

COURT FILE NUMBER Q.B. ____ 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.

NOTICE OF APPLICATION

NOTICE TO RESPONDENTS — ALL PERSONS NAMED ON THE SERVICE LIST FOR THESE PROCEEDINGS ATTACHED AT SCHEDULE "A" HERETO (THE "SERVICE LIST")

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Where	Court House, 520 Spadina Crescent East, Saskatoon, Saskatchewan, S7K 3G7
Date	Thursday, November 26, 2015
Time	10:00 a.m.

Remedy claimed or sought:

1. To the extent necessary, an Order abridging the time for service of this Notice of Application and the materials filed in support thereof (collectively, the "**Application Materials**"), such that service of the Application Materials on the parties on the Service List shall be deemed to constitute good, valid and timely service of the Application Materials in regard to a hearing of this application.
2. An Order pursuant to s. 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**") and s. 64(8) of *The Personal Property Security Act*, 1993, S.S. 1993, c. P-6.2 (the

“PPSA”) appointing FTI Consulting, Inc. as Receiver, without security, of all of the assets, undertakings and properties of Phenomenome Discoveries Inc. (“the Debtor”), including all proceeds thereof (the “Property”).

3. Such further and other relief as counsel may request and this Honourable Court may allow.

Grounds for making this application:

Background to the Financing Advanced to the Debtor by Golden Opportunities Fund Inc.

4. Golden Opportunities Fund Inc. (“GOFI”) is a secured creditor of the Debtor that has advanced financing to the Debtor pursuant to a Debenture dated March 29, 2010 (the “Debenture”). As of November 10, 2015, the Debtor was indebted to GOFI in the total aggregate amount of \$1,096,552.16, plus interest accruing from and after that date, as well as legal fees (the “Indebtedness”).
5. In order to secure repayment by the Debtor to GOFI of amounts advanced pursuant to the Debenture (including the Indebtedness), the Debtor granted to GOFI a security interest in all of the undertaking, property and assets of the Debtor described in section 3.1 of the Debenture described in section 3.1 of the Debenture (the “Security”).

Default by and Insolvency of the Debtor

6. The Debtor is insolvent and has ceased to meet its liabilities as they become due, resulting in acts of bankruptcy under section 43 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “BIA”). In particular:
 - (a) The Debtor has defaulted in its obligation to repay the Indebtedness in its entirety to GOFI, which Indebtedness is presently due and payable by the Debtor to GOFI;
 - (b) The Debtor has failed to pay arrears of rent on its business premises to its landlord, Saskatchewan Opportunities Corporation, in amounts exceeding \$1,500,000;
 - (c) The Debtor is unable to meet monthly payroll obligations to its employees; and
 - (d) The Debtor has ceased to pay its accounts payable to its trade creditors in accordance with ordinary course terms of payment to such trade creditors.
7. As a result of the acts of bankruptcy by the Debtor described above, it became necessary and appropriate for GOFI to demand repayment of the entire amount of the Indebtedness from the Debtor, which Indebtedness became immediately due and owing pursuant to the

Debenture as a result of the default of the Debtor. Written demand was served upon the Debtor on November 10, 2015, in regard to the Indebtedness, together with a Notice of Intention to Enforce Security under section 244 of the BIA.

The Appointment of a Receiver Just and Convenient

8. GOFI has a right under the Security to apply to the Court for an Order appointing a receiver of the property, assets and undertaking of the Debtor.
9. By reason of the facts and matters described above and the additional facts and matters set forth in the Affidavits of Gavin Preston, David Dube, Craig Bell, Peter Blaney and Barry Bridges, each sworn November 23, 2015, the Property and the interests of all stakeholders of the Debtor (including GOFI) are in jeopardy and require immediate protection under court supervision, such that an Order of this Honourable Court appointing an Receiver is just and convenient.

Material or evidence to be relied on:

10. The Applicant relies upon:
 - (a) this Notice of Application;
 - (b) the Affidavits of Gavin Preston, David Dube, Craig Bell, Peter Blaney and Barry Bridges, each sworn November 23, 2015;
 - (c) a proposed form of Receivership Order (redlined against the Saskatchewan Template Receivership Order);
 - (d) a Brief of Law;
 - (e) a Consent To Act as Receiver executed by the proposed Receiver;
 - (f) the pleadings and proceedings herein; and
 - (g) such further and other material as this Honourable Court may allow.

Applicable Acts and regulations:

11. The *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, section 243; and
12. The *Personal Property Security Act*, 1993, S.S. 1993, c. P-6.2, section 64(8).

DATED at Saskatoon, Saskatchewan, this 23rd day of November, 2015.

MacPherson Leslie & Tyerman LLP



Per:

Jeffrey M. Lee, Q.C. and Paul Olfert,
counsel to Golden Opportunities Fund
Inc.

NOTICE

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

CONTACT INFORMATION AND ADDRESS FOR SERVICE

If prepared by a lawyer for the party:

Name of firm:	MacPherson Leslie & Tyerman LLP
Name of lawyer in charge of file:	Jeffrey M. Lee, Q.C. and Paul Olfert
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SERVICE LIST

NAME, ADDRESS EMAIL ADDRESS AND FAX NUMBER	COUNSEL FOR (OR ON BEHALF OF)	TELEPHONE NUMBER
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