

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.

ORDER

(Approval of Second Interim Financing Term Sheet)

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

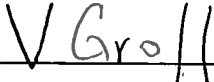
Upon the Application of Jeffrey M. Lee, Q.C. and Paul Olfert, counsel on behalf of **GOLDEN OPPORTUNITIES FUND INC.** ("GOFI"), and upon hearing from Jeffrey M. Lee, Q.C. on behalf of GOFI, and upon hearing from M. Kim Anderson, Q.C., counsel on behalf **PHENOMENOME DISCOVERIES INC.** ("PDI"), and upon 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.

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, 401-22nd 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, consisting of several loops and a long horizontal stroke, written over a horizontal line.

[Print Name]

FTI Consulting Inc.