

IN THE COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL DISTRICT OF EDMONTON

I hereby certify this to be a true copy of the original.

[Signature]
for Clerk of the Court

BETWEEN:

IRONMAN & COMPANY INC., ROBERT JOHNSON,
ORAN JOHNSON and BETTY JOHNSON

Applicants

- and -

GLENN KREGER and GLENCO METALS AND PROCESSING INC.

Respondents

BEFORE THE HONOURABLE)	ON FRIDAY, THE 29 TH DAY
MADAM/MR. JUSTICE)	OF JUNE, 2007.
<u><i>V. Ouellette</i></u>)	
IN CHAMBERS, LAW COURTS)	
EDMONTON, ALBERTA)	

LIQUIDATION ORDER

UPON the application for an Order for the liquidation of Glenco Metals and Processing Inc. ("Glenco"); AND UPON noting the consent of the Respondents through their counsel, Prowse Chowne LLP; AND UPON hearing counsel for the Applicants; AND UPON noting the consent of Browning & Crocker Inc. to act as Liquidator of Glenco; IT IS HEREBY ORDERED AND DECLARED THAT:

SHAREHOLDERS OF GLENCO

1. It is hereby declared that Ironman & Company Inc. ("Ironman") and Glenn Kreger ("Kreger") are the sole shareholders of Glenco and that Ironman and Kreger each hold 50% of all of the voting shares issued by Glenco;

APPOINTMENT

2. Pursuant to Sections 215, 218-229 and 239-242 of the *Business Corporations Act*, R.S.A. 2000, c. B-9 as amended, Browning & Crocker Inc. is hereby appointed Liquidator, without security, of all of Glenco's current and future assets, undertakings and property of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (the "Property").

POWERS OF LIQUIDATOR

3. The Liquidator 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 Liquidator is hereby expressly empowered and authorized to do any of the following where the Liquidator considers it necessary or desirable:

- a) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- b) 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;
- c) 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 powers and duties conferred by this Order;
- d) to receive and collect all monies and accounts now owed or hereafter owing to Glenco and to exercise all remedies of Glenco in collecting such monies, including, without limitation, to enforce any security held by Glenco;
- e) to settle, extend or compromise any indebtedness owing to or by Glenco;
- f) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Liquidator's name or in the name and on behalf of Glenco, for any purpose pursuant to this Order;
- g) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to Glenco, the Property or the Liquidator, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Liquidator to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- h) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Liquidator in its discretion may deem appropriate;
- i) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - i) without the approval of this Court in respect of any transaction not exceeding \$5,000.00 provided that the aggregate consideration for all such transactions does not exceed \$25,000.00; and

- ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 shall not be required.

- j) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- k) to report to, meet with and discuss with such affected Persons (as defined below) as the Liquidator deems appropriate all matters relating to the Property and the Liquidation, and to share information, subject to such terms as to confidentiality as the Liquidator deems advisable;
- l) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- m) to enter into agreements with any trustee in bankruptcy appointed in respect of Glenco, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Glenco;
- n) to take any steps reasonably incidental to the exercise of these powers;

and in each case where the Liquidator 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 Glenco, and without interference from any other Person.

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

DUTIES OF THE LIQUIDATOR

- 5. The Liquidator shall:

- a) forthwith after the Liquidator's appointment, give notice of the Liquidator's appointment to the Corporate Registrar and to each claimant and creditor known to the Liquidator,
- (b) forthwith publish notice in the Registrar's periodical or *The Alberta Gazette* and once a week for 2 consecutive weeks in a newspaper published or distributed in the place where the corporation has its registered office and take reasonable steps to give notice in each province and territory in Canada where the corporation carries on business, stating the fact of the liquidator's appointment and requiring any person:

- (i) indebted to the corporation, to provide a statement of account respecting the indebtedness and to pay to the liquidator at the time and place specified any amount owing,
 - (ii) possessing property of the corporation, to deliver it to the liquidator at the time and place specified, and
 - (iii) having a claim against the corporation, whether liquidated, unliquidated, future or contingent, to present particulars of the claim in writing to the liquidator not later than 2 months after the first publication of the notice,
- (c) take into the Liquidator's custody and control the Property of Glenco,
 - (d) open and maintain a trust account for the money of Glenco,
 - (e) keep accounts of the money of the corporation received and paid out by the Liquidator,
 - (f) maintain separate lists of the shareholders, creditors and other persons having claims against the corporation,
 - (g) if at any time the Liquidator determines that the corporation is unable to pay or adequately provide for the discharge of its obligations, apply to the Court for directions,
 - (h) deliver to the Court and to the Registrar, at least once in every 12-month period after the Liquidator's appointment or more often as the Court may require, financial statements of the corporation in the form required by section 155 or in any other form the Liquidator thinks proper or as the Court may require, and
 - (i) after the Liquidator's final accounts are approved by the Court, distribute any remaining property of the corporation among the shareholders according to their respective rights.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE LIQUIDATOR

- 6. (i) Glenco, (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 Liquidator of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Liquidator, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Liquidator upon the Liquidator's request.
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- 7. All Persons shall forthwith advise the Liquidator 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 Glenco, 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 Liquidator or permit the Liquidator to make, retain and take away copies thereof and grant to the Liquidator unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Liquidator 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 Liquidator for the purpose of allowing the Liquidator 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 Liquidator in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Liquidator. Further, for the purposes of this paragraph, all Persons shall provide the Liquidator with all such assistance in gaining immediate access to the information in the Records as the Liquidator may in its discretion require including providing the Liquidator with instructions on the use of any computer or other system and providing the Liquidator 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 LIQUIDATOR

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

LIQUIDATOR TO HOLD FUNDS

10. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Liquidator 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 Liquidator (the "Post Liquidation Accounts") and the monies standing to the credit of such Post Liquidation Accounts from time to time, net of any disbursements provided for herein, shall be held by the Liquidator to be paid in accordance with the terms of this Order or any further order of this Court.

LIMITATION ON ENVIRONMENTAL LIABILITIES

11. a) Notwithstanding anything in any federal or provincial law, the Liquidator is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:

- i) before the Liquidator's appointment; or
 - ii) after the Liquidator's appointment unless it is established that the condition arose or the damage occurred as a result of the Liquidator's gross negligence or wilful misconduct.
- b) Nothing in sub-paragraph (a) exempts a Liquidator 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 Liquidator to remedy any environmental condition or environmental damage affecting the Property, the Liquidator 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 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Liquidator, if the order is in effect when the Liquidator is appointed, or during the period of the stay referred to in clause (ii) below, the Liquidator:
 - 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 10 days after the order is made or within 10 days after the appointment of the Liquidator, if the order is in effect when the Liquidator is appointed, by,
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Liquidator 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
 - ii) if the Liquidator 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 Liquidator by Section 14.06 of the BIA or any other applicable legislation.

LIQUIDATOR'S ACCOUNTS

12. Any expenditure or liability which shall properly be made or incurred by the Liquidator, including the fees of the Liquidator and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Liquidator and its counsel, 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 except the Canada Revenue Agency (the "Liquidator's Charge").
13. The Liquidator and its legal counsel shall pass their accounts from time to time.
14. Prior to the passing of its accounts, the Liquidator 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 Liquidator or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE LIQUIDATION

15. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Liquidator'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 Liquidator's Charge.

ALLOCATION

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

GENERAL


17. The Liquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
18. Nothing in this Order shall prevent the Liquidator from acting as a trustee in bankruptcy of Glenco.
19. 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 Liquidator 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 Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Liquidator and its agents in carrying out the terms of this Order.

- 20. The Liquidator 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.
- 21. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Liquidator 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.

" V. Ouellette "
J.C.C.Q.B.A

APPROVED AS TO ORDER GRANTED:

DUNCAN & CRAIG LLP

Per: 
EDWARD R. FEEHAN
Solicitors for the Applicants

PROWSE CHOWNE LLP

Per: 
CAMERON PROWSE, Q.C.
Solicitors for the Respondents

ENTERED THIS 27th DAY
OF June, 2007


CLERK OF THE COURT



Action No. 0703 01641

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Applicants

- and -

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AND PROCESSING INC.**

Respondents



LIQUIDATION ORDER

EDWARD R. FEEHAN
Barrister & Solicitor
(780) 428-6036

File #162-145614

DUNCAN & CRAIG LLP

LAWYERS & MEDIATORS

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