interest by the Borrower pursuant to the Loan Agreement;
- C. GTL was appointed as, and currently continues to be Receiver of all the assets, undertakings and properties of the Lender (the "**Property**"), among others, by way of an Order of the Ontario Superior Court of Justice (Commercial List) issued on April 26, 2017 (the "**Receivership Order**");
- D. Pursuant to the Receivership Order, the Receiver is expressly empowered and authorized to, among other things:
  - a) manage, operate, and carry on the business of the Lender, including the power to enter into any agreements on behalf of the Lender;
  - b) receive and collect all monies and accounts now owed or hereafter owing to the Lender and to exercise all remedies of the Lender in collecting such monies, including, without limitation, to enforce any security held by the Lender; and
  - c) 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 Lender.

All payments, notices and other obligations of the Borrower owed to the Lender or to "Crystal Wealth" (as the Lender is defined in the Loan Agreement) pursuant to the Loan Agreement and this Amendment shall accordingly be made, provided and owed to the

Receiver, for so long as the Receiver continues to retain the foregoing powers pursuant to the Receivership Order; and

- E. The Borrower has requested, and the Receiver has agreed, to amend certain terms of the Loan Agreement, pursuant to the terms of this Amendment.

**NOW THEREFORE** in consideration of the respective covenants of the parties hereto as herein contained, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

**1. Definitions**

In this Amendment, all capitalized terms used herein but not defined shall have the meanings given to such terms in the Loan Agreement.

**2. Acknowledgements**

- (a) The Borrower hereby acknowledges, confirms and agrees that, as of the close of business on July 31, 2017, the Borrower was indebted to the Lender in respect of advances made pursuant to the Loan Agreement, for principal and interest, exclusive of amounts which may become owing for fees, professional fees and accruing interest at the rates set out in the Loan Agreement and herein, in the amounts set out in Schedule A hereto (the "Indebtedness").
- (b) The Borrower hereby acknowledges, confirms and agrees that the Indebtedness, together with interest accrued and accruing thereon, and fees, costs, expenses and other charges now or hereafter properly payable by the Borrower to the Lender under the Loan Agreement (and, in turn, payable to the Receiver), is unconditionally owing by the Borrower to the Lender (and, in turn, the Receiver), without any right of setoff, defence, counterclaim or reduction of any kind, nature or description whatsoever, other than as expressly provided in this Amendment, and the Borrower is forever estopped from disputing such Indebtedness.
- (c) The Borrower hereby acknowledges, confirms and agrees that the Loan Agreement constitutes a legally binding and enforceable agreement between the Lender and the Borrower, and has constituted a legally binding and enforceable agreement amongst the Lender and the Borrower since the date of its execution.
- (d) The Borrower hereby acknowledges, confirms and agrees that the Borrower shall continue to accept statements of the Indebtedness issued by the Receiver to be accurate statements of the amount and the particulars of the Indebtedness as of the date of the statement, absent manifest error.
- (e) The Borrower hereby acknowledges, confirms and agrees that the Security, as set out in the Loan Agreement, has not been discharged, waived or varied, that it is binding upon the Borrower, and that the Security, is enforceable in accordance with its written terms until the obligations of the Borrower to the Lender (and, in turn, the Receiver) have been indefeasibly paid and satisfied in full, other than as expressly provided in this Amendment.
- (f) The Borrower hereby acknowledges, confirms and agrees that:

- (i) the facts set out in the recitals to this Amendment are true and accurate;
  - (ii) except as provided for in this Amendment, the Lender or the Receiver, as the case may be, either by itself or through its employees or agents, has made no promises, nor has it taken any action or omitted to take any action, that would constitute a waiver of its rights to enforce the Security and pursue its remedies in respect of the obligations of the Borrower, or that would stop it from doing so; and
  - (iii) to the date hereof, both the Lender and the Receiver have acted in a commercially reasonable manner and the Borrower is estopped from disputing same.
- (g) The Receiver hereby acknowledges, confirms and agrees that, to the best of its knowledge based on its review of the books and records of the Lender as of the date hereof:
- (i) the facts set out in the recitals to this Amendment are true and accurate;
  - (ii) upon execution of this Amendment, there shall be no alleged or actual breach or default, continuing or otherwise, related to Borrower's failure to make interest payments under the Loan Agreement for the period of October 1, 2016, through November 30, 2017;
  - (iii) it has the standing and power and authority to amend the Loan Agreement and enter into this Amendment; and
  - (iv) as of the date of this Amendment, it has not, by itself or through its employees or agents, taken any action to enforce the Security or pursue remedies in respect of the obligations of the Borrower under the Loan Agreement.

### 3. Amendments to Loan Agreement

The Loan Agreement is hereby amended as follows:

- (a) The paragraph entitled "Repayment" is hereby deleted in its entirety and replaced with the following:

#### **REPAYMENT:**

The Borrower shall repay the Loan as follows:

- (i) \$1,000,000 by December 31, 2017;
- (ii) 20% of the proceeds received by the Borrower from one or more financing transactions once the aggregate amount of such financing transactions is equal to or greater than \$10,000,000, which amount is to be paid to Crystal Wealth on the date that the Borrower receives proceeds in respect of the financing transaction. Should the Borrower enter into one or more financing transactions pursuant to which a sum equal to or greater than \$10,000,000 is to be paid to the

Borrower in respect of each such financing transaction in separate tranches, the Borrower shall pay to Crystal Wealth 20% of each tranche upon receipt; and

- (iii) in full (including all principal, interest and other fees owing and outstanding) upon the **"Date of Termination"**, being the earlier of:
- a. June 30, 2019; or
  - b. the date upon which an Event of Default occurs.

Until the Date of Termination, the Borrower shall make payments of interest only as provided below.

- (b) The paragraph entitled "Prepayment" is hereby deleted in its entirety and replaced with the following:

The Borrower may, at its option, prepay in whole or in part the outstanding principal amount of the Loan, together with all accrued interest, inclusive of the First Interest Payment, Quarterly Interest Payments, and Delayed Interest, on the amount so prepaid to the date of prepayment, at any time after providing Crystal Wealth with not less than thirty (30) days prior written notice, without bonus or penalty.

- (c) The paragraph entitled "Calculation of Interest" is hereby deleted in its entirety and replaced with the following:

**CALCULATION OF INTEREST:**

The Borrower shall at all times pay interest, in Canadian Dollars, on the daily balance of all amounts outstanding under the Loan as follows:

1. for the period of October 1, 2016 until July 31, 2017, at the rate of 12.00% per annum; and
2. as at and from August 1, 2017 until the Date of Termination at the rate of 8.00% per annum,

which shall accrue and be payable in arrears as set out below in the Section titled "INTEREST PAYMENTS" on the basis of the then current calendar year for the actual number of days elapsed, with interest on all overdue interest calculated as aforesaid and compounded quarterly at the aforesaid rate from the due date thereof without necessity of notice or demand, the whole before as well as after maturity, demand, default or judgement, until all amounts owing under the Loan are repaid in full.

- (d) A paragraph entitled "Interest Payments" is inserted following the paragraph entitled "Calculation of Interest", as follows:

**INTEREST PAYMENTS:**

**First Interest Payment**

The Borrower shall pay to Crystal Wealth \$581,398.88 on November 30, 2017, which amount represents accrued interest from October 1, 2016 until November 30, 2017, calculated in accordance with the Section titled "CALCULATION OF INTEREST" above and as set out in Schedule "D".

**Quarterly Interest Payments**

The Borrower shall make quarterly interest payments to Crystal Wealth, commencing on December 31, 2017 and thereafter on the last day of March, June, September and December of each year (or such other day of the quarter as may be agreed to in writing from time to time), on the basis of the then-current calendar year for the actual number of days elapsed, with interest on all overdue interest calculated as aforesaid and compounded quarterly at the rate of 8.00% per annum from the due date thereof without necessity of notice or demand, the whole before as well as after maturity, demand, default or judgement, until all amounts owing under the Loan are paid in full.

For greater certainty, the First Interest Payment and the Quarterly Interest Payments shall be due and payable as set out in the attached Schedule "D", which chart details the amounts and dates of the scheduled interest payments subject to adjustment for any principal repayments.

**Delayed Interest Payment**

In addition to the First Interest Payment and the Quarterly Interest Payments, the Borrower shall pay interest on the daily balance of all amounts outstanding under the Loan as at and from August 1, 2017, at the rate of 4.00% per annum for the actual number of days elapsed (the "Delayed Interest"). Delayed Interest shall accrue and be compounded quarterly in arrears, and shall be payable on the Date of Termination.

- (e) The paragraph entitled "Covenants" is hereby amended to renumber the subparagraph "19" that was added as an additional covenant pursuant to the amending letter agreement dated October 5, 2016, as subparagraph "18". For greater clarity, this subparagraph shall read as follows:

18. It shall not enter into any further financing transactions whether by way of loan, equity or otherwise including, without limitation, any reorganization of its share capital, without the consent of Crystal Wealth, which consent shall not be unreasonably withheld.

- (f) The paragraph entitled "Notices" is hereby amended by deleting the delivery details under "1. Crystal Wealth:" and replacing the same with the following:

Grant Thornton Limited, in its capacity as Court-appointed receiver and manager  
of Crystal Wealth Management System Limited  
Royal Bank Plaza South Tower  
200 Bay Street, 19th Floor  
Toronto, ON M5J 2P9

Attention: Jonathan Krieger and Bruce Bando  
Email: [jonathan.krieger@ca.gt.com](mailto:jonathan.krieger@ca.gt.com) and [bruce.bando@ca.gt.com](mailto:bruce.bando@ca.gt.com)

with a copy to:

Aird & Berlis LLP  
Barristers and Solicitors  
Brookfield Place  
181 Bay Street, Suite 1800  
Toronto, ON M5J 2T9

Attention: Steven Graff and Miranda Spence  
Email: [sgraff@airdberlis.com](mailto:sgraff@airdberlis.com) and [mspence@airdberlis.com](mailto:mspence@airdberlis.com)

- (g) Schedule "D" of the Loan Agreement is hereby deleted in its entirety, and replaced with the schedule identified as Schedule B to this Amendment.

**4. No Other Changes**

Except as explicitly amended by this Amendment, all of the terms and conditions of the Loan Agreement shall remain in full force and effect, unamended hereby.

**5. Condition Precedent**

This Amendment shall be effective when the Receiver has received an executed copy of this Amendment.

**6. Condition Subsequent**

Within thirty (30) days of the date of this Amendment, the Borrower shall deliver, in form and substance satisfactory to the Receiver, an executed copy of the Intellectual Property Security Agreement.

**7. References**

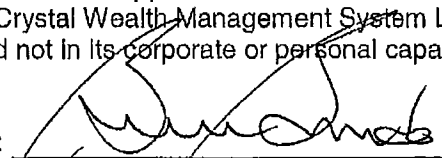
All references in the Loan Agreement to "this agreement" shall be deemed to refer to the Loan Agreement, as amended hereby.

**8. Miscellaneous**

This Amendment may be executed in any number of counterparts and delivered by PDF or other electronic method, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same agreement.

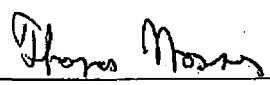
**IN WITNESS WHEREOF**, the parties hereto have entered into this Amendment as of the date first above mentioned.

**GRANT THORNTON LIMITED**, in its capacity as the Court-appointed receiver and manager of Crystal Wealth Management System Limited, and not in its corporate or personal capacity

By: 

Name: Bryan S. Banks  
Title: Vice President

**POND TECHNOLOGIES INC.**

By: 

Name: Thomas Masney  
Title: CFO

**SCHEDULE A**

## Loan History to July 31, 2017

|                                                      |           |
|------------------------------------------------------|-----------|
| Amounts advanced                                     | 4,500,000 |
| Interest accrued                                     | 779,153   |
| Interest paid                                        | 329,771   |
| Overdue interest as at July 31, 2017                 | 449,382   |
| Interest on overdue interest to Nov. 30, 2017<br>@8% | 12,016    |

**SCHEDULE B**  
**PAYMENT SCHEDULE**

|          |                                                       |                     |
|----------|-------------------------------------------------------|---------------------|
| <b>1</b> | <b>First Interest Payment due November 30, 2017</b>   | <u>\$ 581,398</u>   |
| <b>2</b> | <b>\$1m principal repayment due December 31, 2017</b> | <u>1,000,000</u>    |
| <b>3</b> | <b>Quarterly Interest Payments</b>                    |                     |
|          | Dec.31/17                                             | 30,492              |
|          | Mar.31/18                                             | 68,852              |
|          | Jun.30/18                                             | 69,617              |
|          | Sep.30/18                                             | 70,383              |
|          | Dec.31/18                                             | 70,383              |
|          | Mar.31/19                                             | 68,852              |
|          | Jun.30/19                                             | 69,617              |
|          |                                                       | <u>448,197</u>      |
| <b>4</b> | <b>Loan payments due on maturity</b>                  |                     |
|          | Principal                                             | 3,500,000           |
|          | Deferred interest                                     | 293,934             |
|          |                                                       | <u>3,793,934</u>    |
| <b>5</b> | <b>Total loan repayments</b>                          | <u>\$ 5,823,529</u> |

\* Amounts set out herein are estimated and shall be adjusted based on the actual principal amount outstanding during the preceding quarter and such calculation shall be detailed in the payment notification from Borrower, subject to confirmation by Crystal Wealth.

**TAB 49**



August 15, 2017

Dear Shareholders,

On behalf of Pond, I am pleased to report on the Company's progress since the last shareholder communication dated March 23, 2017 and the annual meeting of shareholders held on April 13, 2017. In addition, Pond's most recent unaudited financial statements for the quarter ended June 30, 2017 are attached.

In Pond's previous letters to shareholders we set out the following priorities for 2017:

- Raise sufficient long-term capital to address financing needs to achieve commercialization of Pond's technology;
- Complete a go public event through a reverse takeover ("RTO") transaction with a TSX-V listed company;
- Draw on a \$833k grant from Ontario Centres of Excellence Carbon X Prize award and a commitment from the National Research Council ("NRC") for labour, equipment and consumables expenses relating to upgrades to the 25k L St. Marys facility;
- Plan and build nutraceutical photobioreactors at Pond's Markham facility; and
- Continue to seek commercial revenue from pollution abatement equipment, licences and engineering consulting services to be funded by early adopters of Pond's technology.

This remainder of this letter provides an update on the progress made on these priorities and other corporate matters.

## **Financing**

### *Brokered Private Share Placements*

As part of our plan to raise \$3m in a pre - RTO private share financing, Hampton Securities and Industrial Alliance successfully raised \$1.6m for Pond in a Unit offering of common shares at \$2 per share and common share purchase warrants exercisable at \$2.50 per share. It is Pond's intention to raise the balance of the \$3m, following execution of the Letter of Intent with the Reverse Take Over TSX-V listed company noted below.

Pond will use the proceeds from this round to launch the building of the nutraceutical bioreactors at Pond's facility.

### *Crystal Wealth Loan*

As part of Pond's corporate financing, Pond has a \$4.5m loan outstanding to Crystal Wealth. The loan initially had a maturity date of February 19, 2018. On August 11, 2017 Pond signed an amendment to its loan agreement with Crystal Wealth. The amended terms include a loan maturity extension to June 30, 2019, reduction of quarterly interest payable to 8% and a deferral of quarterly interest payable of 4%. The amendments also include an interest payment of \$581,398 for accrued and accruing interest payable on November 30, 2017 and a principal repayment of \$1,000,000 on December 31, 2017.

### *Reverse Take Over (RTO) – TSX-V Listing*

The Company's plan to go public via a RTO has moved significantly forward. On August 14, 2017, Pond signed a Letter of Intent with Ironhorse Oil and Gas a TSX-V listed company. This was publicly announced on August 14, 2017 and values Pond at approximately \$23m. Further details of the proposed RTO can be found in the attached press release issued by Ironhorse.

The next key steps before the RTO can successfully be completed are:

1. Further due diligence by both parties;
2. The completion of a definitive agreement;
3. Further financings (pre-RTO and concurrent with the RTO) of a minimum of \$7.0m and up to \$15m (to be led by Hampton Securities and Industrial Alliance); and
4. Shareholder approvals.

Upon completion of the RTO transaction, Pond will be in a much stronger position to execute its commercialization plan.

### **Government Funding**

#### *Ontario Centres of Excellence (OCE) Carbon X-Prize Award*

Pond in partnership with Markham District Energy and the National Research Council, entered the natural gas category of the Carbon X-Prize. In October, 2016, Pond was selected as a semi-finalist and successfully qualified for a grant of up to \$833,000 from the Ontario Centres of Excellence for project related funding support. Pond has been receiving funds from this grant for its project related expenses incurred and will continue to do so for several months.

Pond has also successfully proceeded through the Carbon X-Prize technical audit. During the upcoming months there will be further data verification runs which are expected to be completed in the 4<sup>th</sup> quarter of 2017. The Carbon X-prize finalists should be announced in February 2018.

### *Markham District Energy*

Markham District Energy is pleased with the progress made on the X-Prize and the significant market opportunity for Pond's technology within the combined heat and power marketplace. As a result, they have proposed to expand their relationship with Pond. This has resulted in the signing of a Memorandum of Understanding to prepare an evaluation study for the building of a commercial nutraceutical plant using gases from a Markham District Energy site.

### *Ontario Centres of Excellence (OCE) Target GHG Program - Stelco*

The OCE Target GHG program was designed to encourage large industrial emitters to adopt innovative GHG reduction solutions. The program provides up to \$5m or 50% of a \$10m commercialization project. In partnership with Stelco, and with a commitment of financial support from its new owners, Bedrock Industries, Pond has submitted a full proposal to the Target GHG program and is awaiting a decision for the program's financial support. An announcement is expected by September.

### **Commercial Activities**

#### *Nutraceutical*

Planning for the construction of the dedicated nutraceutical photobioreactors at Pond's facility has commenced. We continue to monitor trends in the chlorella, spirulina and astaxanthin marketplaces and with the assistance of a leading North American importer, we have identified additional market opportunities for our products.

#### *Pollution Abatement*

Pond continues to receive interest from major emitters across North America. Over the past three months, Pond has hosted several such emitters at the St. Marys Cement site and has entered negotiations for a feasibility study and subsequent pilot plant with one of them.

For further information, please contact myself or Chris Cory at 416-616-0866 or [chris.c@pondtechnologiesinc.com](mailto:chris.c@pondtechnologiesinc.com).

Regards,



Steve Martin, CEO

# TAB 50

**AMENDMENT TO LOAN AGREEMENT**

**THIS AGREEMENT** is made as of the 16<sup>th</sup> day of November, 2017

BETWEEN:

**GRANT THORNTON LIMITED** in its capacity as the court-appointed receiver and manager of  
Crystal Wealth Management System Limited

(the "Receiver")

- and -

**POND TECHNOLOGIES INC.,** formerly Pond Biofuels Inc.

(the "Borrower")

**RECITALS**

- A. Crystal Wealth Management System Limited (the "**Lender**") and the Borrower entered into a loan agreement dated as of December 15, 2015 (the "**Loan Agreement**"), pursuant to which the Lender provided certain credit facilities to the Borrower.
- B. Pursuant to amendments dated October 5, 2016, October 20, 2016, October 26, 2016, and February 8, 2017 (the "**Prior Amendments**"), the Lender agreed to defer but not waive the payment of interest by the Borrower pursuant to the Loan Agreement;
- C. The Receiver was appointed as, and continues to be, the Court-appointed receiver and manager of all of the assets, undertakings and properties of the Lender pursuant to an order of the Ontario Superior Court of Justice (Commercial List) issued on April 26, 2017.
- D. The Borrower and the Receiver entered into an Amendment to Loan Agreement dated as of August 11, 2017 (the "**August Amending Agreement**").
- E. The Borrower has requested, and the Receiver has agreed, to amend certain terms of the Loan Agreement, as amended by the Prior Amendments and the August Amending Agreement, as set out in this agreement.

**AGREEMENTS**

NOW THEREFORE in consideration of the respective covenants of the parties as herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

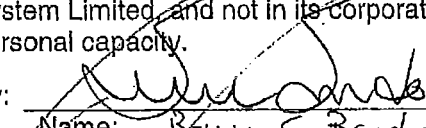
- 1. The date of the First Interest Payment, as set out in paragraph 3(d) and Schedule B of the August Amending Agreement, is changed from November 30, 2017, to December 21, 2017.
- 2. The Borrower agrees to pay the Receiver an extension fee of \$10,000, payable with the First Interest Payment.

- 2 -

3. Except as expressly amended by this agreement, all of the terms and conditions of the Loan Agreement, as amended by the Prior Amendments and the August Amending Agreement, remain in full force and effect, un-amended.
4. This agreement may be executed in any number of counterparts and delivered by PDF or other electronic method, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same agreement.
5. All references in the Loan Agreement to "this agreement" shall be deemed to refer to the Loan Agreement, as amended by the Prior Amendments, the August Amending Agreement and this agreement.

**IN WITNESS WHEREOF** the parties hereto have entered into this agreement as of the date first written above.

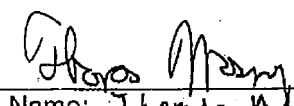
**GRANT THORNTON LIMITED** In its capacity as the Court-appointed receiver and manager of Crystal Wealth Management System Limited, and not in its corporate or personal capacity.

By: 

Name: Bruce S. Bardo

Title: Vice-President

**POND TECHNOLOGIES INC.**

By: 

Name: Thomas Massey

Title: CFO

30975930.2

Applicant

Respondents  
Court File No. CV-17-11779-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST  
Proceedings commenced at TORONTO

## MOTION RECORD

Volume 2 of 3

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
Suite 1800, 181 Bay Street  
Toronto, ON M5J 2T9

**Steven L. Graff (LSUC # 31871V)**  
Tel: (416) 865-7726  
Fax: (416) 863-1515  
E-mail: [sgraff@airdberlis.com](mailto:sgraff@airdberlis.com)

**Mark van Zandvoort (LSUC # 59120U)**  
Tel: (416) 865-4742  
Fax: (416) 863-1515  
E-mail: [mvanzandvoort@airdberlis.com](mailto:mvanzandvoort@airdberlis.com)

**Timothy Jones (LSUC # 72265S)**  
Tel: (416) 865-3086  
Fax: (416) 863-1515  
E-mail: [tjones@airdberlis.com](mailto:tjones@airdberlis.com)

*Lawyers for Grant Thornton Limited, in its capacity as Receiver and Manager of Crystal Wealth Management System Limited, Clayton Smith, Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metals Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, Crystal Wealth Retirement One Fund, CLJ Everest Ltd., and 1150752 Ontario Limited*

**ANTHONY WHITEHOUSE**  
Plaintiff

-and-

**BDO CANADA LLP**  
Defendant

Court File No. CV-17-579357-00CP

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
  
PROCEEDING COMMENCED AT  
TORONTO

**MOTION RECORD OF THE PLAINTIFF**  
**VOLUME 14 OF 20**

**ADAIR GOLDBLATT BIEBER LLP**

95 Wellington Street West  
Suite 1830  
Toronto ON M5J 2N7

Simon Bieber (56219Q)

Tel: 416.351.2781

Email: sbieber@agbllp.com

Nathaniel Read-Ellis (63477L)

Tel: 416.351.2789

Email: nreadellis@agbllp.com

Iris Graham (69986C)

Tel: 416.351.2793

Email: igrham@agbllp.com

Tel: 416.499.9940

Fax: 647.689.2059

Lawyers for the Plaintiff  
Anthony Whitehouse