

**COURT FILE NUMBER Q.B. 1639 of 2015**

**COURT OF QUEEN'S BENCH FOR SASKATCHEWAN  
IN BANKRUPTCY AND INSOLVENCY**

**JUDICIAL CENTRE SASKATOON**

**PLAINTIFF GOLDEN OPPORTUNITIES FUND INC.**

**DEFENDANTS PHENOMENOME DISCOVERIES INC.**

**IN THE MATTER OF THE RECEIVERSHIP OF PHENOMENOME DISCOVERIES INC.**

**AFFIDAVIT OF DOUGLAS BANZET**

I, **Douglas Banzet**, of the City of Saskatoon, in the Province of Saskatchewan, Businessman,  
**MAKE OATH AND SAY AS FOLLOWS THAT:**

1. I am the Chief Financial Officer of the Applicant, Golden Opportunities Fund Inc. ("**GOFI**"), such that I have personal knowledge of the facts and matters pertaining to the investment by GOFI in Phenomenome Discoveries Inc. ("**PDI**") and in regard to the facts and matters hereinafter deposed to, except where stated to be based upon information and belief, and where so stated, I believe the same to be true.
2. I swear this Affidavit for the purpose of providing the Court with evidence regarding the dealings between GOFI and PDI since the commencement of these proceedings by GOFI by means of its Notice of Application dated November 23, 2015.

**Application by GOFI For An Order Appointing a Receiver of PDI**

3. By Notice of Application dated November 23, 2015, GOFI applied to this Court for an Order pursuant to section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the "**BIA**") and section 64(8) of the *Personal Property Security Act, 1993*, SS 1993, c. P-6.2 (the "**PPSA**") appointing FTI Consulting Canada Inc. as receiver of all of the assets, undertakings and properties of PDI, including all proceeds thereof (the "**Property**").
4. The Application by GOFI for an Order appointing a receiver of PDI came on for hearing before the Honourable Mr. Justice Scherman at the Court House in Saskatoon on November 26, 2015. At this hearing, GOFI was met with a competing application by PDI for an Order granting relief to PDI under the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36 (the "**CCAA**"). Accordingly, the GOFI application was adjourned to December 3, 2015.

5. At the November 26, 2015 hearing before Mr. Justice Scherman, GOFI responded to the application by PDI for relief under the CCAA by indicating to the Court that the board of directors of PDI had not passed a resolution authorizing PDI to make an application for relief under the CCAA. As a result, Mr. Justice Scherman requested that the Court be provided with a joint report by counsel for PDI and counsel for GOFI regarding the proceedings which were to occur at the meeting of the board of directors of PDI scheduled to take place in Saskatoon on Friday, November 27, 2015.
6. By letter dated December 2, 2015, counsel for GOFI and counsel for PDI jointly delivered to Mr. Justice Scherman notes of the meeting of the board of directors of PDI which had occurred on Friday, November 27, 2015, which notes were prepared by the office of Warren Sproule, independent counsel to the PDI Board of Directors. Attached and marked as Exhibit "A" to this Affidavit is a true copy of the letter dated December 2, 2015 addressed to Mr. Justice Scherman described to in this paragraph, together with the minutes of the meeting of the board of directors of PDI described in this paragraph. Further, and in particular, at its November 27, 2015 meeting, the board of directors of PDI defeated a motion to approve, ratify and confirm the filing by PDI of the CCAA application which had occurred on November 20, 2016.

#### **The MOU**

7. GOFI, Mr. Dayan Goodenowe (the President and CEO of PDI) ("**Mr. Goodenowe**") and Yolbolsum Canada Inc. ("**YBCI**") met in Saskatoon on December 3, 2015 and entered into a non-binding Memorandum of Understanding reflecting an agreement by GOFI, Mr. Goodenowe and YBCI to take steps to implement the plan described therein (the "**MOU**"). Attached and marked as Exhibit "B" to this Affidavit is a true copy of the MOU.
8. Based upon the understanding reached between the parties as described in the MOU, GOFI, PDI, Mr. Goodenowe and YBCI agreed to proceed to Court before Mr. Justice Scherman that same day (December 3, 2015) and there to address the Court regarding a proposed form of interim receivership order for PDI.
9. The essential matters agreed to by the parties in the MOU were as follows, namely:
  - a) the board of directors of PDI would elect an independent chairperson of the PDI board of directors;
  - b) Mr. Goodenowe would resign as President and Chief Executive Officer of PDI and all subsidiaries of PDI;

- c) the current management services contract whereby YBCI and/or Mr. Goodenowe provided management services to PDI (the "**Old MSA**") would be terminated;
  - d) a new form of Master Service Agreement respecting management services to be provided to PDI would be agreed upon and entered into;
  - e) the board of directors of PDI would appoint a management committee to engage additional individuals as necessary to manage PDI, including, but not limited to, a chief executive officer, a chief financial officer and a chief operations officer; and
  - f) the Unanimous Shareholder Agreement governing the business and affairs of PDI would be amended to eliminate existing super majority provisions and generally to bring the voting rights of the shareholders of PDI in line with the default provisions of *The Business Corporations Act* of Saskatchewan.
10. On December 3, 2015, the parties attended before Mr. Justice Scherman, at which time GOFI applied for an Order appointing FTI Consulting Canada Inc. of Calgary, Alberta, as interim receiver of all of the assets, undertakings and properties of PDI (the "**Interim Receiver**"). The Interim Receivership Order was initially to be effective until January 4, 2016. The powers provided to the Interim Receiver under the Interim Receivership Order included powers to receive, preserve, protect and maintain control of the Property and to utilize money borrowed by the Interim Receiver to fund payment of the employee payroll obligations, wages, salaries, rent, insurance, utilities and other obligations determined by the Interim Receiver to be integral to the perseveration of the property.
11. Attached and marked as Exhibit "C" to this Affidavit is a true copy of the December 3, 2015 Interim Receivership Order.

#### **Events of December of 2015**

12. By letter dated December 17, 2015, the law firm of Stevenson Hood Thornton Beaubier LLP resigned as counsel to each of PDI and YBCI in regard to the four extant court applications before the Court of Queen's Bench for Saskatchewan (Q.B. No. 1643 of 2015, Q.B. 1588 of 2015, Q.B. No. 1639 of 2015 and Q.B. No. 1589 of 2015). Attached and marked collectively as Exhibit "D" to this Affidavit are true copies of the Notices of Withdrawal of Lawyer delivered by Stevenson Hood Thornton Beaubier LLP on December 17, 2015.
13. By Consent Order issued on December 21, 2015, the Interim Receivership Order was extended to and including January 28, 2016. Further, the Court thereby approved a proposed interim financing term sheet whereby GOFI agreed to lend the maximum

principal amount of Two Hundred and Fifty Thousand (\$250,000) Dollars to the Interim Receiver in order to provide interim financing to support the operations of PDI while it reorganized its business and financial affairs. Attached and marked as Exhibit "E" to this Affidavit is a true copy of the Order of the Honourable Mr. Justice B.J. Scherman of December 21, 2015 which is described in this paragraph.

14. Subsequent to the withdrawal of the Stevenson Hood Thornton Beaubier LLP law firm, the law firm of Robertson Stromberg LLP (represented by Messrs. Les Prosser and Kim Anderson) became new counsel to PDI. Furthermore, the law firm of WMCZ Lawyers (represented by Craig Zawada and Tyler Wake) became new counsel to YBCI.
15. By e-mail correspondence dated December 15, 2015, the law firm of MacPherson Leslie & Tyerman LLP ("MLT"), counsel to GOFI, delivered to counsel for PDI and counsel for YBCI an extensive set of draft documents required to implement the terms of the MOU, including documents required to effect the resignation of Mr. Goodenowe as President and CEO of PDI; documents required to terminate the Old MSA; a draft form of new MSA; Terms of Reference for the proposed PDI management committee and various forms of amendments to the Unanimous Shareholder Agreement. Attached and marked as Exhibit "F" to this affidavit is a true copy of e-mail correspondence from MLT to counsel for PDI and YBCI to this effect dated December 15, 2015.
16. During the period of time between December 15, 2015 and January 6, 2016, MLT received no reply correspondence from counsel to YBCI regarding the draft documents delivered on December 15, 2015. Attached and marked as Exhibit "G" to this affidavit is a true copy of January 6, 2016 e-mail correspondence from Todd Rosenberg of MLT to Craig Zawada of WMCZ Lawyers requesting that counsel for YBCI indicate when they expected to provide a response to the extensive documentation delivered on December 15, 2015. A response was subsequently received by MLT from WMCZ Lawyers.

#### **Events of January of 2016**

17. By Order dated January 14, 2016, the Honourable Mr. Justice B.J. Scherman granted an Order increasing the authorized amount of the Interim Receiver's Borrowings Charge from Two Hundred and Fifty Thousand (\$250,000) Dollars to Six Hundred and Fifty Thousand (\$650,000) Dollars. Attached and marked as Exhibit "H" to this Affidavit is a true copy of the January 14, 2015 Order of Mr. Justice Scherman described in this paragraph.

18. By Order dated January 21, 2016, the Honourable Mr. Justice N.G. Gabrielson ordered that the Interim Receivership Order shall be and was thereby extended to and including February 29, 2016. Attached and marked as Exhibit "I" to this Affidavit is a true copy of the January 21, 2016 Order of Mr. Justice Gabrielson described in this paragraph.
19. By the end of January of 2016, counsel for GOFI continued to await delivery of a significant number of comments from counsel for YBCI regarding proposed amendments to the MSA and finalized versions of the MSA. A meeting of the board of directors of PDI was scheduled for February 4, 2016. At that meeting, GOFI expected the various documents contemplated in the MOU (including the resignation of Mr. Goodenowe; the termination of the current MSA; the implementation of the new MSA; the terms of reference for the PDI management committee; an amendment to the license agreement and related documents) to be voted upon and approved by the PDI board of directors. Attached and marked as Exhibit "J" to this Affidavit is a true copy of January 29, 2016 e-mail correspondence from Erin Smith of MLT (counsel for GOFI) to Tyler Wake of WMCZ Lawyers (counsel for YBCI) stating the expectations of GOFI to this effect.
20. By e-mail correspondence dated January 29, 2016, Mr. Wake responded to Ms. Smith indicating that "I have sent the e-mail to Dayan on Yolbolsum's behalf for review and comment. I will respond accordingly once the client and I have discussed". Attached and marked as Exhibit "K" to this affidavit is a true copy of the January 29, 2016 e-mail correspondence from Mr. Wake to Ms. Smith described in this paragraph.

**Lack of Material Progress Toward Implementation of The MOU**

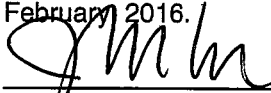
21. GOFI grew increasingly concerned with the lack of material progress achieved between the execution of the MOU on December 3, 2015 and the end of January, 2016. By letter dated February 1, 2016 addressed to the Interim Receiver, MLT (counsel to GOFI) indicated to the Interim Receiver that it required the various documents contemplated in the MOU to be voted upon and approved by the board of directors of PDI at its February 4, 2016 board meeting. The February 1, 2016 letter further indicated that, if such documents were not approved in the form presented, GOFI would be required to review and reconsider its continued financial support of PDI through funding to the Interim Receiver. Attached and marked as Exhibit "L" to this Affidavit is a true copy of the February 1, 2016 letter described in this paragraph.
22. Representatives of GOFI met with representatives of PDI and YBCI on Monday, February 8, 2016 to discuss all outstanding matters between the parties. As a result of this meeting, certain matters requiring delivery of further documents were agreed to. By e-

mail correspondence dated February 10, 2016, Todd Rosenberg of MLT (counsel to GOFI) circulated to counsel for PDI and counsel for YBCI drafts of the proposed documents reflected in this agreement. By e-mail correspondence dated February 11, 2016, Les Prosser of Robertson Stromberg LLP (counsel to PDI) requested certain edits to these documents. By e-mail correspondence dated February 11, 2016, Mr. Rosenberg circulated revised documents incorporating these edits requested by Mr. Prosser.

23. By e-mail correspondence dated February 13, 2016, Craig Zawada of WMCZ Lawyers (counsel to YBCI) delivered e-mail correspondence indicating that, for reasons stated therein, Mr. Goodenowe could not sign the proposed agreements in their present form. By reply e-mail correspondence dated February 13, 2016, Mr. Rosenberg expressed the concerns of GOFI regarding Mr. Goodenowe's refusal to sign the documents in question. Attached and marked collectively as Exhibit "M" to this Affidavit are true copies of the e-mail correspondence described in this paragraph and the immediately preceding paragraph.
24. GOFI has now fully advanced to the Interim Receiver the total aggregate amount of Sixty Hundred and Fifty Thousand (\$650,000) Dollars in interim financing contemplated in the various Orders of this Court issued in these interim receivership proceedings between December 3, 2015 and the present date.
25. Since December 3, 2015, GOFI has expended very considerable resources and very considerable effort to support PDI and to bring to fruition the matters contemplated in the MOU, in order to attract to PDI badly needed additional investment capital required to restructure the business and financial affairs of PDI. However, Mr. Goodenowe has refused to execute the documents contemplated in the MOU. As a result, notwithstanding the passage of over eighty days since the completion of the MOU, and notwithstanding the funding of some \$650,000 to the Interim Receiver by GOFI, PDI has taken no material steps to reform its corporate governance, to address the matters contemplated in the December 3, 2015 MOU and to take the steps required to attract additional capital investment required to restructure its business and financial affairs. In the circumstances, GOFI is not prepared to continue extending further interim financing to the Interim Receiver.
26. On February 15, 2016, the law firm of Robertson Stromberg LLP delivered a Notice of Withdrawal of Lawyer indicating that it has ceased to act as counsel to PDI. Attached and marked as Exhibit "N" to this Affidavit is a true copy of the Notice of Withdrawal of Lawyer described in this paragraph. As at the date of this Affidavit, to my knowledge, PDI has failed to obtain replacement counsel.

27. I have reviewed the Second Report of the Interim Receiver. I note the recommendation of the Interim Receiver to this Court to the effect that further extension of the interim receivership proceedings would be futile and that the Interim Receiver recommends to the Court that the interim receivership proceedings be terminated.
  
28. GOFI has determined that it has no alternative but to proceed with the hearing of its application to this Court for an Order appointing FTI Consulting Canada Inc. as "full" receiver of the property, assets and undertakings of PDI. This is the only viable remedy left which has the potential to preserve the value of the assets of PDI and to allow the stakeholders of PDI to potentially benefit from a restructuring or a going concern sale of the assets of PDI.
  
29. I make this affidavit in support of the application by GOFI for an Order appointing FTI Consulting Canada Inc. as receiver of the property, assets and undertakings of PDI, all as more particularly described in the Notice of Application dated November 23, 2015.

SWORN BEFORE ME at the City of Saskatoon, in the Province of Saskatchewan, this 22nd day of February, 2016.



A Commissioner For Oaths in and for the Province of Saskatchewan.

~~My appointment expires-~~

QR, Being a Solicitor.





)  
)  
)  
)

  
DOUGLAS BANZET

**CONTACT INFORMATION AND ADDRESS FOR SERVICE:**

Name of firm:	MacPherson Leslie & Tyerman LLP
Lawyer in charge of file:	Jeffrey M. Lee, Q.C. and Paul Olfert
Address of firm:	1500, 410 22 <sup>nd</sup> Street E, Saskatoon SK S7K 5T6
Telephone number:	306.975.7100
Fax number:	306.975.7145
Email address:	<a href="mailto:jmlee@mlt.com">jmlee@mlt.com</a> / <a href="mailto:mrussell@mlt.com">mrussell@mlt.com</a>
File No:	17667.113



Western Canada's Law Firm

MacPherson Leslie & Tyerman LLP  
1500 410 22nd Street East  
Saskatoon Saskatchewan  
Canada S7K 5T6  
T: (306) 975-7100  
F: (306) 975-7145  
www.mlt.com

December 2, 2015

**DELIVERED BY HAND**

Court of Queen's Bench for Saskatchewan  
Judicial Centre of Saskatoon  
Court House  
520 Spadina Crescent East  
Saskatoon, SK S7K 3G7

**Attention: Mr. Glen Metivier, Local Registrar**

Dear Sir:

**Re: In the Matter of the Companies' Creditors Arrangement Act, RSC 1985, c. C-36 as Amended  
And in the Matter of the Proposed Plan of Arrangement for the Creditors of Phenomenome Discoveries Inc. (Q.B. No. 1588 of 2015)**

This letter is delivered jointly by our office (as counsel to Golden Opportunities Fund Inc.) and by Mr. Thornton's office (counsel to Phenomenome Discoveries Inc.) in regard to the above-noted matter.

At the hearing of this matter before the Honourable Mr. Justice B. J. Scherman on Thursday, November 26, 2015, his Lordship requested that he be provided with a joint report by counsel regarding the proceedings which were to occur at the meeting of the Board of Directors of Phenomenome Discoveries Inc. ("PDI") scheduled to take place in Saskatoon on Friday, November 27, 2015. His Lordship also expressed his view that it would be a good idea for the Board of Directors of PDI to be advised by independent counsel in regard to such board meeting.

Mr. Warren Sproule of the law firm of Kanuka Thuringer LLP of Regina agreed to serve as independent counsel to the Board of Directors of PDI. Mr. Sproule received documentary materials on the evening of Thursday, November 26 and he attended the board meeting by telephone on November 27, 2015 and acted as independent counsel to the Board of Directors of PDI.

We attach a copy of the Notes of the Meeting of the Board of Directors of PDI which occurred on Friday, November 27, 2015, which Notes were prepared by Mr. Sproule's office.

Jeffrey M. Lee, Q.C.  
Direct Line: (306) 975-7136  
E-mail: JMLee@mlt.com

Assistant: Carmen R. Balzer  
Legal Administrative Assistant  
Direct Line: (306) 956-6956  
E-mail: CBalzer@mlt.com

THIS IS EXHIBIT "A" referred to in  
the Affidavit of Douglas Sanzet  
SWORN before me at Saskatoon  
this 2nd day of Feb., 2016

  
A COMMISSIONER FOR OATHS for  
Saskatchewan  
My Commission expires \_\_\_\_\_  
OR - Being a Solicitor





Both Mr. Thornton and I are satisfied that the attached Notes accurately reflect the proceedings which took place at the November 27, 2015 board meeting.

Mr. Thornton and I have jointly reviewed the content of this letter to the Court and are satisfied that it accurately reflects our joint position.

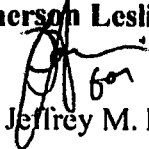
Kindly bring this letter to the attention of Justice Scherman as soon as possible.

Thank you for your assistance regarding this matter.

Yours truly,

**MacPherson Leslie & Tyerman LLP**

Per:

for  
Jeffrey M. Lee, Q.C.

JML:crb

Enclosure

cc: Stevenson Hood Thornton Beaubier LLP  
Attention: Robert Thornton, Q.C., solicitor for Phenomenome Discoveries Inc.

cc: Golden Opportunities Fund Inc.

**Kanuka Thuringer LLP**  
**Notes of the Meeting of the Board of Directors of**  
**Phenomenome Discoveries Inc. (the “Corporation”)**

**November 27, 2015, 10:00 a.m.**

**Roll call to confirm attendees**

**Attendees:**

Dayan Goodenowe (Chairman)  
Christine Hrudka (Lead Director)  
Blair Davidson  
Seth Yakatan  
Doug Banzet  
Peter Blaney  
Cindy Ogilvie  
John Ryan  
George Robertson  
Barry Markowsky  
Tyler on behalf of Dynex (shareholder, not a director)  
Monte Gorchinski, accountant and financial advisor  
Warren Sproule

**Dayan called the first meeting to order as a continuation of November 19 directors meeting (which had failed to meet quorum):**

- Dayan:
- Called meeting to order
  - Introduced Warren and asked him to say a few preliminary remarks
- Warren:
- Appointed to act for the Board as a whole and to take notes of the meeting
  - Not representing individual members
  - Members should speak through the Chair – Dayan or Christine – to prevent everyone from talking at once, especially since this meeting is via telephone
  - It would also help if everyone identifies themselves as they talk to make note-taking easier
- Unidentified Member:
- Discussion concerning recognition of Tyler as a director is on behalf of Dynex, which is a shareholder but not a director
- Dayan
- As chairperson, ruled that Tyler would not be recognized as a director
- Dayan:
- The judge ordered to have an independent lawyer present as counsel to the Board; this is not counsel to PDI
  - His role is to take meeting notes to be presented as evidence at the next hearing in front of the judge on December 3
- Blair:
- Would it be appropriate to have an independent directors’ meeting with

**Warren?**

**Dayan:**       • Not at this time

**Motion to have Warren Sproule present at this directors' meeting**

**Moved: Blair**

**Seconded:**

**Motion passed**

**Motion to have Monte present at this directors' meeting**

**Moved: Christine**

**Seconded: George**

- Peter opposes
- Dayan clarifies that Monte's role is answer questions on CCAA as he has been preparing monitor reports and confirms that Monte is working as a contractor
- George seconds because he would like to find out more about what is going on and feels he cannot do that without Monte
- Peter withdraws objection on the basis that that is Monte's role

**Motion passed**

**Dayan**       • Recommended that Warren be appointed as secretary for this meeting; no objections were raised and Warren was appointed as recording Secretary

**Dayan:**       • Christine will act as Lead Director and will chair the meeting when Dayan is speaking to a matter

**Doug:**       • Requests that the directors state their names again to ensure they have 100% attendance

**Christine:**   • Everyone is in attendance

**Dayan:**       • All ten directors, plus Tyler are present

**Blair:**       • Requests amendment to agenda that a meeting of independent directors with counsel be held

**Dayan:**       • Ruled that they cannot change the agenda because this meeting is an adjournment of the previous meeting which did not meet quorum

- It can be discussed at the second meeting

**Peter:**       • Cannot understand why a motion to the change the agenda to add meeting between independent directors and counsel cannot be brought

**Warren:**       • Confirmed that it is not appropriate in this meeting

- Feels if he explains his role, perhaps it will help people understand
- He is retained/ordered to provide advice to board as a whole; he does not act for a company or individual directors, he is independent counsel to the board as a whole
- Generally speaking, board acts as an entity and speaks through the chair
- The best way to handle these meetings is if someone is seeking opinion of board counsel, should make request of chair to put question to Warren

- Warren will then respond with all directors listening and they can carry on with their discussion
- Need to recognize that Warren was only retained at 5:15 p.m. last night; he has made effort to get up to speed on issues and corporate situation but is not fully cognizant of all aspects of company and challenges facing it
- He has reviewed corporate documents to be able to respond to questions he anticipates based on discussions with counsel, but may need time to respond to other questions

Blair:

- Had requested by email to get independent legal counsel or the board before the CCAA application was filed
- Wants to have a rapport with the counsel

Warren:

- Was not appointed under CCAA or receivership, understands that judge made interim order that this meeting should proceed and that legal counsel should be available

Blair:

- Supports that decision and thinks they may need more and more advice

Warren:

- At this point, scope of retainer and engagement is for these two meetings
- Not engaged as general counsel continuing beyond that
- Depending on where it goes, may need continuation of independent counsel
- His engagement ends once second meeting is done and report is provided to lawyers
- The company is responsible for Warren's fees, but he has been given guarantee by Golden Opportunities if the company cannot make payment
- Feels this is fairly standard and that the guarantee will not influence his advice
- Start by giving generic advice regarding the role of directors as members of board of a corporation
- This is general advice that applies to all directors
- Translating that into challenges facing all or some directors, will not be able to go very far as he cannot give individual advice
- Section 115 of *The Business Corporations Act* (the "BCA") – requirement that notification of any conflict of interest, a particular kind of conflict, has been given to corporation or entered into minutes previously
- That section requires where there is a material contract and you have an interest in it as a counter-party, or director or officer of a company that is counter-party, you have to make formal notice to corporation of that conflict of interest
- Not all conflicts of interest are subject to disclosure and disqualification under 115, only where there are material contracts
- If you are a board members of someone who has made a loan to the company, for example, then Section 115 probably applies and you have an obligation to make a disclosure
- Anticipating that there may not be unanimity on motions
- Should understand the concept of dissent under the BCA – not enough to avoid liability for ramifications to vote against resolution

- If you want to avoid responsibility, you must enter your dissent into minutes or give notice of dissent in a short period of time of meeting
  - If you disagree and do not want to accept joint responsibility, you need to give this notice of dissent or have notice dissent to the motion entered into the minutes
  - The dissent is not the same as a no-vote
  - A no-vote is the precondition to a dissent, but they are not the same thing
- Cindy:
- Seth dropped off the call, requests Warren repeat information for him
- Warren:
- Re-states obligations under Section 115 of the BCA for Seth
- Seth:
- Can you define material contracts
- Warren:
- Not sure he can define them -- it is a matter of size and how critical the contracts are to the corporation - loan agreements likely would be material contracts
  - Re-states information on notice of dissent
- Doug:
- When talking about voting, can that be recorded via roll call?
- Warren:
- Votes can be recorded that way if you choose to have a roll call
  - Normal process is the chair declares a motion to be passed or defeated
  - If you want, you can have an actual roll call of motion entered into minutes, but then you will actually have to have it
- Doug:
- Feels that roll calls should be done because the meeting is via telephone
- Warren:
- His role is advisor, not a true participant in meeting
  - He can give advice on legal questions he is asked, so he can say it is open to the chair or the board as a whole to decide to do a roll call vote on every motion or particular motions of importance – you do not normally see it on things like appointment of secretary
  - Then, in terms of rulings on points of orders or points of procedure, initial ruling made by chair, it is part of his role, and then it is subject to appeal or overridden by meeting as a whole
  - Subject to the limitations contained in the BCA, bylaws and USA, board is master of its own procedure
  - Example – if chair makes ruling that someone is not permitted to attend meeting, then another board member could move that someone be permitted to attend meeting by consent of board
  - Only people permitted to be at board meeting are board members, the officers of the corporation have a requirement to be there (chair and secretary), and the auditor of company, if there is one (although rare they would show up)
  - Everyone else needs consent of meeting to be there.
  - Already done that with Monte – that was appropriate
  - If there are others, then that same process should be followed
  - The ruling is initially made by the chair and subject to being overturned by

vote of the board.

- Blair:**
- Section 115 means you have to give notice of the conflict, does not mean you cannot take part in the meeting
- Warren:**
- Section 115 prohibits you from voting on approval of a material contract
  - The appropriate process would be to recuse yourself on that particular vote and generally not take part in the discussion
  - Just on approval of actual contract – does not mean you are prohibited from voting on all other issues that may touch on that contract
- Seth:**
- Warren is not up to speed on complexities of the company
- Warren:**
- This is a fair comment
  - Last point is specifically at request of counsel who contacted him: the question of general obligations of directors who sit on a board
  - It is often referred to as fiduciary obligations
  - There are three duties of relevance – two of them specifically come from the BCA and are statutory obligations
  - First of those is duty to act honestly and in good faith with a view to the best interests of the corporation
  - Honesty and good faith is a question of purpose
  - If the court questions a position or action that the board member takes, on that part of the test they will look at what was purpose of actions of board members – did he have an ulterior motive
  - Best interests of the corporation are self evident – actions must better situation of corporation, not your personal interest
  - Second branch under Section 117 is standard of care – reasonably prudent person test
  - Have to bring care that reasonably prudent person would take – for example, read materials provided, ask appropriate questions
  - In addition to those two statutory tests, fiduciary obligation of law
  - Role of director akin to trustee under a trust
  - Appropriate to impose same common law on directors
  - Very similar to first matter above, but extends further
  - Common law – put interests of corporation ahead of personal interest or others you have obligations to
  - Duty of confidentiality and disclosure come from this as well
  - If you have information in your possession that is of relevance to the corporation, you actually have a duty to disclose to fellow board members
  - If you learn information at board table, have to keep that confidential if it is of a confidential nature
  - There has been an attempt to limit that with USA – not in a position to comment on whether those provisions have the intended effect in law
  - Having conflicting obligations is not a defense
  - Arises when you get sued for violation of duty for director

- Would not be permitted to say you are member of other board member or employee of someone else and have duties to them as well
  - May seem harsh, but your remedy would be to resign
  - Court basically says tough luck
- Unidentified Member:
- Suggest the meeting should move along
  - Was only supposed to be a half hour meeting; have not touched agenda and it has been half an hour
- Dayan:
- Report on termination John Hyshka was provided
  - Board may want to form a subcommittee to look at the full extent of the data
- Motion to form subcommittee to deal with John Hyshka termination matters to report back to board
- Moved: Blair  
Seconded: Seth  
Motion passed
- Dayan:
- Demand letter of Golden Opportunities issued November 10
  - Responded on November 13
  - Additional time not granted
  - November 20, the CCAA application submitted to court in defense of the demand letter issued by Golden Opportunities
  - Judge, yesterday, again adjourned until next Thursday
  - Wants to hear outcome of this meeting on CCAA application part in terms of whether or not can deal with this at this time
- Seth:
- Requests that Warren summarize what CCAA application is, not familiar as he is American
- Dayan:
- That would be appropriate at this time
- Warren:
- CCAA is procedure of reorganizing a corporate body who is unable to meet obligations in ordinary course
  - Similar to Chapter 11 filing in the States
  - Court approved reorganization of debts of corporation after voting by creditors
- Seth:
- That is a sufficient explanation
- Blair:
- Is board approval needed for the CCAA filing?
- Dayan:
- That is part of why we are here today
  - Since board meeting last Thursday did not reach quorum, it did not take place
  - Would like to pass a motion to board for vote that the directors approve, ratify and confirm application under CCAA on November 20 and the institution of those legal proceedings
- Cindy:
- On what basis are we filing?
  - The board has received no information on this
- Dayan:
- Golden Opportunities' demand letter would expire on November 20 and they

would be able to realize on their security

- The CCAA application was filed to prevent that action and allow the company to reorganize debt and give protection against demand letter
- The enforcement activities of Golden Opportunities would be arrested for 30 days and Phenomenome Discoveries could create financing plan to submit to monitor for approval
- Basically, a 30 day hold period for company to come up with a plan; sort of a grace period
- Protection from all creditors during that period
- Warren can explain CCAA versus receivership

Warren:

- Receivership is request for appointment of a third party, usually trustee in bankruptcy, to take over operations, control and management from the board of directors
- CCAA filing is usually initiated by company as a response – raises stay of proceeding, prevents creditors from proceeding and allowed company to come up with plan to present to creditors for a vote
- While technically, yes, the initial filing gives you 30 days, in practice these proceedings tend to extend much longer than that
- Can go back to court for extensions and can be six months or even a one to two year process

Unidentified Member:

- Warren: How many CCAA proceeds have you Warren been involved in?

Warren:

- Dozens

Unidentified Member:

- How many situations where a board ratifies decision after the filing?

Warren:

- Not often – usually see approval by way of director's resolution before the filing is made

Barry:

- Want what is best for the company
- Not certain how he sees CCAA curing some of issues the board has been dealing with over last 16 months
- At that time, talked about sale of assets and alternative – IPO
- IPO did not satisfy requirements
- CCAA does not do what should have been done over past months, which should have been sale of assets – molecules and diagnostics
- Management group in place was unable to deal with issues that faced it
- Why is the situation of continuance in company's best interest?

Dayan:

- Do you want to dissolve board of directors, which manages company, or do you want court-appointed receiver?
- Corporation feels board should manage company
- Recognizes that due to time constraints, a retrospective ratification is in order and that is what judge wants



- Nothing you can do but vote on it
  - Question of whether you want board to decide on future or a court-appointed receiver
- Warren:
- Point of clarification: if I left impression that it was either or – CCAA or receivership, that was not intended
  - Entirely possible that judge could choose to decline both
  - Unusual to accept both in these circumstances, but judge has fairly wide powers
- Dayan:
- Third option is judge throws out both applications and Golden Opportunities gets paid in full
  - Receivership option is gone once Golden Opportunities is paid
  - Financial information provided provides for that
- Unidentified Member:
- Has Dayan spoken with Doug?
- Dayan:
- They have not gotten together and stand-down options have not been discussed
  - What is in front of the board is all the information he has
  - Need to move forward and get vote on CCAA board
  - If the board ratifies it, it does not mean that will be accepted by judge
- Doug:
- Wants to add point regarding receivership action
  - The judge still has ability, even if we vote against CCAA, to put a stay or hold on receivership action to allow the company to repay
- Dayan:
- Correct
- Doug:
- It will be up to judge to decide whether to allow the company to make those obligations good
  - This does not mean that PDI ends tomorrow if it is a negative vote, just means it is up to the judge whether he wants to give time or not
- Seth:
- Wants to understand what is in front of the board
- Doug:
- With CCA filing, existing management and board try to restructure company and raise new money as a going concern
  - In a receivership – management no longer has control over assets, management would report to receiver and board would not have any powers
- Dayan:
- Third option – judge can throw both out and come up with payment strategy
  - Judge has large discretionary abilities
  - Vote is just the technicality of the CCAA is taken off the table and judge can make ruling without encumbrance of board not having voted on CCAA application
  - The judge could say he does not care and still accept it
- Blair:
- This is not just a technicality

- Board has to vote whether or not whether we want to go into CCAA protection or to try to work out mess
- Seth:
- If we vote for the CCAA action, then we all have to agree on a financing
  - He sees package as unless someone puts money into company, ass over tea kettle
  - If we do not approve, probably a receiver will be appointed
  - Say CCAA is approved, what is in front of us is \$2 million bridge and pre-IPO financing?
- Dayan:
- Yes, both; would bring in \$2-3 million after Golden Opportunities is paid off
  - Need to take vote and report back to the judge
- Warren:
- Is there a motion?
- Dayan:
- The motion is the directors approve, ratify and confirm the filing of the application under the CCAA on November 20, 2015 and the institution of those legal proceedings and all acts and matter relating to foregoing
- George:
- Just so understand before go further, if the motion is passed, you will be in the position to provide necessary funds to keep company going, pay off the Golden Opportunities note and advance from there?
- Dayan:
- Correct, but just voting on if it can be heard in court
- George:
- If this motion is put forward and seconded, do we then vote on it
- Dayan:
- Correct

Motion to approve, ratify and confirm the filing of the application under the CCAA on November 20, 2015 and the institution of those legal proceedings and all acts and matter relating to foregoing

Moved: George

Seconded: John

Vote held by roll call:

Barry: no

George: yes

John: yes

Cindy: no and notes dissent

Barry: notes dissent as well

Peter: no and notes dissent

Doug: no and notes dissent

Seth: have to vote no because of lack of info

Blair: no, also not enough info

Christine: votes no, think there are opportunities for stand down conditions

Dayan: yes

Motion defeated

- Warren:
- There are rare situations where yes-votes may want to note dissent
  - Dayan, George and John all note their dissent

- Dayan**
- MDL contract negotiations – have sent demand letter to have negotiations completed by November 30, but no conclusion to those negotiations
  - IPO financing and exit plan discussions – in report
  - Have discussed with consultants – two companies interested in doing pre-IPO financing
  - One has offer letter, put in package
  - Report on financial status and motions to approve interim financing to deal with
  - Financial status – October 15 report is out today
  - End of October, \$590,000 in cash, \$300,000-\$400,000 now; in that regard, pretty low on cash
  - Yol Bolsum loan – not been advanced beyond \$2 million due to Golden Opportunities at this time, which is purpose of loan put to board on 19<sup>th</sup>
  - Would allow to advance loan so that Golden Opportunities can be paid off
  - Have secured appraised property over \$9 million
  - Funds to pay into Golden will be available next week.
  - Yol Bolsum Holdings loan offering – would like discussion and then move to have that offer accepted.
- Peter:**
- With this loan offering, what are provisions if PDI becomes liquid or insolvent?
- Dayan:**
- They would have secured interest in Alzheimer's drug and PDI
- Peter:**
- Impression is that this would put in position that Dayan could take over all assets of company for \$2 million
- Dayan:**
- All he can do is get money back the same way – if we fail at this whole process –
- Peter:**
- Can Warren comment on these questions
- Warren:**
- This goes beyond information he has reviewed
  - Is this additional financing is coming from entity related to Dayan?
  - Dayan would obviously abstain from vote
  - Is there a motion put forward?
- Peter:**
- Not yet
- Dayan:**
- Because this is an adjourned motion, have to put it to a vote
- Warren:**
- Interim financing would create security charge on assets of the corporation
- Dayan:**
- These are currently assets that are not encumbered by PDI
- Warren:**
- General rule is that if we get valid security, then the lender would be able to realize upon those assets that are granted as security if the company is unable to pay
- Peter:**
- These are unencumbered assets – are they subject to MedLife dispute?

- Dayan:**
- The Alzheimer's drug is not in dispute
  - There could be partial dispute with the use of the drug for RCDP
- Doug:**
- Without having that MedLife "solved" by a certain date, would not be able to transact this, would not be able to take that as security until that is resolved
- Dayan:**
- There would be a cloud on it and that would be part of documentation
- Doug:**
- Dilutive offering – next one down that allows this debt to be converted for \$1 per share when last issue price was \$70 per share
  - Ability to convert this debt and other debt held by Yol Bolsum is dilutive and as shareholder that cannot participate in future financing, which would be some of LP's that are common shareholders and Government of Saskatchewan through CIC, who do not fund any more, diluting them down to 0
  - He thinks it's quite disrespectful
- Dayan:**
- Unfortunately that is a challenge and feels board does not want to enter into anything
  - September offering of \$70 has not been tabled since
  - Now in a situation where board is systematically not approving any financing for this company
  - Should be put to a vote
- Warren:**
- Wants to make sure record is correct on point
  - Motion to approve contract to company where Dayan has conflict of interest – is he recusing himself on only vote or also discussion?
- Dayan:**
- Will recuse himself on vote, up to board as to discussion
- Warren:**
- It would be appropriate for Christine to act as chair for this discussion
- Peter:**
- Not accurate to say board is refusing to pass anything
  - Approved MedLife deal almost unanimously
  - Secondly, have to say he is disappointed that when he asked about impact of loan offer, Dayan did not bring up conversion issue and price
- Dayan:**
- Conversion rate is the last issued price
- Christine:**
- Motion to vote on Yol Bolsum loan offering with purpose to pay out Golden Opportunities
- Blair:**
- Have we looked at all other financing options to alleviate Golden Opportunities responsibilities?
  - Understanding that we are in a crunch but have we looked at anything else?
- Dayan:**
- Pre-IPO financing not interest within the ten-day window
- Blair:**
- Agree that the timeline is a problem
- Peter:**
- Wants to make point that in August 2014, board considered IPO and voted to sell assets to create exits
  - As he is aware, there is no authorization from board previously to have

anybody put pre-IPO financing in front of board

- Dayan:**
- We do not have pre-IPO financing in front of the board
- George:**
- Understand that Dayan has been forced into this because of Golden Opportunities note which has to be paid
- Doug:**
- Looking at PDI financial statements – it is insolvent
  - It does not have ability to raise capital
  - When you go into receivership – and Golden has committed to fund debtor in possession financing – ability of company to continue and for sale of assets is not in jeopardy at this moment
- Dayan:**
- USA has provision regarding if you want company be wound-down, you could present to board package to vote on that
  - Nothing has been presented to board
  - We have a secured creditor threatening receivership
  - What is in front of board is demand note of a secured creditor threatening to realize on security
- Peter:**
- Dayan is advancing an argument that he has been advancing since August 2014
  - His problem is that we have no fiduciary duty to put money into company
  - Feels we do not have obligation to continue what he has been doing
- Christine:**
- Doug, do you have package that could be presented to board?
- Doug:**
- Not at this time
  - Problem is that none of the plans that were to be executed have been executed and not sure that \$3 million – now only have closing date for December 18, will be out of money before then
- Dayan:**
- As a secured creditor, are you refusing to pay for your debt?
- Doug:**
- Open-ended agreement that may or may not come true
  - Could put money in, get security, go into receivership
- Dayan:**
- Could put in provisions stating minimum is to pay out Golden Opportunities loan
- Doug:**
- Minimum needs to include operating
  - Talking as a director, not about paying Golden Opportunities' loan, talking about fundamental continuance of PDI as going concern enterprise
  - \$100,000 or \$300,000 does not solve problems
- Peter:**
- Have turned down loan offers in past and have done so because they were inadequate and had no vision for next steps
  - Dayan has only talked about interim loan that is constituent with what was talked about before
  - Have no support from board to do it
  - Feels it is not acceptable

- Christine:**
- Need to put forth a motion
- Warren:**
- It would be permissible for someone to put forward a motion to reject the financing
- Christine:**
- Will go through vote to reject Yol Bolsum loan offering
- Unidentified Member:**
- Not happy with terms of agreement
  - Happy with putting cash into company, would like to see more equity come in but loan – problem is what security is and obligation to other shareholders
- George:**
- We have to know that there is going to be some – it looks to him that whatever has happened, there needs to be payment made of the note, otherwise company goes into receivership
  - That has to be taken care of
  - In terms of what happens next, that will need to be considered next
  - What comes next should be a second motion
- Blair:**
- Agree
  - There is one thing to vote down motion, but voting it down without having looking to the future – seems like a problem
- Doug:**
- In Canada – when you go into receivership, there is a funder, in this case Golden Opportunities, that will fund operations of PDI and is not necessarily a vehicle where company is 100% wound down
  - Receiver would manage and is under the court's approval
- John:**
- How would we have financial manager of scientific company?
- Doug:**
- Receiver would sit down with Dayan to determine what is needed
  - Not necessarily a bad outcome, could be good outcome for betterment of science and company continues with financing available with debtor in possession financing, usually under commercial terms, probably under 8-12%
  - Warren, is that a usual circumstance?
- Warren:**
- Is the chair OK with him responding to this question?
- Christine:**
- Yes
- Warren:**
- Doug has presented a version that may or may not come true
  - In his experience, very rare for a company that goes into receivership to come out except through liquidation, sale, etc.
  - It has happened, but is rare
  - No necessity that funding be presented under receivership
  - There are receiverships where company continues, if the judge so orders
  - Also possible that it will simply result in wind-up and sale
  - Cannot predict what outcome will be until you see court order judge makes
- George:**
- His history is that he has been working on trying to get funding on clinical study of Parkinson's disease
  - That is his sole purpose to see that compound tested in humans as quickly as

possible with best people

- Do not want to see that jeopardized and any votes that he makes, that is his motivation
- In his view, company needs to keep going in order for that to happen
- Would vote in favour of maintaining what is going on so they can do that

Peter:

- Comments are in response to George
- Appreciate that it is entertaining – this is very distressful meeting for those who represent hard cash and have to look at investors and explain what has happened
- Responsibility as a director is far beyond primary concern and interest and passing a motion to put money into a company with \$1 a share and it's not enough money to take company anywhere is an organized mugging

Dayan:

- Why are you thinking this is a death sentence?
- Provides time – six months – to get pre-IPO financing

Peter:

- Six months is not a huge period of time when CEO has delayed efforts to sell assets
- Has had since August 2014 to sell assets and do not even have a deal on the table
- Six months is not a lot of time considering the history

Christine:

- Voting only on loan, will touch private placement offering later

Barry:

- Appreciate where George is coming from, but to Doug and Peter's comments, have been less than successful on sale of assets, but gives credit to Dayan for IP that has been created and patents put forward
- Feels it is in everyone's interest to look at rare disease situation and Alzheimer's product as valuable assets
- In the hands of another organization, your fervent wish and desire could come through under other management
- Do not think that it becomes a dead issue if motion is defeated

Motion to reject Yol Bolsum Holding Inc.'s financing offering

Moved: Peter

Seconded: Cindy

Vote held by roll call:

Barry: too much uncertainty – vote to reject, yes

George: yes means rejected?

Warren: no is not acceptance, just a no to rejection

George: No

Warren: suggest you say "in favour" instead of yes, which means to in favour to reject

John: Not in favour

Cindy: in favour

Peter: in favour

Doug: in favour

Seth: in favour

**Blair:** confirms that it doesn't mean we can't do another financing? In favour

**Christine:** in favour, but to have some other vehicle created

**Motion is passed**

**Blair:**

- Feels that issue he has had all along is that the board have not been upfront and honest
- What is happening now is dealing with issues that should have been discussion months ago – even CCAA issue should have been discussed some time ago
- Do not feel there has been enough information and discussion

**Peter:**

- In response to Blair, with respect, it is his first meeting and what he can say is that the Board has made real efforts over 24-36 months to plot course and deal with issues and have been unable to do so

**Cindy:**

- Thinks Barry spoke very well, that mindset of board is that while we support science and technology, may be best in other people's hands as they are not able to move forward

**Peter:**

- Fully support what Cindy has said

**Christine:**

- No point in private placement offering

**Dayan**

- On that matter, probably can adjourn this meeting

**Warren:**

- Before adjournment want to discuss the issue of personal liability of directors
- Not sure if the board has had advice on this issue or not

**Unidentified Member:**

- Were given copies of documents regarding protection and liability and what is expected

**Warren:**

- So are you all up to speed on the issue of personal liability of directors?

[comments from unidentified members]

**Christine:**

- They feel they are ok for today

**Doug:**

- Appreciate that being brought up
- In previous board meeting of September 24 or during last discussion, even though it was not a properly held meeting, had discussion and asked Dayan to provide details regarding the liabilities of directors as a result – if the company was to default and if the company went into default
- Severances, statutory obligations, etc.
- That has not been received, but understand Dayan has been busy

**Christine:**

- Need to go to next meeting, need motion to adjourn this meeting

**Motion to adjourn meeting**

**Moved: John**

**Seconded: Cindy**

**Motion is passed**



**Second meeting:**

- Dayan:**
- Called meeting to order
  - This is now actual meeting, not adjourned meeting
  - With John leaving – John and Fady were signing authorities for any amount
  - Could have better check and balance situation
  - Three people who could sign, controlled: Michelle Bonk and Fady could sign \$5,000 each, together could sign up to \$100,000 and Dayan would replace John as regular signing authority
  - This past month, wrote rent cheque, had to write out 12 cheques.
- Doug:**
- Writing out 12 cheques is not good governance and he is angry about that
  - Who signs purchase orders and authorizes payments?
- Dayan:**
- I do
- Doug:**
- Should not be able to do that
- Dayan:**
- Process goes from Audrey, then to Michelle Bonk, then Fady for due process
  - Fady would present to John who would then sign the cheques
- Doug:**
- If that is the process that was there before, do not think John approved PO's before or submitted them
  - Not sure what was there before, but same person cannot authorize purchase order and sign cheque
- Dayan:**
- We can figure out a plan
- Doug:**
- Would not have Fady and Michelle to sign up to \$100,000, would limit to \$25,000 and after that, Dayan and Fady and Michelle, as long as you both sign
- Dayan:**
- So two would sign, that is fine
- Doug:**
- Can leave this up to the board for comments
- Peter:**
- With respect, have voted today to reject Dayan's motion for CCAA, we have voted to reject loan offer
  - Do not see how he can ask to give unfettered signing authority – it does not make sense
  - Need a more thought out process and trying to make one up on the fly is difficult
  - Does not feel it makes sense to leave Dayan on signing authority
- Unidentified Member:**
- Can Monte come up with plan?
- Dayan:**
- Right now, Fady is only person that can write cheques
  - Doug came up with several alternative plans
- Peter:**
- What if it is not Dayan, but other people
- Dayan:**
- Still president, CEO and only officer

- Peter:**
- Unilaterally made decisions to work that out
- Cindy:**
- Agrees with discussion regarding having Monte coming up with something fairly quickly to have separation of people processing and approving
  - Not good separation of duties right now
- Dayan:**
- Monte is still here, he can go through that
- Doug:**
- Need to approve a motion – will never get written resolution when it comes out to get everyone to sign-out
  - Need to delegate authority to board member to agree that signing authorities have to change and approve motion that delegates authority and work with Monte to find appropriate proper governance model and signing authorities
- Peter:**
- Would recommend Cindy for that position
- Cindy:**
- Thank you, but not in Saskatoon
- Blair:**
- Should lead director be responsible for that?
- Doug:**
- Could be Blair?

Motion for board to approve corporate resolution for signing authority for lead director with Monte to put in place signing authorities proper governance model for banking authorities

Moved: Doug

Seconded: Blair

Motion is passed

- Blair:**
- Can board be provided with cash flow projection for next six months?
- Dayan:**
- Working on it and will put that together
  - Will report to judge on Thursday

Motion to adjourn meeting

Moved: John

## MEMORANDUM OF UNDERSTANDING

**THIS MEMORANDUM OF UNDERSTANDING** reflects an understanding arrived at on the 3rd day of December, 2015:

**AMONG:**

**Golden Opportunities Fund Inc. ("GOFI")**

**AND:**

**Dayan Goodenowe ("Goodenowe")**

**AND:**

**Yolbolsum Canada Inc. ("YBCI")**

THIS IS EXHIBIT " B " referred to in  
the Affidavit of Douglas Banzet  
SWORN before me at Saskatoon  
this 20 day of Feb., 20 16

[Signature]  
A COMMISSIONER FOR OATHS for  
Saskatchewan

~~My Commission expires \_\_\_\_\_~~  
- OR - Being a Solicitor

**WHEREAS** the parties hereto desire to enter into the within Memorandum of Understanding which sets out a general plan for the resolution of certain issues in relation to the governance and management of Phenomenome Discoveries Inc. ("PDI");

**NOW THEREFORE** the parties agree, in good faith and on a reasonable best efforts basis but without the creation of binding contractual commitments, to take steps to implement the following plan within 45 days from the date hereof:

### Board Chair

- 1) **Independent Chair** – The Board of Directors of PDI will elect an independent chairperson of the PDI Board of Directors.

### Role of Dayan Goodenowe

- 2) **Resignation** – Goodenowe will resign as President and Chief Executive Officer of PDI and all subsidiaries of PDI.
- 3) **Termination of current MSA** – YBCI will voluntarily terminate the Master Services Contract with PDI respecting the management services provided by YBCI, including the services of Goodenowe, to PDI (the "Old MSA").
- 4) **Creation of new MSA** – Concurrent with paragraphs 2 and 3 above, PDI and YBCI will enter into a new Master Services Agreement (the "New MSA") respecting the management services provided by YBCI, including the services of Goodenowe, to PDI. The New MSA will, among other things:
  - a) Recognize the service and tenure of YBCI with PDI under the Old MSA;
  - b) Set compensation for YBCI that is no less than that provided for in the Old MSA, as determined on an annual basis by the Board of Directors of PDI; and
  - c) Provide that Goodenowe will serve as the Chief Science Officer of PDI.

### Management Committee

- 5) **Interim Management** – The Board of Directors of PDI will appoint a "Management Committee" of not less than four (4) individuals to manage PDI on an interim basis, which committee shall include

Dayan Goodenowe and Douglas Banzet.

- 6) **Role of Management Committee** – The terms of reference of the Management Committee will authorize the Management Committee, with the approval of the Board of Directors of PDI, to engage such additional individuals as are necessary to manage PDI including, but not limited to, a Chief Executive Officer, a Chief Financial Officer, and a Chief Operations Officer (the "New Executives"). The New Executives, the Chief Science Officer and such other individuals as are necessary to manage PDI (as designed by the Board of Directors) shall constitute the "New Management". The Management Committee will terminate once the New Management is engaged to manage the business and affairs of PDI. The New Management will manage all aspects of PDI's operations including, for clarity, the possibility of leading PDI into an initial public offering or initiating a sale of all or substantially all of PDI's assets.

### **Governance**

- 7) **Signing Officers** – Signing authority for PDI bank accounts and contracts will be held by two individuals to be determined by the PDI Board of Directors.
- 8) **Amendments to USA** – The Unanimous Shareholders Agreement of PDI shall be amended to, among other things:
- a) Eliminate the supermajority voting provisions in section 4.8;
  - b) Generally bring the voting rights of the shareholders of PDI in line with the default provisions of *The Business Corporations Act* (Saskatchewan);
  - c) Set quorum for meetings of the PDI Board of Directors at 50% of currently serving directors plus one;
  - d) Set the voting threshold for meetings of the PDI Board of Directors at 50% of directors attending the meeting plus one;
  - e) Set the number of directors of PDI as not more than thirteen (13);
  - f) Grant certain shareholders of PDI the right to nominate up to nine (9) directors (the "Shareholder Nominees") to the PDI Board of Directors as follows:
    - i) Dynex Capital Limited Partnership ("Dynex") is entitled to have two (2) nominees elected to the Board;
    - ii) Tancho Capital (1) Limited Partnership and Tancho Capital (3) Limited Partnership are jointly entitled to have one (1) nominee elected to the Board;
    - iii) CIC Asset Management Inc. is entitled to have one (1) nominee elected to the Board;
    - iv) GOFI is entitled to have one (1) nominee elected to the Board;
    - v) Goodenowe is entitled to have one (1) nominee elected to the Board; and
    - vi) YBCI is entitled to have three (3) nominees elected to the Board; and
  - g) Require the Shareholder Nominees to recommend to the shareholders four (4) additional independent directors, which slate of independent directors the shareholders will approve or reject in its entirety. For greater certainty, the shareholders will have no right to nominate or vote on the

appointment of any other directors, other than those independent directors as nominated on the slate as referred to above.

Notwithstanding the foregoing, GOFI will discuss with Dynex the possibility of reducing Dynex's complement of directors from two (2) to one (1) and, if Dynex agrees to do so, the number of independent directors to be recommended by the Shareholder Nominees shall increase to five (5).

**YBCI Debt**

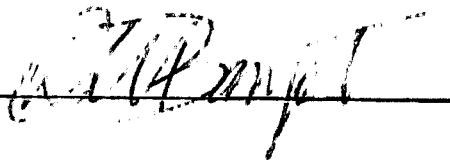
- 9) **YBCI Debt** – YBCI and GOFI will restructure the secured indebtedness owing from YBCI to GOFI (the "YBCI Debt") such that the YBCI Debt will become a secured debt of PDI to GOFI.

The parties, by their signatures hereto, hereby acknowledge and agree to this Memorandum of Understanding.

Dated at Saskatoon, Saskatchewan this 3rd day of December, 2015.

**GOLDEN OPPORTUNITIES FUND INC.**

Per: \_\_\_\_\_

  
\_\_\_\_\_  
12/30  
**DAYAN GOODENOWE**

**YOLBOLSUM CANADA INC.**

Per: \_\_\_\_\_

IN THE COURT OF QUEEN'S BENCH OF SASKATCHEWAN  
JUDICIAL CENTRE OF SASKATOON

BETWEEN:

**GOLDEN OPPORTUNITIES FUND INC.**

Plaintiff  
(Applicant)

THIS IS EXHIBIT "C" referred to in  
the Affidavit of Douglas Ranzet  
SWORN before me at Saskatoon  
this 22 day of Feb., 20 16

- and -

A COMMISSIONER FOR OATHS for  
Saskatchewan

My Commission expires \_\_\_\_\_

OR - Being a Solicitor

**PHENOMENOME DISCOVERIES INC.**

Defendant  
(Respondent)

**INTERIM RECEIVERSHIP ORDER**

BEFORE THE HONOURABLE  
MR. JUSTICE B. J. SCHERMAN  
IN CHAMBERS

) ON THURSDAY, THE 3<sup>rd</sup> DAY OF  
) DECEMBER, 2015.  
)

Upon the Application of Jeffrey M. Lee, Q.C. and Paul Olfert, counsel on behalf of **GOLDEN OPPORTUNITIES FUND INC. ("GOFI")**, and upon hearing from Jeffrey M. Lee, Q.C. on behalf of GOFI, and upon hearing from Robert Thornton, Q.C., counsel on behalf of **PHENOMENOME DISCOVERIES INC.**, and on reading the Notice of Application on behalf of GOFI dated November 23, 2015, the Affidavits of Gavin Preston, David Dube, Craig Bell, Peter Blaney and Barry Bridges, each sworn November 23, 2015, the Affidavit of Gavin Preston sworn November 25, 2015, the Supplementary Affidavit of Gavin Preston sworn on November 25, 2015, the Affidavit of Dayan Goodenowe sworn on November 20, 2015, the Supplementary Affidavit of Dayan Goodenowe sworn on November 25, 2015, the Second Supplementary Affidavit of Dayan Goodenowe sworn on November 26, 2015, the Second Supplementary Affidavit of Dayan Goodenowe sworn on December 2, 2015, the Consent To Appointment executed by FTI Consulting, Inc., the Brief of Law on behalf of GOFI and the draft Receivership Order, all filed, and the pleadings and proceedings herein;

The Court Orders:

**SERVICE**

1. The time for service of the notice of application for this order is hereby abridged and service thereof is deemed good and sufficient.

**APPOINTMENT**

2. Pursuant to s. 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("**BIA**"), FTI Consulting Inc. of Calgary, Alberta is hereby appointed Interim Receiver, without

security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to the Debtor's business, including all proceeds thereof (the "Property").

3. The appointment of the Interim Receiver under this Order shall continue in full force and effect until January 4, 2016 or further Order of this Court extending such appointment (whichever shall first occur). If this Order is not extended by further Order of the Court, the Interim Receiver shall be automatically discharged (without further Order of the Court) at 11:59 p.m. on January 4, 2016.
4. No provision in this Order shall be deemed, construed or interpreted so as to limit or restrict the powers of the board of directors of the Debtor to control and administer the business and financial affairs of the Debtor.

#### **INTERIM RECEIVER'S POWERS**

5. The Interim Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property, and, without in any way limiting the generality of the foregoing, the Interim Receiver is hereby expressly empowered and authorized to do any of the following where the Interim Receiver considers it necessary or desirable:
  - (a) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
  - (b) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Interim Receiver's powers and duties including, without limitation, those conferred by this Order;
  - (c) to report to, meet with and discuss with such affected Persons (as defined below) as the Interim Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable;
  - (d) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Interim Receiver, in the name of the Debtor;
  - (e) to utilize money borrowed by the Interim Receiver to fund payment of the employee payroll obligations, wages, salaries, rent, insurance, utilities and other obligations determined by the Interim Receiver to be integral to the preservation of the property;
  - (f) to report to the Court and the creditors of the Debtor regarding the status of the business and financial affairs of the Debtor, including its assets, liabilities, accounts payable and other matters deemed relevant by the Interim Receiver; and
  - (g) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

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

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

6. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Interim Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Interim Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Interim Receiver upon the Interim Receiver's request.
7. All Persons shall forthwith advise the Interim Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Interim Receiver or permit the Interim Receiver to make, retain and take away copies thereof and grant to the Interim Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Interim Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
8. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Interim Receiver for the purpose of allowing the Interim Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Interim Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Interim Receiver with all such assistance in gaining immediate access to the information in the Records as the Interim Receiver may in its discretion require including providing the Interim Receiver with instructions on the use of any computer or other system and providing the Interim Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE INTERIM RECEIVER**

9. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Interim Receiver except with the written consent of the Interim Receiver or with leave of this Court.



#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

10. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Interim Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement, if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8.

#### **NO EXERCISE OF RIGHTS OF REMEDIES**

11. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Interim Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Interim Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Interim Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Interim Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a mortgage, floating charge, or security interest, or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect a lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further steps shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Debtor and the Interim Receiver.

#### **NO INTERFERENCE WITH THE INTERIM RECEIVER**

12. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Interim Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an "eligible financial contract" (as defined in section 11.1(1) of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36) with the Debtor from terminating such contract or exercising any rights of set-off, in accordance with its terms.

#### **CONTINUATION OF SERVICES**

13. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Interim Receiver, and that the Interim Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Interim Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Interim Receiver, or as may be ordered by this Court.

## **INTERIM RECEIVER TO HOLD FUNDS**

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

## **EMPLOYEES**

15. Subject to the employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor. The Interim Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Interim Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) and 81.6(3) of the BIA.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. (a) Notwithstanding anything in any federal or provincial law, the Interim Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Interim Receiver's appointment; or
  - (ii) after the Interim Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Interim Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Interim Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Interim Receiver to remedy any environmental condition or environmental damage affecting the Property, the Interim Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- (i) if, within such time as is specified in the order, within ten (10) days after the order is made if no time is so specified, within ten (10) days after the appointment of the Interim Receiver, if the order is in effect when the Interim Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Interim Receiver:
    - A. complies with the order, or
    - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;

- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within ten (10) days after the order is made or within ten (10) days after the appointment of the Interim Receiver, if the order is in effect when the Interim Receiver is appointed, by,
  - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Interim Receiver to contest the order; or
  - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Interim Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

Nothing in this Order shall derogate from the protection afforded to the Interim Receiver by s. 14.06 of the *BIA* or any other applicable legislation.

#### **INTERIM RECEIVER'S ACCOUNTS**

- 17. The Interim Receiver and counsel to the Interim Receiver shall be paid their reasonable fees and disbursements in each case at their standard rates and charges and that the Interim Receiver and counsel to the Interim Receiver shall be entitled to and are hereby granted a charge (the "**Interim Receiver's Charge**") on the Property as security for such fees and disbursements both before and after the making of this Order in respect of these proceedings, and that the Interim Receiver's Charge, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to sections 14.06(7), 81.4(4) and 81.6(2) of the *BIA*.
- 18. The Interim Receiver and its legal counsel shall pass their accounts from time to time.
- 19. Prior to the passing of its accounts, the Interim Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Interim Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE INTERIM RECEIVERSHIP**

- 20. The Interim Receiver shall be at liberty and is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Interim Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Interim Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Interim Receiver's Charge.

21. Neither the Interim Receiver's Borrowings Charge nor any other security granted by the Interim Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
22. The Interim Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Interim Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
23. The monies from time to time borrowed by the Interim Receiver pursuant to this Order or any further order of this Court and any and all Interim Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Interim Receiver's Certificates.

#### ALLOCATION

24. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Interim Receiver's Charge and Interim Receiver's Borrowings Charge amongst the various assets comprising the Property.

#### GENERAL

25. The Interim Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
- 25A. Yolbolsum Canada Inc. ("YBCI") has indicated its intention to lend to the Debtor, pursuant to the loan agreement between YBCI and the Debtor, the sum of One Hundred Thousand (\$100,000.00) Dollars (the "YBCI Loan"), in order that the proceeds of the YBCI Loan can be used by the Debtor to pay the legal accounts of Stevenson Hood Thornton Beaubier LLP ("SHTB") as counsel to the Debtor, including services rendered with respect to proceedings under the *Companies' Creditors Arrangement Act* and the Receivership application by GOFI. Notwithstanding anything contained herein, YBCI shall be entitled to advance the YBCI Loan to the Debtor and, at its option, may advance the proceeds of the YBCI Loan directly to SHTB.
26. Nothing in this Order shall prevent the Interim Receiver from acting as a trustee in bankruptcy of the Debtor.
27. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Interim Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Interim Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Interim Receiver and its agents in carrying out the terms of this Order.
28. The Interim Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Interim Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
29. The Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the

Plaintiff's security, then on a substantial indemnity basis to be paid by the Interim Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

30. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Interim Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

**FURTHER SERVICE**

31. The Applicant shall, within ten (10) days of the date of this Order, cause a true copy of this Order to be served by prepaid ordinary mail on all persons to whom the Interim Receiver is required to send notice pursuant to s. 245(1) of the BIA, and any such service shall be deemed to be received on the seventh day after mailing.
32. A true copy of the Order served pursuant to paragraph 30 above shall be accompanied by a cover letter in the form attached as Schedule "B" to this Order.
33. Every person who is served with a copy of the Order pursuant to paragraph 30, and who requires notice in respect of all further proceedings in this matter, shall provide to counsel for each of the Interim Receiver and the Applicant a demand for notice of such proceedings, which demand for notice shall be in the form and sent in the manner provided in the attached Schedule "B" to this Order (the "Demand for Notice") and shall contain an electronic mail address or a facsimile number to which such further notice of these proceedings shall be sent. The failure of any person to provide the Demand for Notice hereby releases the Interim Receiver and the Applicant from any requirement to provide further notice in respect of these proceedings to any such person until such time as a properly completed Demand for Notice is received by each of the Interim Receiver and the Applicant from such person.

ISSUED at the City of Saskatoon, in the Province of Saskatchewan, this <sup>4th</sup> day of December, 2015.

  
DEPUTY LOCAL REGISTRAR

This **Interim Receivership Order** was delivered by:

MacPherson Leslie & Tyerman LLP  
Lawyers  
1500 - 410 22nd Street  
Saskatoon, Saskatchewan S7K 5T6

Address for service: as above  
Lawyer in charge of file: Jeffrey M. Lee, Q.C. and Paul Olfert  
Telephone: (306) 975-7100  
Facsimile: (306) 975-7145

**TO:** Local Registrar, Judicial Centre of Saskatoon

**AND TO:** The Debtor

**AND TO:** Those persons listed on the Service List attached hereto as Schedule "C"

**SCHEDULE "A"**

**INTERIM RECEIVER CERTIFICATE**

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

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

1. THIS IS TO CERTIFY that FTI Consulting, Inc., appointed by Order of the Court of Queen's Bench of Saskatchewan (the "Court") issued the \_\_\_ day of November, 2015 (the "Order"), as receiver (the "Receiver") of all of the assets, undertakings and properties of Phenomenome Discoveries Inc. (the "Debtor"), including all proceeds thereof (the "Property"), has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$100,000.00 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the \_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act* (Canada) and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at \_\_\_\_\_.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake any personal liability to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**FTI CONSULTING, INC.**, solely in its capacity as Receiver of the Property, and not in its personal capacity.

Per: \_\_\_\_\_

Name:

Title:



**SCHEDULE "B"**

**COVER LETTER OF DEMAND FOR NOTICE**

[Date]

[Address]

[Address]

[Address]

[Address]

Attention:

**RE: IN THE MATTER OF THE INTERIM RECEIVERSHIP OF PHENOMENOME DISCOVERIES INC.**

A Interim Receiver has been appointed by Order of the Court of Queen's Bench for Saskatchewan over the property, assets and undertaking of Phenomenome Discoveries Inc. ("PDI") Enclosed is a copy of the Court Order appointing FTI Consulting, Inc. as Interim Receiver.

You are being provided with a copy of the Order because you are a creditor of PDI.

If you would like to receive notice of all further proceedings in relation to the Receivership of Phenomenome Discoveries Inc., please complete the Demand for Notice attached to this letter and send the Demand for Notice by electronic mail (email) or facsimile to each of the following persons:

Golden Opportunities Fund Inc.  
c/o: MacPherson Leslie & Tyerman LLP  
Attention: Carmen Balzer  
Email: CBalzer@mlt.com  
Fax: 306.975.7145

FTI Consulting, Inc.  
Attention: \_\_\_\_\_  
Email: \_\_\_\_\_  
Fax: \_\_\_\_\_

If you fail to properly complete the Demand for Notice and forward the Demand for Notice by email or facsimile to each of the above-referenced persons indicating that you would like to receive further notice of the Receivership proceedings, then you will not receive, nor will you be entitled to receive, any further notice of the Receivership proceedings.

Yours truly,

**DEMAND FOR NOTICE**

**TO:**

1. Golden Opportunities Fund Inc.  
c/o: MacPherson Leslie & Tyerman LLP  
Attention: Carmen Balzer  
Email: CBalzer@mlt.com  
Fax: 306.975.7145

2. FTI Consulting, Inc.  
Attention: \_\_\_\_\_  
Email: \_\_\_\_\_  
Fax: \_\_\_\_\_

**Re: IN THE MATTER OF THE INTERIM RECEIVERSHIP OF PHENOMENOME  
DISCOVERIES INC.**

I hereby request that notice of all further proceedings in the above Interim Receivership be sent to me in the following manner:

(a) by email, at the following email address:

\_\_\_\_\_, or

(b) by facsimile, at the following facsimile number:

\_\_\_\_\_

Signature: \_\_\_\_\_

Name of Creditor: \_\_\_\_\_

Address of Creditor: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone Number: \_\_\_\_\_

**SCHEDULE "C"**

**SERVICE LIST**

<b>NAME, ADDRESS EMAIL ADDRESS AND FAX NUMBER</b>	<b>COUNSEL FOR (OR ON BEHALF OF)</b>	<b>TELEPHONE NUMBER</b>
<b>SERVICE BY EMAIL</b>		
MacPherson Leslie & Tyerman LLP 1500, 410 22 <sup>nd</sup> Street East Saskatoon SK S7K 5T6 Fax: 306.975.7145  Jeffrey M. Lee, Q.C. <a href="mailto:jmlee@mlt.com">jmlee@mlt.com</a>  Paul Olfert <a href="mailto:polfert@mlt.com">polfert@mlt.com</a>	Golden Opportunities Fund Inc.	  306.975.7136  306.956.6970
Stevenson Hood Thornton Beaubier LLP 500, 123 - 2nd Avenue South Saskatoon SK S7K 7E6 Fax: 306.653.1118  Robert F. Thornton, Q.C. <a href="mailto:rthornton@shtb-law.com">rthornton@shtb-law.com</a>	Phenomenome Discoveries Inc.	  306.244.0132



William F.J. Hood, Q.C.  
 Beaty F. Beaubier, Q.C., TEP  
 Terry J. Zakreski, B.A., LL.B. ♦  
 Janet L. Stevens, B.A., LL.B.  
 Karen M. Crellin, LL.B.  
 Kimberly D. Visram, B.A., LL.B.  
 Zeke E. Zimonick, B.Sc., J.D.  
 Gregory A. Kirzinger, B. Comm., J.D.  
 Britney A. Wangler, B.A., J.D.

Robert F. Thornton, Q.C.  
 Timothy W. Hodgson, LL.B.  
 William P. Langen, B.A., LL.B.  
 Michael J. Daobald, B. Comm., LL.B.  
 Amanda S.A. Doucette, B.A., LL.B.  
 Kirsten J. Remarchuk, B.Sc., M.Sc., J.D.  
 Michael R. Scharfstein, B.Comm., J.D.  
 Faith Baron, B.A.(Hons), M.A., J.D.

Kenneth A. Stevenson, Q.C. - Counsel  
 ♦ Reg. Trademark Agent

File No: 38,264.4  
 Email: rthornton@shtb-law.com

December 17, 2015

*Via Facsimile: (306) 975-7145*

MacPherson Leslie & Tyerman LLP  
 1500 - 410 22<sup>nd</sup> Street East  
 Saskatoon, SK S7K 5T6

Attention: Jeffrey M. Lee, Q.C.

Dear Sir:

**Re: Golden Opportunities Fund Inc. v Yolbolsum Canada Inc.  
 Q.B. No. 1643 of 2015**

---


We enclose as service upon you a Notice of Withdrawal of Lawyer of Record. Please complete the enclosed Acknowledgment of Service and provide it to our office by return facsimile.

Thank you.

Yours truly,


STEVENSON HOOD THORNTON BEAUBIER LLP

Per:

  
 Robert F. Thornton, Q.C.

/ad

THIS IS EXHIBIT "D" referred to in  
 the Affidavit of Douglas Benzet  
 SWORN before me at Saskatoon  
 this 22 day of Feb, 20 16.

  
 A COMMISSIONER FOR OATHS for  
 Saskatchewan  
 My Commission expires \_\_\_\_\_  
 - OR - Being a Solicitor

**Form 2-41A**  
(Clause 2-41(1)(a))

COURT FILE NUMBER      Q.B. No. 1643 of 2015

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN  
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE      SASKATOON

PLAINTIFF      GOLDEN OPPORTUNITIES FUND INC.

DEFENDANT      YOLBOLSUM CANADA INC.

IN THE MATTER OF THE RECEIVERSHIP OF YOLBOLSUM CANADA INC.

**NOTICE OF WITHDRAWAL OF LAWYER OF RECORD**

Counsel for the Defendant, Yolbolsum Canada Inc. withdraws as lawyer of record for that party.

The last known address for Yolbolsum Canada Inc. is as follows:

c/o WMCZ Lawyers  
410, 475 2<sup>nd</sup> Avenue South  
Saskatoon SK S7K 1P4

DATED at the City of Saskatoon, in the Province of Saskatchewan, this 17<sup>th</sup> day of December, 2015.

Legal Counsel for:      Defendant, Yolbolsum Canada Inc.

Law Firm Name:      Stevenson Hood Thornton Beaubier LLP

Per:



Robert F. Thornton, Q.C.

**NOTICE**

This withdrawal of lawyer of record takes effect 10 days after the affidavit of service of this document on every party is filed. After that date, no delivery of a pleading or other document relating to the action is effective service on the former lawyer of record or at any address for service previously provided by the former lawyer of record.

**CONTACT INFORMATION AND ADDRESS FOR SERVICE**

Name of Firm: Stevenson Hood Thornton Beaubier LLP  
Name of lawyer in charge of file: Robert F. Thornton, Q.C.  
Address of Legal Firm: 500, 123 – 2<sup>nd</sup> Avenue South  
Saskatoon SK S7K 7E6  
Telephone Number: (306) 244-0132  
Fax Number: (306) 653-1118  
Email address: rthornton@shtb-law.com



William F.J. Hood, Q.C.  
 Beaty F. Beaubier, Q.C., TEP  
 Terry J. Zakreski, B.A., LL.B. ♦  
 Janet L. Stevens, B.A., LL.B.  
 Karen M. Crellin, LL.B.  
 Kimberly D. Visram, B.A., LL.B.  
 Zeke E. Zimonick, B.Sc., J.D.  
 Gregory A. Kirzinger, B. Comm., J.D.  
 Britney A. Wangler, B.A., J.D.

Robert F. Thornton, Q.C.  
 Timothy W. Hodgson, LL.B.  
 William P. Langen, B.A., LL.B.  
 Michael J. Deobald, B. Comm., LL.B.  
 Amanda S.A. Doucette, B.A., LL.B.  
 Kirsten J. Remarchuk, B.Sc., M.Sc., J.D.  
 Michael R. Scharfstein, B.Comm., J.D.  
 Faith Baron, B.A.(Hons), M.A., J.D.

Kenneth A. Stevenson, Q.C. - Counsel  
 ♦ Reg. Trademark Agent

File No: 42,099.2  
 Email: rthornton@shtb-law.com

December 17, 2015

*Via Facsimile: (306) 975-7145*

MacPherson Leslie & Tyerman LLP  
 1500 – 410 22<sup>nd</sup> Street East  
 Saskatoon, SK S7K 5T6

Attention: Jeffrey M. Lee, Q.C.

Dear Sir:


**Re: In The Matter Of The Companies' Creditors Arrangement Act, R.S.C.  
 1985, c. C-36, as Amended (the "CCAA")  
 and in the Matter of a Proposed Plan of Arrangement for the Creditors of Phenomenome  
 Discoveries Inc.  
 Q.B. No. 1588 of 2015**

We enclose as service upon you a Notice of Withdrawal of Lawyer of Record. Please complete the enclosed Acknowledgment of Service and provide it to our office by return facsimile.

Thank you.

Yours truly,

STEVENSON HOOD THORNTON BEAUBIER LLP

Per:   
 Robert F. Thornton, Q.C.  
 /ad

S:\&CORPORATE\PHENOMENOME\DISCOVERIES\GOLDEN OPPORTUNITIES FUND INC\CORRESPONDENCE\MLT-LEE-2015-12-17 (CCAA).DOCX

Q.B. No. 1588 of 2015

CANADA  
PROVINCE OF SASKATCHEWAN

IN THE COURT OF QUEEN'S BENCH  
JUDICIAL CENTRE OF SASKATOON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.

1985, c. C-36, AS AMENDED (the "CCAA")

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE CREDITORS  
OF PHENOMENOME DISCOVERIES INC.

**NOTICE OF WITHDRAWAL OF LAWYER OF RECORD**

Counsel for the Applicant, Phenomenome Discoveries Inc. withdraws as lawyer of record for that party.

The last known address for Phenomenome Discoveries Inc. is as follows:

204 - 407 Downey Road  
Saskatoon SK S7N 4L8

DATED at the City of Saskatoon, in the Province of Saskatchewan, this 17<sup>th</sup> day of December, 2015.

Legal Counsel for: Applicant, Phenomenome Discoveries Inc.

Law Firm Name: Stevenson Hood Thornton Beaubier LLP

Per:   
\_\_\_\_\_  
Robert F. Thornton, Q.C.

**NOTICE**

This withdrawal of lawyer of record takes effect 10 days after the affidavit of service of this document on every party is filed. After that date, no delivery of a pleading or other document relating to the action is effective service on the former lawyer of record or at any address for service previously provided by the former lawyer of record.



**CONTACT INFORMATION AND ADDRESS FOR SERVICE**

Name of Firm: Stevenson Hood Thornton Beaubier LLP  
Name of lawyer in charge of file: Robert F. Thornton, Q.C.  
Address of Legal Firm: 500, 123 – 2<sup>nd</sup> Avenue South  
Saskatoon SK S7K 7E6  
Telephone Number: (306) 244-0132  
Fax Number: (306) 653-1118  
Email address: rthornton@shfb-law.com



William F.J. Hood, Q.C.  
 Beaty F. Beaubier, Q.C., TEP  
 Terry J. Zakreski, B.A., LL.B. ♦  
 Janet L. Stevens, B.A., LL.B.  
 Karen M. Crellin, LL.B.  
 Kimberly D. Visram, B.A., LL.B.  
 Zeke E. Zimonick, B.Sc., J.D.  
 Gregory A. Kirzinger, B. Comm., J.D.  
 Britney A. Wangler, B.A., J.D.

Robert F. Thornton, Q.C.  
 Timothy W. Hodgson, LL.B.  
 William P. Langen, B.A., LL.B.  
 Michael J. Deobald, B. Comm., LL.B.  
 Amanda S.A. Doucette, B.A., LL.B.  
 Kirsten J. Remarchuk, B.Sc., M.Sc., J.D.  
 Michael R. Scharfstein, B.Comm., J.D.  
 Faith Baron, B.A.(Hons), M.A., J.D.

Kenneth A. Stevenson, Q.C. ~ Counsel  
 ♦ Reg. Trademark Agent

File No: 42,099.2  
 Email: rthornton@shtb-law.com

December 17, 2015

*Via Facsimile: (306) 975-7145*

MacPherson Leslie & Tyerman LLP  
 1500 – 410 22<sup>nd</sup> Street East  
 Saskatoon, SK S7K 5T6

Attention: Jeffrey M. Lee, Q.C.

Dear Sir:

**Re: Golden Opportunities Fund Inc. v Phenomenome Discoveries Inc.  
 Q.B. No. 1639 of 2015**

---

We enclose as service upon you a Notice of Withdrawal of Lawyer of Record. Please complete the enclosed Acknowledgment of Service and provide it to our office by return facsimile.

Thank you.

Yours truly,

STEVENSON HOOD THORNTON BEAUBIER LLP

Per:   
 Robert F. Thornton, Q.C.

/ad

S:\CORPORATE\PHENOMENOME DISCOVERIES\GOLDEN OPPORTUNITIES FUND INC\CORRESPONDENCE\MLT-LEE-2015-12-17.DOCX

**Form 2-41A**  
(Clause 2-41(1)(a))

COURT FILE NUMBER: Q.B. No. 1639 of 2015

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN

JUDICIAL CENTRE: SASKATOON

PLAINTIFF: GOLDEN OPPORTUNITIES FUND INC.

DEFENDANT: PHENOMENOME DISCOVERIES INC.

**NOTICE OF WITHDRAWAL OF LAWYER OF RECORD**

Counsel for the Applicant, Phenomenome Discoveries Inc. withdraws as lawyer of record for that party.


The last known address for Phenomenome Discoveries Inc. is as follows:

204 - 407 Downey Road  
Saskatoon SK S7N 4L8

DATED at the City of Saskatoon, in the Province of Saskatchewan, this 17<sup>th</sup> day of December, 2015.

Legal Counsel for: Defendant, Phenomenome Discoveries Inc.

Law Firm Name: Stevenson Hood Thornton Beaubier LLP

Per:   
\_\_\_\_\_  
Robert F. Thornton, Q.C.

**NOTICE**

This withdrawal of lawyer of record takes effect 10 days after the affidavit of service of this document on every party is filed. After that date, no delivery of a pleading or other document relating to the action is effective service on the former lawyer of record or at any address for service previously provided by the former lawyer of record.

**CONTACT INFORMATION AND ADDRESS FOR SERVICE**

Name of Firm: Stevenson Hood Thornton Beaubier LLP  
Name of lawyer in charge of file: Robert F. Thornton, Q.C.  
Address of Legal Firm: 500, 123 – 2<sup>nd</sup> Avenue South  
Saskatoon SK S7K 7E6  
Telephone Number: (306) 244-0132  
Fax Number: (306) 653-1118  
Email address: rthornton@shtb-law.com

S & CORPORATE PHENOMENOME DISCOVERIES GOVERNMENT OPPORTUNITIES FUND INC DOCUMENTS NOTICE OF WITHDRAWAL OF LAWYER OF RECORD (2-41A) DOCX



William F.J. Hood, Q.C.  
Beaty F. Beaubier, Q.C., TEP  
Terry J. Zakreski, B.A., LL.B. ♦  
Janet L. Stevens, B.A., LL.B.  
Karen M. Crellin, LL.B.  
Kimberly D. Vieram, B.A., LL.B.  
Zake E. Zimonick, B.Sc., J.D.  
Gregory A. Kirzinger, B. Comm., J.D.  
Britney A. Wangler, B.A., J.D.

Robert F. Thornton, Q.C.  
Timothy W. Hodgson, LL.B.  
William P. Langen, B.A., LL.B.  
Michael J. Deobald, B. Comm., LL.B.  
Amanda S.A. Doucette, B.A., LL.B.  
Kirsten J. Remarchuk, B.Sc., M.Sc., J.D.  
Michael R. Scharfstein, B.Comm., J.D.  
Faith Baron, B.A.(Hons), M.A., J.D.

Kenneth A. Stevenson, Q.C. ~ Counsel  
♦ Reg. Trademark Agent

File No: 38,264.4  
Email: rthornton@shtb-law.com

December 17, 2015

*Via Facsimile: (306) 975-7145*

MacPherson Leslie & Tyerman LLP  
1500 – 410 22<sup>nd</sup> Street East  
Saskatoon, SK S7K 5T6

Attention: Jeffrey M. Lee, Q.C.

Dear Sir:

**Re: In The Matter of the *Companies' Creditors Arrangement Act*, R.S.C.  
1985, c. C-36, as Amended (the "CCAA")  
and in the Matter of a Proposed Plan of Arrangement for the Creditors of Yolbolsum Canada  
Inc.  
Q.B. No. 1589 of 2015**

---

We enclose as service upon you a Notice of Withdrawal of Lawyer of Record. Please complete the enclosed Acknowledgment of Service and provide it to our office by return facsimile.

Thank you.

Yours truly,

STEVENSON HOOD THORNTON BEAUBIER LLP

Per:

Robert F. Thornton, Q.C.

/ad

S:\CORPORATE\YOLBOLSUM CANADA INC\GOLDEN OPPORTUNITIES FUND INC\CORRESPONDENCE\MLT-LEE-2015-12-17 (CCAA) DOCX

Q.B. No. 1589 of 2015

CANADA  
PROVINCE OF SASKATCHEWAN

IN THE COURT OF QUEEN'S BENCH  
JUDICIAL CENTRE OF SASKATOON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36, AS AMENDED (the "CCAA")

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE CREDITORS  
OF YOLBOLSUM CANADA INC.

**NOTICE OF WITHDRAWAL OF LAWYER OF RECORD**

Counsel for the Applicant, Yolbolsum Canada Inc. withdraws as lawyer of record for that party.

The last known address for Yolbolsum Canada Inc. is as follows:

c/o WMCZ Lawyers  
410, 475 2<sup>nd</sup> Avenue South  
Saskatoon SK S7K 1P4

DATED at the City of Saskatoon, in the Province of Saskatchewan, this 17<sup>th</sup> day of December, 2015.

Legal Counsel for: Applicant, Yolbolsum Canada Inc.

Law Firm Name: Stevenson Hood Thornton Beaubier LLP

Per:



\_\_\_\_\_  
Robert F. Thornton, Q.C.

**NOTICE**

This withdrawal of lawyer of record takes effect 10 days after the affidavit of service of this document on every party is filed. After that date, no delivery of a pleading or other document relating to the action is effective service on the former lawyer of record or at any address for service previously provided by the former lawyer of record.

**CONTACT INFORMATION AND ADDRESS FOR SERVICE**

Name of Firm: Stevenson Hood Thornton Beaubier LLP  
Name of lawyer in charge of file: Robert F. Thornton, Q.C.  
Address of Legal Firm: 500, 123 – 2<sup>nd</sup> Avenue South  
Saskatoon SK S7K 7E6  
Telephone Number: (306) 244-0132  
Fax Number: (306) 653-1118  
Email address: rthornton@shtb-law.com

S:\CORPORATE\BOLBOLSUM CANADA INC\GOLDEN OPPORTUNITIES FUND INC\DOCUMENTS\NOTICE OF WITHDRAWAL OF LAWYER OF RECORD (2-41A) (CAA) DOCX

**DUPLICATE  
ORIGINAL**

COURT FILE NUMBER Q.B. 1639 of 2015

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN  
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

PLAINTIFF GOLDEN OPPORTUNITIES FUND INC.

DEFENDANTS PHENOMENOME DISCOVERIES INC. (P)

THIS IS EXHIBIT "E" referred to in  
the Affidavit of Douglas Ranzet  
SWORN before me at Saskatoon  
this 21 day of Feb, 20 16

[Signature]  
A COMMISSIONER FOR OATHS for  
Saskatchewan  
My Commission expires \_\_\_\_\_ ✓  
- OR - Being a Solicitor

**IN THE MATTER OF THE RECEIVERSHIP OF PHENOMENOME DISCOVERIES INC.**

**ORDER**

**(Extension of Interim Receivership Order and Approval of Interim Financing Term Sheet)**

Before the Honourable Mr. Justice Scherman in Chambers the 21<sup>st</sup> day of December, 2015.

Upon the Application of Jeffrey M. Lee, Q.C. and Paul Olfert, counsel on behalf of **GOLDEN OPPORTUNITIES FUND INC. ("GOFI")**, and upon hearing from Jeffrey M. Lee, Q.C. on behalf of GOFI, and upon hearing from M. Kim Anderson, Q.C., counsel on behalf **PHENOMENOME DISCOVERIES INC. ("PDI")**, and upon hearing from counsel on behalf of all other parties present, and on reading the Interim Receivership Order of the Honourable Mr. Justice B. J. Scherman issued in these proceedings and dated December 3, 2015 (the "**Interim Receivership Order**"), the Notice of Application on behalf of GOFI dated December 21, 2015, and the pleadings and proceedings herein;

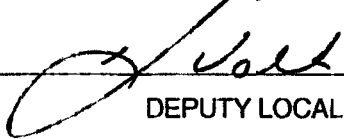
The Court Orders:

1. The time for service of the GOFI Notice of Application and the materials filed in support thereof (collectively, the "**Application Materials**") shall be and is hereby abridged and service thereof shall be and is hereby deemed good, valid, timely and sufficient.
2. The Interim Receivership Order shall be and is hereby extended to and including January 28, 2016.
3. Pursuant to paragraphs 20 to 23 of the Interim Receivership Order authorizing the Interim Receiver to borrow funds secured by the Interim Receiver's Borrowings Charge:
  - (a) the Term Sheet between GOFI and PDI dated December 18, 2015, a copy of which is attached as Schedule "A" to this Order (the "**Interim Financing Term Sheet**") shall be and is hereby authorized and approved; and



- (b) the Interim Receiver shall be and is hereby authorized to borrow monies from Golden Opportunities Fund Inc. in accordance with the Interim Financing Term Sheet.

**ISSUED** at the City of Saskatoon, in the Province of Saskatchewan, this 21<sup>st</sup> day of December, 2015.

  
DEPUTY LOCAL REGISTRAR

This Interim Receivership Order was delivered by:

MacPherson Leslie & Tyerman LLP  
Lawyers  
1500 - 410 22nd Street  
Saskatoon, Saskatchewan S7K 5T6

Address for service:	as above
Lawyer in charge of file:	Jeffrey M. Lee, Q.C. and Paul Olfert
Telephone:	(306) 975-7100
Facsimile:	(306) 975-7145



Suite 830, 401 – 22<sup>nd</sup> Street East  
Saskatoon, SK S7K 5T6  
Phone: (306) 652-5557  
Fax: (306) 652-8186  
[www.goldenopportunities.ca](http://www.goldenopportunities.ca)

December 18, 2015

Deryck Helkaa  
FTI Consulting Inc.  
c/o Phenomenome Discoveries Inc  
204 – 207 Downey Road  
Saskatoon, SK S7N 4L8

Attention: Mr. Helkaa

**RE: Interim Financing Terms**

---

The Golden Opportunities Fund Inc. ("GOF" or the "Lender") is pleased to provide interim financing ("Interim Financing") in the form of a credit facility (the "Credit Facility") with the terms outlined below for FTI Consulting Canada Inc., in its capacity as Court appointed Interim Receiver ("FTI Consulting", or the "Interim Receiver") of Phenomenome Discoveries Inc. ("PDI" or the "Debtor").

- Borrower:** FTI Consulting Canada Inc., in its capacity as Interim Receiver
- Interim Receiver:** FTI Consulting of Calgary, Alberta has been appointed Interim Receiver pursuant to s. 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("BIA") on the order of the Court of Queen's Bench of Saskatchewan on December 3, 2015 (the "Interim Receivership Order").
- Purpose:** To provide Interim Financing to support the operations of PDI while it reorganizes its affairs under the Interim Receiver and pursuant to the Interim Receivership Order.
- Credit Facility:** Up to \$250,000 (the "Principal Sum")
- Interest Rate:** 11% per annum, calculated daily and payable monthly not in advance. Interest on unpaid interest shall be calculated and paid at the same rate and in the same manner as interest accruing on the Principal Sum.
- Repayment:** The Principal Sum, together with interest thereon, will be repaid upon the the discharge of the Interim Receiver. Any payments received are to be applied firstly in payment of interest owing at the time of payment and the balance shall be applied in reduction of principal. [add terms about being repaid upon the sale of the assets/refinancing etc]
- Prepayment:** The Interim Receiver shall have the right to prepay all or any portion of the Credit Facility at any time without notice.
- Fee:** A commitment fee of \$2,500 is due and payable upon the advance of funds.
- Security:** Pursuant to the Interim Receivership Order, the whole of PDI's property shall be charged by way of fixed and specific charge (the "Interim Receiver's Borrowing

Charge") as security for the payment of the monies borrowed, together with interest charges thereon, by the Interim Receiver from GOF. The Interim Receiver's Borrowings Charge is in priority to all security interests, trusts, liens, charges and encumbrance, statutory and otherwise, in favor of any person, but subordinate in priority to the Interim Receiver's Charge, as set out and defined in the Interim Receivership Order.

**Advance Process:** Funds will be advanced from GOF to FTI Consulting from time to time upon GOF's receipt of a fully executed Interim Receiver Certificate.

**Conditions Precedent:** This Credit Facility is subject to the Interim Receiver being approved to borrow up to the Principal Sum on the terms and conditions outlined herein by an Order of the Court of Queen's Bench for Saskatchewan on or before December 24, 2015

**Reporting:** The Interim Receiver shall provide weekly status updates including reports on earnings, cash flows, and financial position of PDI.

**Facsimile and Counterpart Execution:** This Credit Facility may be executed in one or more counterparts, including facsimile transmission thereof, each of which shall be deemed an original and when so executed all such counterparts taken together shall form one agreement.

If the terms and conditions are acceptable, please indicate your acceptance by signing and returning this Letter to the undersigned on or before 5:00 pm (Saskatoon time) on December 18, 2015, failing which this Credit Facility will forthwith terminate and be null and void and of no force or effect whatsoever.

Yours truly,

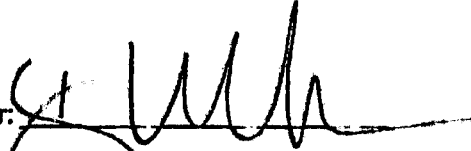


Doug Banzet  
Chief Financial Officer

Golden Opportunities Fund Inc.  
830, 401-22<sup>nd</sup> Street East  
Saskatoon, SK S7K 5T6

**Acceptance**

The undersigned agrees to the foregoing as of Dec 18 2015.

Per:   
\_\_\_\_\_

**Deryck Helkaa**  
**FTI Consulting Canada Inc.,**  
**In its capacity as Interim Receiver of PDI, and not in**  
**its personal capacity**

## Jeff Lee

---

**From:** Erin F. Smith  
**Sent:** Tuesday, December 15, 2015 5:49 PM  
**To:** d.banzet@westcapmgt.ca; l.prosser@rslaw.com; craig.zawada@wmcz.com  
**Cc:** Todd Rosenberg  
**Subject:** PDI - Implementing MOU  
**Attachments:** 2167994 - Golden Opportunities Fund - Resignation of D. Goodenowe from PDI and subsidiaries - v1 - SASKATOON.DOCX; 2168684 - Golden Opportunities Fund Inc - Termination of Management Services Agreement between PDI and Yolbolsum Canada Inc. - v2 - SASKATOON.DOCX; 2168683 - Golden Opportunities Fund Inc. - Management Services Agreement with Yol Bolsum Canada Inc - v3 - SASKATOON.DOC; 2169013 - Golden Opportunities Inc. - Terms of Reference for PDI Management Committee - v1 - SASKATOON.DOCX; 2168686 - Golden Opportunities Fund Inc - Amendment No 2 to Unanimous Shareholders Agreement - v2 - SASKATOON.DOCX; 2168685 - Golden Opportunities Fund - Amended and Restated Unanimous Shareholders Agreement - v2 - SASKATOON.DOCX; Redline - PDI Amended and Restated USA.pdf; PDI List of Shareholders - Schedule A to PDI USA.pdf; December 17, 2014 List of Shareholders.pdf

Doug, Les and Craig,

I am assisting Todd Rosenberg with preparing the documents necessary to implement the Memorandum of Understanding agreed to by Golden Opportunities Fund Inc., Dayan Goodenowe and Yol Bolsum Canada Inc. With respect to the same, please find attached the following documents for your review:

- 1) Resignation of Dayan as President and CEO of PDI;
- 2) Termination Agreement with respect to the current MSA;
- 3) New MSA;
- 4) Terms of Reference for the PDI Management Committee;
- 5) Amendment No. 2 to the USA;
- 6) Amended and Restated USA and Schedule A (an attached PDF); and
- 7) A redline comparing the Amended and Restated USA to the USA currently in effect.

We would also ask that you consider whether Schedule A (the List of Shareholders) to the USA is up-to-date. Our review suggests that the shareholders who bought shares and signed an acknowledgement (as opposed to the original USA) are missing from this list. Specifically, the following such shareholders are missing:

- 1) BCHP Investment Partnership;
- 2) 101195164 Saskatchewan Ltd.;
- 3) 101041728 Saskatchewan Ltd.;
- 4) Tim and Joy Ryan;
- 5) Wieggers Holdings Ltd.;
- 6) Dr. James Kerr Optometric P.C. Inc.; and
- 7) Davidson Management Ltd.

THIS IS EXHIBIT "F" referred to in  
the Affidavit of Douglas Banzet  
SWORN before me at Saskatoon  
this 15 day of Feb., 2016  
[Signature]  
A COMMISSIONER FOR OATHS for  
Saskatchewan  
My Commission expires  
[Signature] - Being a Solicitor

From Corporate Registry, we obtained a December 17, 2014 List of Shareholders (also attached). It lists BCHP Investment Partnership, 101041728 Saskatchewan Ltd. and Tim and Joy Ryan as shareholders, but the rest of the above mentioned shareholders are still missing.

If you have any questions, please do not hesitate to contact me or Todd.

Regards,

**Erin Smith**

Lawyer

1500 - 410 - 22nd Street East

Saskatoon, Saskatchewan S7K 5T6

P: (306) 975-7137

[Bio](#) | [VCard](#) | [Web](#) | [esmith@mlt.com](mailto:esmith@mlt.com)



**Western Canada's Law Firm**

**Regina | Saskatoon | Calgary | Edmonton | Vancouver**

This email including attachments is confidential and legally privileged. If you are not the intended recipient, any redistribution or copying of this message is prohibited. If you have received this email in error please notify us immediately, by return email, and delete this email. If you no longer wish to receive commercial electronic messages from MacPherson Lesile & Tyerman LLP, contact us at [casf@mlt.com](mailto:casf@mlt.com).

## Jeff Lee

---

**From:** Todd Rosenberg  
**Sent:** Wednesday, January 06, 2016 2:24 PM  
**To:** Craig Zawada, Q.C.; Tyler Wake; Michael Krawchuk  
**Cc:** Doug Banzet; Jeff Lee  
**Subject:** RE: Pdi contracts  
**Attachments:** SASKATOON-#2174386-v3-Golden\_Opportunities\_Fund\_Inc\_-\_Letter\_of\_Intenti....pdf; PDI - Implementing MOU

**Categories:** In DM, #2175540

Hi Craig.

Attached is a draft letter agreement addressing item #9 on page 3 of the MOU between Dayan, YBCI and GOF for your review and comments.

I would also note that we had delivered the other documents contemplated by the MOU to you on December 15 (copy attached).

Mr. Prosser has responded to the matters related to the Amended and Restated USA (and related shareholder ownership issues), which are now being reviewed by the "institutional investors".

However, we still await your response as to the balance of the documents included in the December 15 email.

Can you kindly advise as to when we may expect to hear from you on those matters.

Best regards,

Todd

---

**From:** Craig Zawada, Q.C. [mailto:craig.zawada@wmcz.com]  
**Sent:** Wednesday, December 16, 2015 8:56 AM  
**To:** Leslie W Prosser Q.C.; Todd Rosenberg  
**Cc:** Dayan Goodenowe; Tyler Wake; Michael Krawchuk  
**Subject:** RE: Pdi contracts

THIS IS EXHIBIT "G" referred to in  
the Affidavit of Douglas Banzet  
SWORN before me at Saskatoon  
this 2 day of Feb, 20 16  
[Signature]  
A COMMISSIONER FOR OATHS for  
Saskatchewan  
My Commission expires \_\_\_\_\_  
- OR - Being a Solicitor

Les and Todd:

So you know how things are being handled on our end, Tyler Wake will be the primary lawyer working on the "corporate" end, including the new agreements. Mike Krawchuk is on the "receivership" side respecting the pending court applications. I know there is some significant overlap amongst these so feel free to include all three of us in any emails and/or contact any of us if discussions are needed. We will make sure that the appropriate people can respond from here.

**Craig Zawada, Q.C.**  
CEO | WMCZ Lawyers  
(306) 659-1228 | [craig.zawada@wmcz.com](mailto:craig.zawada@wmcz.com) | [www.wmcz.com](http://www.wmcz.com)

---

**From:** Dayan Goodenowe [mailto:d.goodenowe@phenomenome.com]  
**Sent:** December 15, 2015 11:25 PM  
**To:** Craig Zawada, Q.C. <[craig.zawada@wmcz.com](mailto:craig.zawada@wmcz.com)>; Leslie W Prosser Q.C. <[l.prosser@rslaw.com](mailto:l.prosser@rslaw.com)>

**Cc:** Todd Rosenberg <[trosenberg@mlt.com](mailto:trosenberg@mlt.com)>; Doug Banzet <[d.banzet@westcapmgt.ca](mailto:d.banzet@westcapmgt.ca)>

**Subject:** Pdi contracts

Hi Les and Craig,

I am in the uncomfortable position of having to look out for both YBCI and PDI interests in these contract negotiations. There are 3 key contracts that need to be negotiated between the parties and submitted to the PDI board simultaneously for approval: the amended USA, the new MSA, and the GOF debt conversion. Craig's team will focus on the MSA as this is key to protecting YBCI interests with Les to review from a PDI perspective. Les will focus on the USA with the intent of ensuring proportionality across all shareholders with Craig to review from a YBCI perspective. The GOF debt conversion is purely a PDI issue with basically a use of proceeds covenant that directs the payment to YBCI and then to GOF, so this will be for Les.

My intent is to be transparent up front so that there are no misunderstandings during this process. This should be a consent-driven process, not a game of finding contract surprises.

Dayan

Sent from my BlackBerry 10 smartphone on the Bell network.



**DUPLICATE  
ORIGINAL**

**COURT FILE NUMBER Q.B. 1639 of 2015**

**COURT OF QUEEN'S BENCH FOR SASKATCHEWAN  
IN BANKRUPTCY AND INSOLVENCY**

**JUDICIAL CENTRE SASKATOON**  
**PLAINTIFF GOLDEN OPPORTUNITIES FUND INC.**  
**DEFENDANTS PHENOMENOME DISCOVERIES INC.**

THIS IS EXHIBIT "H" referred to in  
the Affidavit of Douglas Banzet  
SWORN before me at Saskatoon  
this 22 day of Feb., 2016.  
JMK  
A COMMISSIONER FOR OATHS for  
Saskatchewan  
My Commission expires \_\_\_\_\_  
- OR - Being a Solicitor

**IN THE MATTER OF THE RECEIVERSHIP OF PHENOMENOME DISCOVERIES INC.**

**ORDER**

**(Approval of Second Interim Financing Term Sheet)**

Before the Honourable Mr. Justice B. J. Scherman in Chambers the 14th day of January, 2016.

Upon the Application of Jeffrey M. Lee, Q.C. and Paul Olfert, counsel on behalf of **GOLDEN OPPORTUNITIES FUND INC. ("GOFI")**, and upon hearing from Jeffrey M. Lee, Q.C. on behalf of GOFI, and upon hearing from M. Kim Anderson, Q.C., counsel on behalf **PHENOMENOME DISCOVERIES INC. ("PDI")**, and upon hearing from counsel on behalf of all other parties present, and on reading the Interim Receivership Order of the Honourable Mr. Justice B. J. Scherman issued in these proceedings and dated December 3, 2015 (the "**Interim Receivership Order**"), the Order of the Honourable Mr. Justice B. J. Scherman issued in these proceedings and dated December 21, 2015, and the Notice of Application on behalf of GOFI dated January 12, 2016, and the pleadings and proceedings herein;

The Court Orders:

1. The time for service of the GOFI Notice of Application and the materials filed in support thereof (collectively, the "**Application Materials**") shall be and is hereby abridged and service thereof shall be and is hereby deemed good, valid, timely and sufficient.
2. Pursuant to paragraphs 20 to 23 of the Interim Receivership Order authorizing the Interim Receiver to borrow funds secured by the Interim Receiver's Borrowings Charge:
  - (a) the Term Sheet between GOFI and PDI dated January 8, 2016, a copy of which is attached as Schedule "A" to this Order (the "**Second Interim Financing Term Sheet**") shall be and is hereby authorized and approved;
  - (b) Paragraph 20 of the Interim Receivership Order shall be and is hereby amended by deleting the figure "\$250,000" and replacing it with the figure "\$650,000"; and

- (c) the Interim Receiver shall be and is hereby authorized to borrow monies from Golden Opportunities Fund Inc. in accordance with the Second Interim Financing Term Sheet.

**ISSUED** at the City of Saskatoon, in the Province of Saskatchewan, this 14th day of January, 2016.

  
\_\_\_\_\_  
DEPUTY LOCAL REGISTRAR

**This Interim Receivership Order was delivered by:**

MacPherson Leslie & Tyerman LLP  
Lawyers  
1500 - 410 22nd Street  
Saskatoon, Saskatchewan S7K 5T6

Address for service:	as above
Lawyer in charge of file:	Jeffrey M. Lee, Q.C. and Paul Olfert
Telephone:	(306) 975-7100
Facsimile:	(306) 975-7145

**SCHEDULE "A"**

**Term Sheet dated January 8, 2016**

See attached.



Suite 830, 401 – 22<sup>nd</sup> Street East  
Saskatoon, SK S7K 5T6  
Phone: (306) 652-5557  
Fax: (306) 652-8186  
[www.goldenopportunities.ca](http://www.goldenopportunities.ca)

January 8, 2016

Deryck Helkaa  
FTI Consulting Inc.  
c/o Phenomenome Discoveries Inc.  
204 – 207 Downey Road  
Saskatoon, SK S7N 4L8

Attention: Mr. Helkaa

**RE: Interim Financing Terms**

---

Golden Opportunities Fund Inc. ("GOF" or the "Lender") is pleased to provide an increase to the interim financing ("Interim Financing") in the form of a credit facility (the "Credit Facility") with the terms outlined below for FTI Consulting Canada Inc., in its capacity as Court appointed Interim Receiver ("FTI Consulting", or the "Interim Receiver") of Phenomenome Discoveries Inc. ("PDI" or the "Debtor").

- Borrower:** FTI Consulting Canada Inc., in its capacity as Interim Receiver
- Interim Receiver:** FTI Consulting of Calgary, Alberta has been appointed Interim Receiver pursuant to s. 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("BIA") on the order of the Court of Queen's Bench of Saskatchewan (the "Court") on December 3, 2015, as extended and amended by one or more subsequent Orders of the Court (the "Interim Receivership Order").
- Purpose:** To provide an increase to the Interim Financing to support the operations of PDI while it reorganizes its affairs under the Interim Receiver and pursuant to the Interim Receivership Order.
- Credit Facility:** An additional \$400,000 (in addition to the \$250,000 previously authorized) resulting in the total authorized aggregate amount available in Interim Financing becoming a total of \$650,000 (the "Principal Sum")
- Interest Rate:** 11% per annum, calculated daily and payable monthly not in advance. Interest on unpaid interest shall be calculated and paid at the same rate and in the same manner as interest accruing on the Principal Sum.
- Repayment:** The Principal Sum, together with interest thereon, will be repaid upon the discharge of the Interim Receiver or upon the sale of assets of PDI other than in the ordinary course of business. Any payments received are to be applied firstly in payment of interest owing at the time of payment and the balance shall be applied in reduction of principal.
- Prepayment:** The Interim Receiver shall have the right to prepay all or any portion of the

Credit Facility at any time without notice.

**Fee:** A commitment fee of \$4,000 is due and payable upon the first advance of funds of the aforesaid \$400,000 increase in Interim Financing.

**Security:** Pursuant to the Interim Receivership Order, the whole of PDI's property shall be charged by way of fixed and specific charge (the "Interim Receiver's Borrowing Charge") as security for the payment of the monies borrowed, together with interest charges thereon, by the Interim Receiver from GOF. The Interim Receiver's Borrowings Charge is in priority to all security interests, trusts, liens, charges and encumbrance, statutory and otherwise, in favor of any person, but subordinate in priority to the Interim Receiver's Charge, as set out and defined in the Interim Receivership Order.

**Advance Process:** Funds will be advanced from GOF to FTI Consulting from time to time upon GOF's receipt of a fully executed Interim Receiver Certificate.

**Conditions**

**Precedent:** This Credit Facility is subject to the Interim Receiver being approved to borrow up to the Principal Sum on the terms and conditions outlined herein by an Order of the Court of Queen's Bench granted on or before January 28, 2016.

**Reporting:** The Interim Receiver shall provide weekly status updates including reports on earnings, cash flows, and financial position of PDI.

**Facsimile and Counterpart**

**Execution:** This Credit Facility may be executed in one or more counterparts, including facsimile transmission thereof, each of which shall be deemed an original and when so executed all such counterparts taken together shall form one agreement.

If the terms and conditions are acceptable, please indicate your acceptance by signing and returning this Letter to the undersigned on or before 5:00 pm (Saskatoon time) on January 15, 2016, failing which this Credit Facility will forthwith terminate and be null and void and of no force or effect whatsoever.

Yours truly,




Doug Banzet  
Chief Financial Officer

Golden Opportunities Fund Inc.  
830, 401-22<sup>nd</sup> Street East  
Saskatoon, SK S7K 5T6

**Acceptance**

The undersigned agrees to the foregoing as of JAN 11, 2016.

Per:

A handwritten signature in black ink, appearing to be 'S. M.', written over a horizontal line.

\_\_\_\_\_  
[Print Name]

FTI Consulting Inc.

COURT FILE NUMBER Q.B. 1639 of 2015

**DUPLICATE  
ORIGINAL**

**COURT OF QUEEN'S BENCH FOR SASKATCHEWAN  
IN BANKRUPTCY AND INSOLVENCY**

**JUDICIAL CENTRE SASKATOON**  
**PLAINTIFF GOLDEN OPPORTUNITIES FUND INC.**  
**DEFENDANTS PHENOMENOME DISCOVERIES INC.**

THIS IS EXHIBIT "I" referred to in  
the Affidavit of Douglas Banzet  
SWORN before me at Saskatoon  
this 22 day of Feb, 20 16

[Signature]  
A COMMISSIONER FOR OATHS for  
Saskatchewan  
My Commission expires \_\_\_\_\_  
OR - Being a Solicitor

**IN THE MATTER OF THE RECEIVERSHIP OF PHENOMENOME DISCOVERIES INC.**

VK CONSENT ORDER V 1

**(Second Extension of Interim Receivership Order)**

Before the Honourable Mr. Justice N. G. Gabrielson in Chambers the 21<sup>st</sup> day of January, 2016.

Upon the Application of Jeffrey M. Lee, Q.C. and Paul Olfert, counsel on behalf of **GOLDEN OPPORTUNITIES FUND INC. ("GOFI")**, and upon hearing from Jeffrey M. Lee, Q.C. on behalf of GOFI, and upon hearing from M. Kim Anderson, Q.C., counsel on behalf **PHENOMENOME DISCOVERIES INC. ("PDI")**, and upon hearing from counsel on behalf of all other parties present, and on reading the Interim Receivership Order of the Honourable Mr. Justice B. J. Scherman issued in these proceedings and dated December 3, 2015 (the "**Interim Receivership Order**"), the Order of the Honourable Mr. Justice B. J. Scherman issued in these proceedings and dated December 21, 2015, the Order of the Honourable Mr. Justice B. J. Scherman issued in these proceedings and dated January 14, 2016, the Notice of Application on behalf of GOFI dated January 18, 2016, the First Report of the Interim Receiver, FTI Consulting Inc., and the pleadings and proceedings herein;

The Court Orders:

1. The time for service of the GOFI Notice of Application and the materials filed in support thereof (collectively, the "**Application Materials**") shall be and is hereby abridged and service thereof shall be and is hereby deemed good, valid, timely and sufficient.
2. The Interim Receivership Order shall be and is hereby extended to and including February 29, 2016.

**ISSUED** at the City of Saskatoon, in the Province of Saskatchewan, this 21st day of January, 2016.

[Signature]  
DEPUTY LOCAL REGISTRAR

**This Order was delivered by:**

**MacPherson Leslie & Tyerman LLP  
Lawyers  
1500 - 410 22nd Street  
Saskatoon, Saskatchewan S7K 5T6**

<b>Address for service:</b>	<b>as above</b>
<b>Lawyer in charge of file:</b>	<b>Jeffrey M. Lee, Q.C. and Paul Olfert</b>
<b>Telephone:</b>	<b>(306) 975-7100</b>
<b>Facsimile:</b>	<b>(306) 975-7145</b>



## Jeff Lee

---

**From:** Erin F. Smith  
**Sent:** Friday, January 29, 2016 5:16 PM  
**To:** tyler.wake@wmcz.com  
**Cc:** craig.zawada@wmcz.com; l.prosser@rslaw.com; d.banzet@westcapmgt.ca; Jeff Lee; Todd Rosenberg  
**Subject:** GOF: PDI - Implementing the MOU - All documents in final form  
**Categories:** In DM, #2185605

Tyler,

I am writing to following up on the various documents necessary to implement the Memorandum of Understanding agreed to by Golden Opportunities Fund Inc., Dayan Goodenowe and Yolbolsum Canada Inc.

A week ago (January 22<sup>nd</sup>), we sent you an Amendment No. 6 to the Licence Agreement and a Consolidated Licence Agreement for your review. Two weeks ago (January 18<sup>th</sup>), we provided you:

- 1) a revised copy of the Amendment No. 2 to the USA;
- 2) the Amended and Restated USA No. 2;
- 3) a revised version of the MSA; and
- 4) our comments in response to your email of January 11.

You were also cc'd on the correspondence regarding a minor change to Section 4.1(a)(vi) of the USA suggested by Les Prosser on January 26.

As you have not requested a meeting to discuss any of the above documents further, we now consider them to be in final form.

As you may know, the board of directors of PDI is meeting on Thursday, February 4<sup>th</sup>. We expect the following documents to be considered by the PDI board of directors and voted upon during this meeting:

- 1) Resignation of Dayan as President and CEO of PDI;
- 2) Termination Agreement with respect to the current MSA;
- 3) New MSA;
- 4) Terms of Reference for the PDI Management Committee;
- 5) Amendment No. 6 to the Licence Agreement; and
- 6) Consolidated Licence Agreement.

In order to be considered at the February 4<sup>th</sup> board meeting, we understand that the above documents must be included in the package sent out to each of the directors on Tuesday, February 2<sup>nd</sup>.

We also understand from GOF that Amendment No. 2 to the USA and the Amended and Restated USA No. 2 and Schedule A will be presented to the required parties for signing immediately following the PDI board of directors meeting.

Thank you for your assistance in ensuring that all the above documents are in final form in advance of the upcoming directors meeting.

Regards,

**Erin Smith**  
Lawyer  
1500 - 410 - 22nd Street East  
Saskatoon, Saskatchewan S7K 5T6  
P: (306) 975-7137  
[Bio](#) | [VCard](#) | [Web](#) | [esmith@mlt.com](mailto:esmith@mlt.com)

THIS IS EXHIBIT "J" referred to in  
the Affidavit of Douglas Banzet  
SWORN before me at Saskatoon  
this 29 day of Feb., 2016.

[Signature]  
A COMMISSIONER FOR OATHS for  
Saskatchewan  
My Commission expires \_\_\_\_\_  
- OR - Being a Solicitor



**Western Canada's Law Firm**  
**Regina | Saskatoon | Calgary | Edmonton | Vancouver**

This email including attachments is confidential and legally privileged. If you are not the intended recipient, any redistribution or copying of this message is prohibited. If you have received this email in error please notify us immediately, by return email, and delete this email. If you no longer wish to receive commercial electronic messages from MacPherson Leslie & Tyerman LLP, contact us at [casl@mlt.com](mailto:casl@mlt.com).

## Jeff Lee

---

**From:** Tyler Wake <tyler.wake@wmcz.com>  
**Sent:** Friday, January 29, 2016 6:37 PM  
**To:** Erin F. Smith  
**Cc:** Craig Zawada, Q.C.; l.prosser@rslaw.com; d.banzet@westcapmgt.ca; Jeff Lee; Todd Rosenberg  
**Subject:** RE: PDI - Implementing the MOU - All documents in final form  
**Categories:** In DM, #2185604

Thank you Erin, the email below has been received. I have sent the email to Dayan on Yolbolsum's behalf for review and comments. I will respond accordingly once client and I have discussed. Best regards, Tyler

### Tyler J. Wake

Lawyer | WMCZ Lawyers  
Ph: 306 659 1204 | Fax: 306 933 2006  
[tyler.wake@wmcz.com](mailto:tyler.wake@wmcz.com) | [www.wmcz.com](http://www.wmcz.com)

THIS IS EXHIBIT " K " referred to in  
the Affidavit of Douglas Banzet  
SWORN before me at Saskatoon  
this 2 day of Feb., 20 16.

GM  
A COMMISSIONER FOR OATHS for  
Saskatchewan

---

**From:** Erin F. Smith [<mailto:esmith@mlt.com>]

**Sent:** January-29-16 5:16 PM

**To:** Tyler Wake

**Cc:** Craig Zawada, Q.C.; l.prosser@rslaw.com; d.banzet@westcapmgt.ca; Jeff Lee; Todd Rosenberg

**Subject:** GOF: PDI - Implementing the MOU - All documents in final form

My Commission expires  
- OR - Being a Solicitor

Tyler,

I am writing to following up on the various documents necessary to implement the Memorandum of Understanding agreed to by Golden Opportunities Fund Inc., Dayan Goodenowe and Yolbolsum Canada Inc.

A week ago (January 22<sup>nd</sup>), we sent you an Amendment No. 6 to the Licence Agreement and a Consolidated Licence Agreement for your review. Two weeks ago (January 18<sup>th</sup>), we provided you:

- 1) a revised copy of the Amendment No. 2 to the USA;
- 2) the Amended and Restated USA No. 2;
- 3) a revised version of the MSA; and
- 4) our comments in response to your email of January 11.

You were also cc'd on the correspondence regarding a minor change to Section 4.1(a)(vi) of the USA suggested by Les Prosser on January 26.

As you have not requested a meeting to discuss any of the above documents further, we now consider them to be in final form.

As you may know, the board of directors of PDI is meeting on Thursday, February 4<sup>th</sup>. We expect the following documents to be considered by the PDI board of directors and voted upon during this meeting:

- 1) Resignation of Dayan as President and CEO of PDI;
- 2) Termination Agreement with respect to the current MSA;
- 3) New MSA;
- 4) Terms of Reference for the PDI Management Committee;
- 5) Amendment No. 6 to the Licence Agreement; and
- 6) Consolidated Licence Agreement.

In order to be considered at the February 4<sup>th</sup> board meeting, we understand that the above documents must be included in the package sent out to each of the directors on Tuesday, February 2<sup>nd</sup>.

We also understand from GOF that Amendment No. 2 to the USA and the Amended and Restated USA No. 2 and Schedule A will be presented to the required parties for signing immediately following the PDI board of directors meeting.

Thank you for your assistance in ensuring that all the above documents are in final form in advance of the upcoming directors meeting.

Regards,

**Erin Smith**

Lawyer

1500 - 410 - 22nd Street East

Saskatoon, Saskatchewan S7K 5T6

P: (306) 975-7137

[Bio](#) | [VCard](#) | [Web](#) | [esmith@mlt.com](mailto:esmith@mlt.com)

**M L T** **Western Canada's Law Firm**  
Regina | Saskatoon | Calgary | Edmonton | Vancouver

This email including attachments is confidential and legally privileged. If you are not the intended recipient, any redistribution or copying of this message is prohibited. If you have received this email in error please notify us immediately, by return email, and delete this email. If you no longer wish to receive commercial electronic messages from MacPherson Leslie & Tyerman LLP, contact us at [cast@mlt.com](mailto:cast@mlt.com).



Western Canada's Law Firm

MacPherson Leslie & Tyerman LLP  
1500 410 22nd Street East  
Saskatoon Saskatchewan  
Canada S7K 5T6  
T: (306) 975 7100  
F: (306) 975 7145  
www.mlt.com

THIS IS EXHIBIT " L " referred to in  
the Affidavit of Douglas Banzet  
SWORN before me at Saskatoon  
this 2nd day of Feb, 2016

Todd M. Rosenberg  
Direct Line (306) 975-7106  
E-mail TRosenberg@mlt.com

February 1, 2016

FTI Consulting, Inc.  
Ernst & Young Tower  
440 2nd Avenue SW, Suite 720  
Calgary AB T2P 5E9

A COMMISSIONER FOR OATHS for  
Saskatchewan  
My Commission expires \_\_\_\_\_  
- OR - Being a Solicitor

Attention: Deryck Helkaa, Senior Managing Director

Dear Sir:

Re: Golden Opportunities Fund Inc. v. Phenomenome Discoveries Inc. (QB No. 1639 of 2015)  
Our File: 017667-0113

As you are aware, Phenomenome Discoveries Inc. ("PDI") has delivered a notice to the PDI directors of a board meeting called for Thursday, February 4, 2016.

On December 3, 2015, Golden Opportunities Fund Inc. ("GOF"), Dayan Goodenowe and Yolbolsum Canada Inc. ("YBCI") entered into a Memorandum of Understanding (the "MOU") contemplating the preparation and execution of a number of agreements and processes to improve the governance of PDI, in order to enhance the ability of PDI to attract additional capital investment.

The parties to the MOU have prepared various documents to implement the terms of the MOU and, to the best of GOF's knowledge, the documents are now in final form.

On January 29, 2016, GOF (through its legal counsel) delivered the following documents to PDI, Dayan Goodenowe and YBCI requesting that they be considered by the PDI board of directors and received or voted upon (as the case may be) during the above noted board meeting:

- 1) Resignation of Dayan Goodenowe as President and Chief Executive Officer of PDI dated February 4, 2016;
- 2) Termination Agreement with respect to a prior Master Services Agreement between PDI and YBCI dated February 4, 2016;
- 3) New Master Services Agreement between PDI and YBCI dated February 4, 2016;
- 4) Terms of Reference for a PDI Management Committee dated February 4, 2016;

2185648v1



- 5) Amendment No. 6 to the Licence Agreement between PDI and YBCI dated February 4, 2016; and
- 6) Consolidated Licence Agreement between PDI and YBCI dated February 4, 2016.

GOF also requested that the above documents be included in the package sent out to each of the directors on Tuesday, February 2, 2016.

GOF will also be delivering Amendment No. 2 to the PDI Unanimous Shareholders Agreement and the Amended and Restated PDI Unanimous Shareholders Agreement No. 2 to the required parties immediately following the PDI board of directors meeting.

GOF wishes to advise you that it expects the PDI board of directors meeting called for Thursday, February 4, 2016 to proceed as planned, the documents noted in points 1 through 6 above to be received and approved by the PDI board of directors at that meeting, and Amendment No. 2 to the PDI Unanimous Shareholders Agreement and the Amended and Restated PDI Unanimous Shareholders Agreement No. 2 to be approved by the relevant parties forthwith after the PDI board of directors meeting.

If each of these documents is not approved in the form presented, GOF will be required to review and reconsider its continued financial support of PDI through funding to FTI Consulting, Inc. as interim receiver of PDI.

Please do not hesitate to contact us if you have any questions.

Yours truly,

**MacPherson Leslie & Tyerman LLP**

Per:   
**Todd M. Rosenberg**

TMR/crb

cc. Robertson Stromberg LLP (Attention: Les Prosser/Kim Anderson)  
cc. WMC7 Lawyers (Attention: Tyler Wake/Michael Krawchuk)

**Jeff Lee**

---

**From:** Todd Rosenberg  
**Sent:** Thursday, February 11, 2016 8:56 AM  
**To:** Les Prosser; craig.zawada@wmcz.com; Tyler Wake (tyler.wake@wmcz.com); Barry Markowsky <barry.m.markowsky@gmail.com> (barry.m.markowsky@gmail.com)  
**Cc:** M. Kim Anderson; Doug Banzet  
**Subject:** RE: Phenomenome Discoveries Inc.  
**Attachments:** SASKATOON-#2190161-v4-Golden\_Opportunities\_Fund\_Inc\_-\_Management\_Servic....docx; SASKATOON-#2190706-v4-Golden\_Opportunities\_Fund\_Inc\_-\_Management\_Servic....docx; SASKATOON-2190161-vR01-Golden\_Opportunities\_Fund\_Inc\_-\_Management\_Servic....pdf; SASKATOON-2190706-vR01-Golden\_Opportunities\_Fund\_Inc\_-\_Management\_Servic....pdf

Good morning.

Further to the comments of Les below, attached is a revised (a) Management Services Letter Agreement between Phenomenome Discoveries Inc. and Barry Markowsky, and (b) Management Services Letter Agreement between Phenomenome Discoveries Inc. and Yolbolsum Canada Inc., in clean copy and blackline copy format.

Please advise of any further comments.

Best regards,

Todd

THIS IS EXHIBIT "M" referred to in the Affidavit of Douglas Banzet SWORN before me at Saskatoon this 22 day of Feb., 20 16  
[Signature]

**From:** Les Prosser [mailto:l.prosser@rslaw.com]  
**Sent:** Thursday, February 11, 2016 7:51 AM  
**To:** Todd Rosenberg; craig.zawada@wmcz.com; Tyler Wake (tyler.wake@wmcz.com)  
**Cc:** M. Kim Anderson  
**Subject:** RE: Phenomenome Discoveries Inc.

A COMMISSIONER FOR OATHS for Saskatchewan  
My Commission expires \_\_\_\_\_  
OR - Being a Solicitor [Signature]

Good morning,

I have reviewed the draft documents circulated by Todd last evening.

I have no comments on the draft Agency Agreement, Termination Agreement or the Resignation.

I have attached my hand written markup of the MSA's for each of Yolbolsum and Barry Markowski. With respect to the latter, in the event my written markup for the insertion of a new subsection (g) in Section 1 is not legible, it reads as follows:

"(g) coordinate and, in consultation with senior management of PDI as reasonably necessary, lead the business operations of PDI including, without limitation, to instruct corporate legal counsel of PDI; and".

Regards,  
Les

**Leslie W. Prosser, Q.C.**  
**Legal Prof. Corp.**

**Robertson Stromberg**  
Barristers and Solicitors  
Suite 600, 105 21st Street East  
Saskatoon, SK S7K 0B3

Phone: (306) 933-1302  
Residence: (306) 373-8447  
Cell: (306) 229-9911  
Mobile: (639) 471-7063  
Email: [l.prosser@rslaw.com](mailto:l.prosser@rslaw.com)  
Fax: (306) 652-2445  
Visit our website: [www.rslaw.com](http://www.rslaw.com)

 Please consider the environment before printing this email.

This communication is solicitor/client privileged and contains confidential information intended only for the person(s) to whom it is addressed. Any disclosure, copying or other distribution of this communication or acting on its contents is strictly prohibited by any person other than the intended recipient. If you have received this message in error, please notify us immediately by return email or other means. Thank you.

---

**From:** Todd Rosenberg [<mailto:trosenberg@mlt.com>]  
**Sent:** Wednesday, February 10, 2016 5:17 PM  
**To:** Les Prosser; [craig.zawada@wmcz.com](mailto:craig.zawada@wmcz.com); Tyler Wake ([tyler.wake@wmcz.com](mailto:tyler.wake@wmcz.com))  
**Cc:** Doug Banzet  
**Subject:** Phenomenome Discoveries Inc.

Hi Les and Craig:

Further to our meetings on Monday, attached are the draft documents we discussed having approved by the PDI board of directors at its meeting this Friday:

1. Agency Agreement between Phenomenome Laboratory Services Inc. and Dayan Goodenowe;
2. Termination Agreement between Yolbolsum Canada Inc. and Phenomenome Discoveries Inc.;
3. Resignation of Dayan Goodenowe as Chair of the Board of Phenomenome Discoveries Inc.;
4. Management Services Letter Agreement between Phenomenome Discoveries Inc. and Barry Markowsky; and
5. Management Services Letter Agreement between Phenomenome Discoveries Inc. and Yolbolsum Canada Inc.

Please review each of the agreements and provide your comments as soon as possible tomorrow morning.

Les – I assume that you are preparing an Agenda for the PDI board of directors meeting this Friday which will include approval of the documents.

I look forward to hearing from you.

Best regards,

**Todd Rosenberg, FCA**  
Partner  
1500 - 410 - 22nd Street East  
Saskatoon, Saskatchewan S7K 5T6  
P: (306) 975-7106  
[Bio](#) | [VCard](#) | [Web](#) | [trosenberg@mlt.com](mailto:trosenberg@mlt.com)





**Western Canada's Law Firm**  
**Regina | Saskatoon | Calgary | Edmonton | Vancouver**

This email including attachments is confidential and legally privileged. If you are not the intended recipient, any redistribution or copying of this message is prohibited. If you have received this email in error please notify us immediately, by return email, and delete this email. If you no longer wish to receive commercial electronic messages from MacPherson Leslie & Tyerman LLP, contact us at [casl@mlt.com](mailto:casl@mlt.com).

## Jeff Lee

---

**From:** Todd Rosenberg  
**Sent:** Saturday, February 13, 2016 1:15 PM  
**To:** Craig Zawada, Q.C.; Les Prosser  
**Cc:** Michael Krawchuk; Tyler Wake; Kelly Bode; d.banzet@westcapmgt.ca  
**Subject:** RE: Phenomenome Directors Meeting

Thank-you for your email Craig.

It is very unfortunate that Mr. Goodenowe refuses, once again, to deliver on agreements reached at meetings of the principal parties involved.

As you know, there was a meeting and MOU signed on December 3, 2015 pursuant to which GOF delivered receiver in possession financing on the expectation Mr. Goodenowe and YBCI would abide by their agreements in the MOU. Mr. Goodenowe and YBCI have not delivered on their agreements and, in fact, recently stated they had no intention of any MOU follow through.

As you also know, GOF met with Mr. Goodenowe once again this Monday to move PDI matters forward and, as a result of that meeting, certain deliverables were agreed to by the parties. All issues and concerns of Mr. Goodenowe and YBCI were fully canvassed at that meeting. It is unfortunate Mr. Goodenowe has once again changed his position and refuses to deliver on agreements reached at that meeting.

At this time, GOF sees no benefit to a third meeting with Mr. Goodenowe in light of failed outcomes and failed deliveries on his part.

Mr. Banzet has indicated that he fully expects the PDI board of directors meeting called for this Tuesday to proceed as planned in accordance with the agenda circulated to the board.

**Todd Rosenberg, FCA**  
Partner  
1500 - 410 - 22nd Street East  
Saskatoon, Saskatchewan S7K 5T6  
P: (306) 975-7106  
[Bio](#) | [VCard](#) | [Web](#) | [trosenberg@mlt.com](mailto:trosenberg@mlt.com)

**M L T** Western Canada's Law Firm  
Regina | Saskatoon | Calgary | Edmonton | Vancouver

This email including attachments is confidential and legally privileged. If you are not the intended recipient, any redistribution or copying of this message is prohibited. If you have received this email in error please notify us immediately, by return email, and delete this email. If you no longer wish to receive commercial electronic messages from MacPherson Leslie & Tyerman LLP, contact us at [casl@mlt.com](mailto:casl@mlt.com).

---

**From:** Craig Zawada, Q.C. [<mailto:craig.zawada@wmcz.com>]  
**Sent:** Saturday, February 13, 2016 12:26 PM  
**To:** Les Prosser  
**Cc:** Todd Rosenberg; Michael Krawchuk; Tyler Wake; Dayan Goodenowe (YBCI); Kelly Bode  
**Subject:** Phenomenome Directors Meeting

Les:

We have again reviewed the proposed agenda with our client. Without going through all the issues in excessive detail here, there are still fundamental questions outside those on the agenda. We think they need to be resolved before specific decision items, such as most of those in the draft agenda, can be dealt with.

One of the most significant is that Dayan cannot sign the proposed agreements in their current form. Part of this relates to language in the drafts themselves but a large part is also confirming resolution of all issues rather than a subset. As such, any approval of the agreements by the Phenomenome board would be academic at best. The same applies to other agenda items which are related to those agreements.

Dayan remains as committed as all the other parties to quickly resolving Phenomenome's situation but all issues need to be handled in unison. He would like to see energies devoted to all of those issues instead of a meeting that would, at best, result in moot decisions.

**Craig Zawada, Q.C.**

CEO | WMCZ Lawyers

(306) 659-1228 | [craig.zawada@wmcz.com](mailto:craig.zawada@wmcz.com) | [www.wmcz.com](http://www.wmcz.com)

COURT FILE NUMBER Q.B. 1639 of 2015


COURT OF QUEEN'S BENCH FOR SASKATCHEWAN  
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

PLAINTIFF GOLDEN OPPORTUNITIES FUND INC.

DEFENDANT PHENOMENOME DISCOVERIES INC.

THIS IS EXHIBIT "N" referred to in  
the Affidavit of Douglas Banzet  
SWORN before me at Saskatoon  
this 22 day of Feb., 2016.

  
A COMMISSIONER FOR OATHS for  
Saskatchewan  
My Commission expires \_\_\_\_\_  
- OR - Being a Solicitor

IN THE MATTER OF THE RECEIVERSHIP OF PHENOMENOME DISCOVERIES INC.

**NOTICE OF WITHDRAWAL OF LAWYER OF RECORD**

Counsel for PHENOMENOME DISCOVERIES INC. withdraws as lawyer of record for that party.

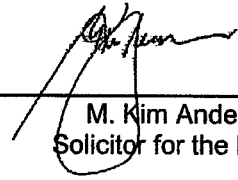
The last known address for PHENOMENOME DISCOVERIES INC. is as follows:

204- 407 Downey Rd  
Saskatoon, SK S7N 4L8  
Attention: Dayan Goodenowe

DATED at Saskatoon, Saskatchewan this 15<sup>th</sup> day of February, 2016.

**ROBERTSON STROMBERG LLP**

Per: \_\_\_\_\_

  
M. Kim Anderson, Q.C.  
Solicitor for the Defendant

**NOTICE**

This withdrawal of lawyer of record takes effect 10 days after the affidavit of service of this document on every party is filed. After that date, no delivery of a pleading or other document relating to the action is effective service on the former lawyer of record or at any address for service previously provided by the former lawyer of record.

**CONTACT INFORMATION AND ADDRESS FOR SERVICE**

Name of Firm: Robertson Stromberg LLP  
Name of Lawyer: M. Kim Anderson, Q.C.  
Address of Legal Firm: 600 105 21st Street East  
Saskatoon, SK S7K 0B3

Telephone: 306-652-7575  
Direct Line: 306-933-1344  
Fax No.: 306-652-2445  
Email Address: mk.anderson@rslaw.com