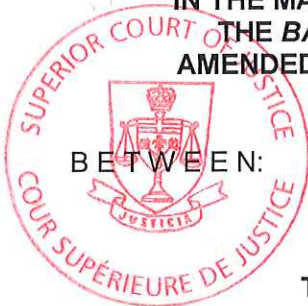


ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	FRIDAY, THE 1ST
	)	
JUSTICE MCEWEN	)	DAY OF MAY, 2020

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

BETWEEN:



TEMISKAMING DEVELOPMENT FUND CORPORATION,

Applicant

- and -

1793082 ONTARIO LTD., o/a K.D. QUALITY PELLETS

Respondent

DISCHARGE ORDER

THIS MOTION, made by Grant Thornton Limited ("**GTL**") in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets (the "**Property**") of 1793082 Ontario Ltd., o/a K.D. Quality Pellets (the "**Debtor**"), for an order (i) approving the Receiver's second report dated July 29, 2019 (the "**Second Report**"), and third report dated March 19, 2020 (the "**Third Report**") and the activities of the Receiver as described therein; (ii)

approving the distribution of the remaining proceeds available in the estate of the Debtor; (iii) unsealing certain confidential appendices; (iv) approving the Receiver's final statement of receipts and disbursements, dated March 2, 2020; (v) approving the fees and disbursements of the Receiver and its counsel; (vi) discharging GTL as Receiver of the undertaking, property and assets of the Debtor; and (vii) releasing GTL from any and all liability, was heard by teleconference on May 1, 2020, in substitution to an in-person hearing at 330 University Avenue, Toronto, Ontario, in accordance with the Changes to Commercial List operations in light of COVID-19, dated March 16, 2020, and the Notice to the Profession of Chief Justice Morawetz, updated April 2, 2020.

ON READING the Report, the affidavits of the Receiver and its counsel as to fees (the "**Fee Affidavits**"), and on hearing the submissions of counsel for the Receiver, no one else appearing although served as evidenced by the Affidavit of Service, filed;

1. THIS COURT ORDERS that the Second Report and Third Report and the activities of the Receiver described therein, are hereby approved.

2. THIS COURT ORDERS that the following distributions be and are hereby approved and that the Receiver is authorized and directed to distribute the net sale proceeds from the sale of the Debtor's Property in the proportions set out in this paragraph, up to the aggregate amount of \$1.4 million (the "**Distributions**"):

- (a) Northern Ontario Heritage Fund Corporation: 44.69%;
- (b) South Temiskaming Community Futures Development Corp.: 29.84%; and
- (c) Temiskaming Development Fund Corporation: 25.48%.

3. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any application for a bankruptcy order hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), in

respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Debtor or any part thereof; the Distributions shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation and shall, upon the receipt thereof by the individuals and entities listed in paragraph 2 of this Order, be free of all claims, liens, security interests, charges or encumbrances granted by or relating to the Debtor.

4. THIS COURT ORDERS that the final statement of receipts and disbursements of the Receiver, dated March 2, 2020, and attached as Appendix "F" to the Third Report is hereby approved.

5. THIS COURT ORDERS that the fees and disbursements of the Receiver and its counsel, as set out in the Third Report and the Fee Affidavits, are hereby approved.

6. THIS COURT ORDERS that Confidential Appendixes 1 to 3 of the Receiver's first report, dated May 14, 2019, and Confidential Appendix 1 of the Second Report be and are hereby unsealed.

7. THIS COURT ORDERS that upon payment of the amounts set out in paragraph 2 hereof and upon the Receiver filing a certificate certifying that it has completed the other activities described in the Third Report, the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall

continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of GTL in its capacity as Receiver.

8. THIS COURT ORDERS AND DECLARES that GTL is hereby released and discharged from any and all liability that GTL now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of GTL while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, GTL is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

McE T.



Schedule "A" – Form of Receiver's Certificate

Court File No. CV-19-00612265-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

B E T W E E N:

TEMISKAMING DEVELOPMENT FUND CORPORATION,

Applicant

- and -

1793082 ONTARIO LTD., o/a K.D. QUALITY PELLETS

Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice McEwen of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated, February 22, 2019, Grant Thornton Ltd. ("**GTL**") was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of 1793082 Ontario Ltd., o/a K.D. Quality Pellets (the "**Debtor**").

B. Pursuant to an Order of the Court dated May 1, 2020, (the "**Discharge Order**"), GTL was discharged as Receiver of the assets, undertakings and properties of the Debtor effective upon paying the amounts set out in paragraph 2 of the Discharge Order and the Receiver filing with the Court a certificate confirming that the Receiver has completed the other activities described in the Third Report.

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

THE RECEIVER CERTIFIES the following:

1. That in accordance with paragraph 7 of the Discharge Order, the Receiver has paid the amounts set out in paragraph 2 of the Discharge Order and the Receiver has completed all other activities described in the Third Report.

Accordingly, pursuant to the Discharge Order, GTL has been discharged as Receiver.

DATED at Toronto, Ontario _____, on this ____ day of _____, 2020.

**Grant Thornton Ltd., in its capacity as
Court-Appointed Receiver of the
undertaking, property and assets of
1793082 Ontario Ltd., o/a K.D. Quality
Pellets, and not in its personal capacity**

Per: _____
Name:
Title:

TEMISKAMING DEVELOPMENT FUND
CORPORATION and 1793082 ONTARIO LTD. ET AL.
Applicant Respondent

Court File No.: CV-19-00612265-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

DISCHARGE ORDER

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

Larry Ellis LSO #49313K
Tel: 416.595.8639
Fax: 416.595.8695
lellis@millerthomson.com

Erin Craddock LSO # 62828J
Tel: 416.595.8631
Fax: 416.595.8695
ecraddock@millerthomson.com

Lawyers for Grant Thornton Limited, in its
capacity as receiver of 17930823 Ontario Ltd.,
o/a K.D. Quality Pellets

