TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: PHARMENG TECHNOLOGY INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER	CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
00	619524252							
01			001	2		20051006 1749 7029 7102	P PPSA	5

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR NAME							
03	BUSINESS NAME	PHARMENG TECHNOLOGY INC.				ONTARIO CORPORATION NO.		
04	ADDRESS	145 ROYAL CRESCENT COURT				MARKHAM	ON	L3R 9Z4
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
05	DEBTOR NAME							
06	BUSINESS NAME					ONTARIO CORPORATION NO.		
07	ADDRESS							
08	SECURED PARTY / LIEN CLAIMANT	DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.						
09	ADDRESS	100-1235 NORTH SERVICE RD W				OAKVILLE	ON	L6M 2W2

	COLLATERAL CLASSIFICATION	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR NO FIXED MATURITY DATE
10				X		X			

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR VEHICLE 12				

13 GENERAL COLLATERAL DESCRIPTION
14 ALL GOODS SUPPLIED BY THE SECURED PARTY PURSUANT TO A LEASE
15 BETWEEN THE DEBTOR AND THE SECURED PARTY, TOGETHER WITH ALL PARTS AND ACCESSORIES THERETO AND ACCESSION THERETO AND ALL

16 REGISTERING AGENT: DISTINCT CREDIT SERVICES LTD. 13966

17 ADDRESS: 429 DANFORTH AVE STE 433 — TORONTO — ON — M4K 1P1

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 16

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: PHARMENG TECHNOLOGY INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 619524252

	CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		002	2		20051006 1749 7029 7102		

	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02 DEBTOR NAME				
03 BUSINESS NAME				ONTARIO CORPORATION NO.
04 ADDRESS				
05 DEBTOR NAME				
06 BUSINESS NAME				ONTARIO CORPORATION NO.
07 ADDRESS				

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
COLLATERAL CLASSIFICATION									
10									

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR VEHICLE				
12				

13 GENERAL COLLATERAL
14 DESCRIPTION
15 REPLACEMENTS OR SUBSTITUTIONS FOR SUCH GOODS AND PROCEEDS THEREOF (PROCEEDS AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (ON)) AND ANY INSURANCE PROCEEDS RESULTING THERE FROM.

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 17

CERTIFIED BY/CERTIFIÉES PAR.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

RUN NUMBER : 135
RUN DATE : 2009/05/15
ID : 20090515125119.46

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 17
(5653)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : PHARMENG TECHNOLOGY INC.
FILE CURRENCY : 14MAY 2009

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
651761415	20090227 1237 1862 1416			
641539872	20071220 1431 1862 1385	20090313 1148 1862 2597		
641550087	20071220 1640 1590 5719			
619524252	20051006 1749 7029 7102			

5 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crij2 11/2008)

Ontario

RUN NUMBER : 135
RUN DATE : 2009/05/15
ID : 20090515125049.30

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(5621)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : PHARMENG INTERNATIONAL INC.

FILE CURRENCY : 14MAY 2009

ENQUIRY NUMBER 20090515125049.30 CONTAINS 16 PAGE(S), 7 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

AYLESWORTH LLP

222 BAY STREET, 18TH FLOOR
TORONTO ON M5K 1H1

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crfj2 11/2008)

CONTINUED... 2

Ontario

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: PHARMENG INTERNATIONAL INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 649858545

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		001		20081112 0926 1862 3274	P PPSA	5

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR NAME							
03	BUSINESS NAME	PHARMENG INTERNATIONAL INC.				ONTARIO CORPORATION NO.		
04	ADDRESS	3760 14TH AVENUE, SUITE 201				MARKHAM	ON	L3R 3T7
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
06	BUSINESS NAME					ONTARIO CORPORATION NO.		
07	ADDRESS							
08	SECURED PARTY / LIEN CLAIMANT	2186827 ONTARIO INC.						
09	ADDRESS	2450 DOULTON PLACE				MISSISSAUGA	ON	L5H 4G5

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR NO FIXED MATURITY DATE
10		X	X	X	X	X		

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR VEHICLE	1999	TOYOTA	CAMRY	JT2BF22K3X0214100
12		2001	LEXUS	SPORT UTILITY	JTJHF10U610215522

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16	REGISTERING AGENT	BLAKE, CASSELS & GRAYDON LLP (NC/MRO)			
17	ADDRESS	BOX 25, COMMERCE COURT WEST	TORONTO	ON	M5L 1A9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : PHARMENG INTERNATIONAL INC.
FILE CURRENCY : 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 641539908

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		001		20071220 1432 1862 1387	P PPSA	5

	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02 DEBTOR NAME				

03 BUSINESS NAME: PHARMENG INTERNATIONAL INC. — ONTARIO CORPORATION NO.

04 ADDRESS: 3760 14TH AVENUE, SUITE 201 — MARKHAM — ON — L3R 3T7

	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05 DEBTOR NAME				

06 BUSINESS NAME: — ONTARIO CORPORATION NO.

07 ADDRESS:

08 SECURED PARTY / LIEN CLAIMANT: LANDSBANKI ISLANDS HF

09 ADDRESS: 5112 PRINCE STREET — HALIFAX — NS — B3J 1L3

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10		X	X	X	X	X			

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR VEHICLE				

12

13 GENERAL COLLATERAL DESCRIPTION

14

15

16 REGISTERING AGENT: GOWLING LAFLEUR HENDERSON LLP

17 ADDRESS: SUITE 1600, 100 KING STREET WEST — TORONTO — ON — M5X 1G5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)

Ontario

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: PHARMENG INTERNATIONAL INC.
FILE CURRENCY: 14MAY 2009

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001	001		20090313 1147 1862 2593	

	RECORD REFERENCED	FILE NUMBER	RENEWAL YEARS	CORRECT PERIOD
21		641539908		

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED
22		X	D , ASSIGNMENT

	FIRST GIVEN NAME	INITIAL	SURNAME

23 REFERENCE DEBTOR/ TRANSFEROR
24 BUSINESS NAME: PHARMENG INTERNATIONAL INC.

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28

	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02/				

05 DEBTOR/
03/ TRANSFEREE — BUSINESS NAME — ONTARIO CORPORATION NO.
06
04/07 ADDRESS

29 ASSIGNOR — LANDSBANKI ISLANDS HF
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08 LABKI FINANCE INC.
09 ADDRESS — 1100 RENE-LEVESQUE BOULEVARD WEST — MONTREAL — PQ — H3B 5C9

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR MATURITY DATE	NO FIXED MATURITY DATE
10									

	YEAR	MAKE	MODEL	V.I.N.
11				

12 MOTOR VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT OR — GOWLING LAFLEUR HENDERSON LLP
17 SECURED PARTY/ LIEN CLAIMANT — ADDRESS — SUITE 1600, 100 KING STREET WEST — TORONTO — ON — M5X 1G5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj2fr 11/2008)

Ontario

RUN NUMBER : 135
RUN DATE : 2009/05/15
ID : 20090515125049.30

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 5
(5625)

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: PHARMENG INTERNATIONAL INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 641550087

	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	5		20071220 1640 1590 5719	P PPSA	5

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR NAME							
03	BUSINESS NAME	PHARMENG USA, INC.				ONTARIO CORPORATION NO.		
04	ADDRESS	4307 EMPEROR BLVD., SUITE 120				DURHAM	NC	27703
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
05	DEBTOR NAME							
06	BUSINESS NAME	PHARMENG USA, INC.				ONTARIO CORPORATION NO.		
07	ADDRESS	3760 14TH AVENUE, SUITE 201				MARKHAM	ON	L3R 3T7
08	SECURED PARTY / LIEN CLAIMANT	BHC INTERIM FUNDING II, L.P.						
09	ADDRESS	444 MADISON AVENUE				NEW YORK	NY	10022

	COLLATERAL CLASSIFICATION CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10		X	X	X	X	X			

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR VEHICLE			
12				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: MCMILLAN BINCH MENDELSOHN LLP (SMR/SC/0088887)

17 ADDRESS: 181 BAY ST., STE. 4400, BROOKFIELD PLACE TORONTO ON M5J 2T3

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)

Ontario

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: PHARMENG INTERNATIONAL INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER	CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
00	641550087							
01			002	5		20071220 1640 1590 5719		

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR NAME							
03		BUSINESS NAME	PHARMENG INTERNATIONAL INC.			ONTARIO CORPORATION NO.		
04		ADDRESS	3760 14TH AVENUE, SUITE 201		MARKHAM		ON	L3R 3T7
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
06		BUSINESS NAME	PHARMENG TECHNOLOGY INC.			ONTARIO CORPORATION NO.		
07		ADDRESS	3760 14TH AVENUE, SUITE 201		MARKHAM		ON	L3R 3T7
08	SECURED PARTY / LIEN CLAIMANT							
09		ADDRESS						

	COLLATERAL CLASSIFICATION	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR NO FIXED MATURITY DATE
10									

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR VEHICLE			
12				

13	GENERAL COLLATERAL DESCRIPTION
14	
15	

16	REGISTERING AGENT	
17	ADDRESS	

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 7

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)

Ontario

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: PHARMENG INTERNATIONAL INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 641550087

	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		003	5		20071220 1640 1590 5719		

	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02 DEBTOR NAME				

03 BUSINESS NAME: KEATA PHARMA INC. — ONTARIO CORPORATION NO.

04 ADDRESS: 3760 14TH AVENUE, SUITE 201 — MARKHAM — ON — L3R 3T7

	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05 DEBTOR NAME				

06 BUSINESS NAME: KEATA PHARMA INC. — ONTARIO CORPORATION NO.

07 ADDRESS: 365 MADAWASKA BLVD. — ARNPRIOR — ON — K7S 3K2

08 SECURED PARTY / LIEN CLAIMANT

09 ADDRESS

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	NO FIXED MATURITY DATE
COLLATERAL CLASSIFICATION									
10									

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR VEHICLE				
12				

13 GENERAL COLLATERAL
14
15 DESCRIPTION

16 REGISTERING AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 8

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : PHARMENG INTERNATIONAL INC.
FILE CURRENCY : 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 641550087

	CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		004	5		20071220 1640 1590 5719		

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
02	DEBTOR					
03	NAME	BUSINESS NAME	KEATA PHARMA INC.			ONTARIO CORPORATION NO.
04		ADDRESS	65 DUFFERIN STREET		PERTH	ON K7H 3A5
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR					
06	NAME	BUSINESS NAME	PHARMENG INTERNATIONAL (CHINA) INC.			ONTARIO CORPORATION NO.
07		ADDRESS	3760 14TH AVENUE, SUITE 201		MARKHAM	ON L3R 3T7

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10									

	YEAR	MAKE	MODEL	V.I.N
11				
12				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 9

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crjtfr 11/2008)

Ontario

RUN NUMBER : 135
RUN DATE : 2009/05/15
ID : 20090515125049.30

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 9
(5629)

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: PHARMENG INTERNATIONAL INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
00	641550087								
01			005		5		20071220 1640 1590 5719		

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME		
02	DEBTOR NAME						
03	BUSINESS NAME	PHARMENG LEARNING INSTITUTE INC.				ONTARIO CORPORATION NO.	
04	ADDRESS	3760 14TH AVENUE, SUITE 201			MARKHAM	ON	L3R 3T7
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME		
05	DEBTOR NAME						
06	BUSINESS NAME					ONTARIO CORPORATION NO.	
07	ADDRESS						
08	SECURED PARTY / LIEN CLAIMANT						
09	ADDRESS						

	COLLATERAL CLASSIFICATION: CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10									

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR VEHICLE			
12				
13	GENERAL COLLATERAL DESCRIPTION			
14				
15				
16	REGISTERING AGENT			
17	ADDRESS			

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 10

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: PHARMENG INTERNATIONAL INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 625548879

	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	1		20060526 1559 9009 0037	P PPSA	15

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR NAME							
03		BUSINESS NAME	PHARMENG INTERNATIONAL INC.			ONTARIO CORPORATION NO.		
04		ADDRESS	3760 14TH AVENUE, SUITE 201		MARKHAM		ONT	L3R 3T7
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
05	DEBTOR NAME							
06		BUSINESS NAME				ONTARIO CORPORATION NO.		
07		ADDRESS						
08	SECURED PARTY / LIEN CLAIMANT		ENTERPRISE CAPE BRETON CORPORATION					
09		ADDRESS	SILICON ISLAND, 70 CRESCENT STREET		SYDNEY		ONT	B1S 2Z7

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10		X	X	X	X		192000		X

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR VEHICLE 12				

13 GENERAL COLLATERAL 14 DESCRIPTION 15

16	REGISTERING AGENT	SAMUEL ENG & ASSOCIATES			
17	ADDRESS	310-3636 STEELES AVENUE EAST	MARKHAM	ONT	L3R 1K9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 11

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : PHARMENG INTERNATIONAL INC.
FILE CURRENCY : 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER
00	625549365

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		1		20060526 1648 9009 0038	P PPSA	15

	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	BUSINESS NAME	ONTARIO CORPORATION NO.
02	DEBTOR NAME					
03					PHARMENG INTERNATIONAL INC.	
04	ADDRESS	3760 14TH AVENUE, SUITE 201		MARKHAM	ONT	L3R 3T7
05	DEBTOR NAME					
06					BUSINESS NAME	ONTARIO CORPORATION NO.
07	ADDRESS					
08	SECURED PARTY / LIEN CLAIMANT	ENTERPRISE CAPE BRETON CORPORATION				
09	ADDRESS	SILICON ISLAND, 70 CRESCENT STREET		SYDNEY	NS	B1S 2Z7

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10		X	X	X	X		880000		X

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR VEHICLE			
12				

13 GENERAL COLLATERAL
14 DESCRIPTION
15

16 REGISTERING AGENT SAMUEL ENG & ASSOCIATES

17 ADDRESS 310-3636 STEELES AVENUE EAST MARKHAM ONT L3R 1K9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 12

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)

Ontario

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: PHARMENG INTERNATIONAL INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 621931203

	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	1		20060111 1420 9009 0031	P PPSA	15

	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02	DEBTOR NAME			

03 BUSINESS NAME: PHARMENG INTERNATIONAL INC. — ONTARIO CORPORATION NO.:

04 ADDRESS: 3760 14TH AVENUE, SUITE 201 — MARKHAM — ONT — L3R 1K9

	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05	DEBTOR NAME			

06 BUSINESS NAME: — ONTARIO CORPORATION NO.:

07 ADDRESS:

08 SECURED PARTY / LIEN CLAIMANT: CAPE BRETON GROWTH FUND CORPORATION/CORPORATION FONDS D'INVESTISSEMENT

09 ADDRESS: SILICON ISLAND, 70 CRESCENT STREET — SYDNEY — NS — B1S 2Z7

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10			X						X

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR VEHICLE			
12				

13 GENERAL COLLATERAL DESCRIPTION: ACCELA COTA 48 TABLET COATING SYSTEM - PO #K053210
14
15

16 REGISTERING AGENT: SAMUEL ENG & ASSOCIATES

17 ADDRESS: 310-3636 STEELES AVENUE EAST — MARKHAM — ONT — L3R 1K9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 13

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)

Ontario

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: PHARMENG INTERNATIONAL INC.
FILE CURRENCY: 14MAY 2009

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001	1		20060112 1019 9009 0034	

21 RECORD REFERENCED: FILE NUMBER 621931203

PAGE AMENDED | NO SPECIFIC PAGE AMENDED | CHANGE REQUIRED | RENEWAL YEARS | CORRECT PERIOD

A AMENDMENT

22 FIRST GIVEN NAME | INITIAL | SURNAME

23 REFERENCE DEBTOR/ TRANSFEROR

24 BUSINESS NAME: PHARMENG INTERNATIONAL INC.

25 OTHER CHANGE

26 REASON/ DESCRIPTION: ADDITIONAL COLLATERAL CLASSIFICATION

27

28

02/ DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME

05 DEBTOR/

03/ TRANSFEREE | BUSINESS NAME | ONTARIO CORPORATION NO.

06

04/07 ADDRESS

29 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE

08

09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10		X		X	X				

YEAR | MAKE | MODEL | V.I.N.

11 MOTOR VEHICLE GENERAL COLLATERAL DESCRIPTION

16 REGISTERING AGENT OR SECURED PARTY/ LIEN CLAIMANT ADDRESS: SAMUEL ENG & ASSOCIATES, 310-3636 STEELES AVENUE EAST, MARKHAM, ONT, L3R 1K9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 14

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fr 11/2008)

Ontario

RUN NUMBER : 135
RUN DATE : 2009/05/15
ID : 20090515125049.30

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 14
(5634)

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: PHARMENG INTERNATIONAL INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
00	621931284								
01			001		1		20060111 1428 9009 0032	P PPSA	15

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
02	DEBTOR NAME					
03		BUSINESS NAME	PHARMENG INTERNATIONAL INC.			ONTARIO CORPORATION NO.
04		ADDRESS	3760 14TH AVENUE, SUITE 201		MARKHAM	ONT L3R 3T7
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
06		BUSINESS NAME				ONTARIO CORPORATION NO.
07		ADDRESS				
08	SECURED PARTY / LIEN CLAIMANT		ENTERPRISE CAPE BRETON CORPORATION			
09		ADDRESS	SILICON ISLAND, 70 CRESCENT STREET		SYDNEY	NS B1S 2Z7

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10			X						X

	YEAR	MAKE	MODEL	V.I.N.
11				
12				

13	GENERAL COLLATERAL DESCRIPTION	ACCELA COTA 48 TABLET COATING SYSTEM - PO #K053210
14		
15		
16	REGISTERING AGENT	SAMUEL ENG & ASSOCIATES
17	ADDRESS	310-3636 STEELES AVENUE MARKHAM ONT L3R 1K9

*** FOR FURTHER INFORMATION CONTACT THE SECURED PARTY ***

CONTINUED... 15

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : PHARMENG INTERNATIONAL INC.
FILE CURRENCY : 14MAY 2009

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
649858545	20081112 0926 1862 3274			
641539908	20071220 1432 1862 1387	20090313 1147 1862 2593		
641550087	20071220 1640 1590 5719			
625548879	20060526 1559 9009 0037			
625549365	20060526 1648 9009 0038			
621931203	20060111 1420 9009 0031	20060112 1019 9009 0034		
621931284	20060111 1428 9009 0032	20060112 1015 9009 0033		

10 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
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LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crij2 11/2008)

Ontario

RUN NUMBER : 135
RUN DATE : 2009/05/15
ID : 20090515125035.60

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(5599)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : KEATA PHARMA, INC.

FILE CURRENCY : 14MAY 2009

ENQUIRY NUMBER 20090515125035.60 CONTAINS 22 PAGE(S), 8 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

AYLESWORTH LLP

222 BAY STREET, 18TH FLOOR
TORONTO ON M5K 1H1

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crfj2 11/2008)

CONTINUED... 2

Ontario

RUN NUMBER : 135
RUN DATE : 2009/05/15
ID : 20090515125035.60

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 2
(5600)

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: KEATA PHARMA, INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER								
00	651761415								
	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER		REGISTRATION PERIOD
01		001		006		20090227 1237 1862 1416	P	PPSA	2

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME		
02	DEBTOR						
03	NAME	BUSINESS NAME	PHARMENG TECHNOLOGY INC.			ONTARIO CORPORATION NO.	
04		ADDRESS	3760 14TH AVENUE, SUITE 201		MARKHAM	ON	L3R 3T7
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME		
05	DEBTOR						
06	NAME	BUSINESS NAME	PHARMENG TECHNOLOGY INC.			ONTARIO CORPORATION NO.	
07		ADDRESS	21 ODESSA CRESCENT		MARKHAM	ON	L6C 2L3
08	SECURED PARTY / LIEN CLAIMANT		2186827 ONTARIO INC.				
09		ADDRESS	2450 DOULTON PLACE		MISSISSAUGA	ON	L5H 4G5

COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10	X	X	X	X	X			

YEAR	MAKE	MODEL	V.I.N.
11 MOTOR VEHICLE			
12			

13 GENERAL COLLATERAL
14
15 DESCRIPTION

16 REGISTERING AGENT		AYLESWORTH LLP (JMM)			
17	ADDRESS	TD CENTRE, 222 BAY STREET, 18TH FLOOR	TORONTO	ON	M5K 1H1

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: KEATA PHARMA, INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER
00	651761415

	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		002	006		20090227 1237 1862 1416		

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
02	DEBTOR NAME					
03		BUSINESS NAME	KEATA PHARMA INC.			ONTARIO CORPORATION NO.
04		ADDRESS	3760 14TH AVENUE, SUITE 201		MARKHAM	ON L3R 3T7
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR NAME					
06		BUSINESS NAME	KEATA PHARMA INC.			ONTARIO CORPORATION NO.
07		ADDRESS	21 ODESSA CRESCENT		MARKHAM	ON L6C 2L3
08	SECURED PARTY / LIEN CLAIMANT					
09		ADDRESS				

	COLLATERAL CLASSIFICATION										
	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10									

	YEAR	MAKE	MODEL	V.I.N.
11				
12	MOTOR VEHICLE			

13	GENERAL
14	COLLATERAL
15	DESCRIPTION

16	REGISTERING AGENT
17	ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : KEATA PHARMA, INC.
FILE CURRENCY : 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER: 651761415

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		003	006		20090227 1237 1862 1416		

02 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
03 BUSINESS NAME: PHARMENG INTERNATIONAL (CHINA) INC. — ONTARIO CORPORATION NO.
04 ADDRESS: 3760 14TH AVENUE, SUITE 201 MARKHAM ON L3R 3T7

05 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
06 BUSINESS NAME: PHARMENG INTERNATIONAL (CHINA) INC. — ONTARIO CORPORATION NO.
07 ADDRESS: 21 ODESSA CRESCENT MARKHAM ON L6C 2L3

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR NO FIXED MATURITY DATE
10									

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: KEATA PHARMA, INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 651761415

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		004	006		20090227 1237 1862 1416		

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR NAME							
03		BUSINESS NAME	PHARMENG LEARNING INSTITUTE INC.			ONTARIO CORPORATION NO.		
04		ADDRESS	3760 14TH AVENUE, SUITE 201		MARKHAM		ON	L3R 3T7
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
05	DEBTOR NAME							
06		BUSINESS NAME	PHARMENG LEARNING INSTITUTE INC.			ONTARIO CORPORATION NO.		
07		ADDRESS	21 ODESSA CRESCENT		MARKHAM		ON	L6C 2L3

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

	COLLATERAL CLASSIFICATION									
	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10									

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR VEHICLE				
12				

13 GENERAL COLLATERAL
14 DESCRIPTION
15

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : KEATA PHARMA, INC.
FILE CURRENCY : 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
00	651761415							
01			005	006		20090227 1237 1862 1416		

	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME				
02	DEBTOR NAME							
03	BUSINESS NAME	PHARMENG USA, INC.				ONTARIO CORPORATION NO.		
04	ADDRESS	4307 EMPEROR BLVD., SUITE 120			DURHAM		NC	27703
05	DEBTOR NAME							
06	BUSINESS NAME	PHARMENG USA, INC.				ONTARIO CORPORATION NO.		
07	ADDRESS	21 ODESSA CRESCENT			MARKHAM		ON	L6C 2L3

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

	COLLATERAL CLASSIFICATION CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10									

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR			
12	VEHICLE			

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 7

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : KEATA PHARMA, INC.
FILE CURRENCY : 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 651761415

	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		006	006		20090227 1237 1862 1416		

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
02	DEBTOR NAME					
03		BUSINESS NAME	PHARMENG INTERNATIONAL (TAIWAN) INC.			ONTARIO CORPORATION NO.
04		ADDRESS	21 ODESSA CRESCENT		MARKHAM	ON L6C 2L3
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR NAME					
06		BUSINESS NAME				ONTARIO CORPORATION NO.
07		ADDRESS				
08	SECURED PARTY / LIEN CLAIMANT					
09		ADDRESS				

	COLLATERAL CLASSIFICATION										
	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE		
10											

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR VEHICLE 12				

13 GENERAL COLLATERAL DESCRIPTION 14 15

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 8

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)

Ontario

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: KEATA PHARMA, INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER	CAUTION FILING	PAGE NO	TOTAL NO OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
00	648743427							
01			01	001		20080924 1010 1462 0923	P PPSA	5

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME				
02	DEBTOR NAME								
03		BUSINESS NAME	KEATA PHARMA INC.				ONTARIO CORPORATION NO.		
04		ADDRESS	365 MADAWASKA BLVD			ARNPRIOR		ON	K7S3P1
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME				
06		BUSINESS NAME					ONTARIO CORPORATION NO.		
07		ADDRESS							
08	SECURED PARTY / LIEN CLAIMANT		XEROX CANADA LTD						
09		ADDRESS	33 BLOOR ST. E. 3RD FLOOR			TORONTO		ON	M4W3H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10		X		X					X

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR VEHICLE 12				

13 GENERAL COLLATERAL 14 DESCRIPTION 15

16	REGISTERING AGENT	XEROX CANADA LTD				
17	ADDRESS	33 BLOOR ST. E. 3RD FLOOR	TORONTO		ON	M4W3H1

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 9

CERTIFIED BY/CERTIFIÉES PAR

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PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)

Ontario

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: KEATA PHARMA, INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
00	648768591							
01			01	001		20080924 1701 1462 1092	P PPSA	5

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR NAME							
03	BUSINESS NAME		KEATA PHARMA INC.			ONTARIO CORPORATION NO.		
04	ADDRESS		365 MADAWASKA BLVD			ARNPRIOR	ON	K7S3P1
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
06	BUSINESS NAME					ONTARIO CORPORATION NO.		
07	ADDRESS							
08	SECURED PARTY / LIEN CLAIMANT		XEROX CANADA LTD					
09	ADDRESS		33 BLOOR ST. E. 3RD FLOOR			TORONTO	ON	M4W3H1

	COLLATERAL CLASSIFICATION CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10			X		X				X

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR VEHICLE			
12				

13	GENERAL COLLATERAL DESCRIPTION
14	
15	

16	REGISTERING AGENT	XEROX CANADA LTD			
17	ADDRESS	33 BLOOR ST. E. 3RD FLOOR	TORONTO	ON	M4W3H1

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 10

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: KEATA PHARMA, INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
00	648730971							
01			01	001		20080923 1703 1462 0840	P PPSA	5

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR NAME							
03		BUSINESS NAME	KEATA PHARMA INC.				ONTARIO CORPORATION NO.	
04		ADDRESS	365 MADAWASKA BLVD			ARNPRIOR	ON	K7S3P1
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
06		BUSINESS NAME					ONTARIO CORPORATION NO.	
07		ADDRESS						
08	SECURED PARTY / LIEN CLAIMANT		XEROX CANADA LTD					
09		ADDRESS	33 BLOOR ST. E. 3RD FLOOR			TORONTO	ON	M4W3H1

	COLLATERAL CLASSIFICATION	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10			X		X					X

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR VEHICLE				
12					

13 GENERAL COLLATERAL DESCRIPTION
14
15

16	REGISTERING AGENT		XEROX CANADA LTD			
17		ADDRESS	33 BLOOR ST. E. 3RD FLOOR	TORONTO	ON	M4W3H1

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 11

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

RUN NUMBER : 135
RUN DATE : 2009/05/15
ID : 20090515125035.60

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 11
(5609)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : KEATA PHARMA, INC.
FILE CURRENCY : 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER
00	641539899

	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	001		20071220 1432 1862 1386	P PPSA	5

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR NAME							
03		BUSINESS NAME	KEATA PHARMA INC.			ONTARIO CORPORATION NO.		
04		ADDRESS	3760 14TH AVENUE, SUITE 201		MARKHAM		ON	L3R 3T7
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
05	DEBTOR NAME							
06		BUSINESS NAME				ONTARIO CORPORATION NO.		
07		ADDRESS						
08	SECURED PARTY / LIEN CLAIMANT		LANDSBANKI ISLANDS HF					
09		ADDRESS	5112 PRINCE STREET		HALIFAX		NS	B3J 1L3

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10		X	X	X	X	X			

	YEAR	MAKE	MODEL	V.I.N.
11				
12				

13 GENERAL COLLATERAL
14 DESCRIPTION
15

16 REGISTERING AGENT GOWLING LAFLEUR HENDERSON LLP

17 ADDRESS SUITE 1600, 100 KING STREET WEST TORONTO ON M5X 1G5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 12

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

RUN NUMBER : 135
RUN DATE : 2009/05/15
ID : 20090515125035.60

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 11
(5609)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : KEATA PHARMA, INC.
FILE CURRENCY : 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER
00	641539899

	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	001		20071220 1432 1862 1386	P PPSA	5

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR NAME							
03		BUSINESS NAME	KEATA PHARMA INC.			ONTARIO CORPORATION NO.		
04		ADDRESS	3760 14TH AVENUE, SUITE 201		MARKHAM		ON	L3R 3T7
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
06		BUSINESS NAME				ONTARIO CORPORATION NO.		
07		ADDRESS						
08	SECURED PARTY / LIEN CLAIMANT		LANDSBANKI ISLANDS HF					
09		ADDRESS	5112 PRINCE STREET		HALIFAX		NS	B3J 1L3

	COLLATERAL CLASSIFICATION: CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10		X	X	X	X	X			

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR VEHICLE			
12				

13	GENERAL COLLATERAL DESCRIPTION
14	
15	

16	REGISTERING AGENT	GOWLING LAFLEUR HENDERSON LLP			
17	ADDRESS	SUITE 1600, 100 KING STREET WEST	TORONTO	ON	M5X 1G5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 12

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)

Ontario

RUN NUMBER : 135
RUN DATE : 2009/05/15
ID : 20090515125035.60

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: KEATA PHARMA, INC.
FILE CURRENCY: 14MAY 2009

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001	001		20090313 1146 1862 2592	

21 RECORD REFERENCED — FILE NUMBER: 641539899

PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
	X	D ASSIGNMENT		

22 FIRST GIVEN NAME | INITIAL | SURNAME

23 REFERENCE DEBTOR/ TRANSFEROR — BUSINESS NAME: KEATA PHARMA INC.

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION

28
02/ DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
05 DEBTOR/
03/ TRANSFEREE — BUSINESS NAME | ONTARIO CORPORATION NO.
06
04/07 ADDRESS

29 ASSIGNOR — LANDSBANKI ISLANDS HF
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08 LABKI FINANCE INC.
09 ADDRESS: 1100 RENE-LEVESQUE BOULEVARD WEST — MONTREAL — PQ — H3B 5C9

COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE

10

YEAR	MAKE	MODEL	V.I.N.

11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR — GOWLING LAFLEUR HENDERSON LLP
17 SECURED PARTY/ LIEN CLAIMANT — ADDRESS: SUITE 1600, 100 KING STREET WEST — TORONTO — ON — M5X 1G5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 13

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fr 11/2008)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : KEATA PHARMA, INC.
FILE CURRENCY : 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER
00	641550087

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		5		20071220 1640 1590 5719	P PPSA	5

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR							
03	NAME	BUSINESS NAME	PHARMENG USA, INC.				ONTARIO CORPORATION NO.	
04		ADDRESS	4307 EMPEROR BLVD., SUITE 120			DURHAM	NC	27703
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
05	DEBTOR							
06	NAME	BUSINESS NAME	PHARMENG USA, INC.				ONTARIO CORPORATION NO.	
07		ADDRESS	3760 14TH AVENUE, SUITE 201			MARKHAM	ON	L3R 3T7
08	SECURED PARTY / LIEN CLAIMANT		BHC INTERIM FUNDING II, L.P.					
09		ADDRESS	444 MADISON AVENUE			NEW YORK	NY	10022

	COLLATERAL CLASSIFICATION	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10			X	X	X	X	X			

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR			
12	VEHICLE			

13	GENERAL
14	COLLATERAL
15	DESCRIPTION

16	REGISTERING AGENT	MCMILLAN BINCH MENDELSOHN LLP (SMR/SC/0088887)	
17	ADDRESS	181 BAY ST., STE. 4400, BROOKFIELD PLACE TORONTO	ON M5J 2T3

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 14

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)

Ontario

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: KEATA PHARMA, INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER	CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
00	641550087							
01			002	5		20071220 1640 1590 5719		

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR NAME							
03	BUSINESS NAME	PHARMENG INTERNATIONAL INC.				ONTARIO CORPORATION NO.		
04	ADDRESS	3760 14TH AVENUE, SUITE 201			MARKHAM	ON	L3R 3T7	
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
06	BUSINESS NAME	PHARMENG TECHNOLOGY INC.				ONTARIO CORPORATION NO.		
07	ADDRESS	3760 14TH AVENUE, SUITE 201			MARKHAM	ON	L3R 3T7	
08	SECURED PARTY / LIEN CLAIMANT							
09	ADDRESS							

	COLLATERAL CLASSIFICATION	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10										

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR VEHICLE			
12				

13 GENERAL COLLATERAL
14 DESCRIPTION
15

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 15

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REGISTRAR OF
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LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : KEATA PHARMA, INC.
FILE CURRENCY : 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER	CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
00	641550087							
01			003	5		20071220 1640 1590 5719		

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR NAME							
03		BUSINESS NAME	KEATA PHARMA INC.				ONTARIO CORPORATION NO.	
04		ADDRESS	3760 14TH AVENUE, SUITE 201			MARKHAM	ON	L3R 3T7
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
06		BUSINESS NAME	KEATA PHARMA INC.				ONTARIO CORPORATION NO.	
07		ADDRESS	365 MADAWASKA BLVD.			ARNPRIOR	ON	K7S 3K2

08	SECURED PARTY / LIEN CLAIMANT		
09		ADDRESS	

	COLLATERAL CLASSIFICATION	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEH. INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10										

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR VEHICLE			
12				

13	GENERAL COLLATERAL DESCRIPTION
14	
15	

16	REGISTERING AGENT	
17		ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 16

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: KEATA PHARMA, INC.
FILE CURRENCY: 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
00	641550087							
01			004	5		20071220 1640 1590 5719		

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME		
02	DEBTOR NAME						
03		BUSINESS NAME	KEATA PHARMA INC.			ONTARIO CORPORATION NO.	
04		ADDRESS	65 DUFFERIN STREET		PERTH	ON	K7H 3A5
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME		
05	DEBTOR NAME						
06		BUSINESS NAME	PHARMENG INTERNATIONAL (CHINA) INC.			ONTARIO CORPORATION NO.	
07		ADDRESS	3760 14TH AVENUE, SUITE 201		MARKHAM	ON	L3R 3T7

08	SECURED PARTY / LIEN CLAIMANT		
09		ADDRESS	

	COLLATERAL CLASSIFICATION	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR NO FIXED MATURITY DATE
10									

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR VEHICLE				
12					

13	GENERAL COLLATERAL DESCRIPTION
14	
15	

16	REGISTERING AGENT	
17		ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 17

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : KEATA PHARMA, INC.
FILE CURRENCY : 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER
00	641550087

	CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		005	5		20071220 1640 1590 5719		

	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02	DEBTOR NAME			

03 BUSINESS NAME: PHARMENG LEARNING INSTITUTE INC. — ONTARIO CORPORATION NO.

04 ADDRESS: 3760 14TH AVENUE, SUITE 201 — MARKHAM — ON — L3R 3T7

	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05	DEBTOR NAME			

06 BUSINESS NAME — ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10									

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR VEHICLE			

12

13 GENERAL COLLATERAL DESCRIPTION

14

15

16 REGISTERING AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 18

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : KEATA PHARMA, INC.
FILE CURRENCY : 14MAY 2009

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 621931014

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	1		20060111 1355 9009 0029	P PPSA	15

02 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
03 BUSINESS NAME: KEATA PHARMA INC. — ONTARIO CORPORATION NO.
04 ADDRESS: 3760 14TH AVENUE, SUITE 201 MARKHAM ONT L3R 3T7

05 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT: CAPE BRETON GROWTH FUND CORPORATION/CORPORATION FONDS D'INVESTISSEMENT
09 ADDRESS: SILICON ISLAND, 70 CRESCENT STREET SYDNEY NS B1S 2Z7

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10			X							X

11 MOTOR VEHICLE — YEAR / MAKE / MODEL / V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION: ACCELA COTA 48 TABLET COATING SYSTEM - PO #K053210
14
15

16 REGISTERING AGENT: SAMUEL ENG & ASSOCIATES
17 ADDRESS: 310-3636 STEELES AVENUE EAST MARKHAM ONT L3R 1K9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 19

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(crj1fr 11/2008)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: KEATA PHARMA, INC.
FILE CURRENCY: 14MAY 2009

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001	1		20060112 1026 9009 0036	

21 RECORD REFERENCED — FILE NUMBER: 621931014

PAGE AMENDED | NO SPECIFIC PAGE AMENDED | CHANGE REQUIRED | RENEWAL YEARS | CORRECT PERIOD
A AMENDMENT

22 FIRST GIVEN NAME | INITIAL | SURNAME

23 REFERENCE DEBTOR/ TRANSFEROR
24 BUSINESS NAME: KEATA PHARMA INC.

25 OTHER CHANGE
26 REASON/ DESCRIPTION: ADDITIONAL COLLATERAL CLASSIFICATION
27

02/05 DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03/06 DEBTOR/ TRANSFEREE — BUSINESS NAME | ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10		X		X	X				

YEAR | MAKE | MODEL | V.I.N.

11 MOTOR VEHICLE
12 GENERAL COLLATERAL DESCRIPTION
13
14
15
16 REGISTERING AGENT OR SECURED PARTY/ LIEN CLAIMANT — ADDRESS: SAMUEL ENG & ASSOCIATES, 310-3636 STEELES AVENUE EAST, MARKHAM, ONT, L3R 1K9
17

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 20

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LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fr 11/2008)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE/
CERTIFICATE

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: KEATA PHARMA, INC.
FILE CURRENCY: 14MAY 2009

FORM 1C: FINANCING STATEMENT / CLAIM FOR LIEN

	FILE NUMBER
00	621931077

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		1		20060111 1403 9009 0030	P PPSA	15

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR NAME							
03		BUSINESS NAME	KEATA PHARMA INC.			ONTARIO CORPORATION NO.		
04		ADDRESS	3760 14TH AVENUE, SUITE 201		MARKHAM		ONT	L3R 3T7
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
05	DEBTOR NAME							
06		BUSINESS NAME				ONTARIO CORPORATION NO.		
07		ADDRESS						
08	SECURED PARTY / LIEN CLAIMANT		ENTERPRISE CAPE BRETON CORPORATION					
09		ADDRESS	SILICON ISLAND, 70 CRESCENT STREET		SYDNEY		NS	B1S 2Z7

	COLLATERAL CLASSIFICATION: CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR NO FIXED MATURITY DATE
10			X					X

	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR VEHICLE			
12				

13	GENERAL COLLATERAL DESCRIPTION: ACCELA COTA 48 TABLET COATING SYSTEM - PO #K053210
14	
15	
16	REGISTERING AGENT: SAMUEL ENG & ASSOCIATES
17	ADDRESS: 310-3636 STEELES AVENUE EAST MARKHAM ONT L3R 1K9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 21

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)

Ontario

RUN NUMBER : 135
RUN DATE : 2009/05/15
ID : 20090515125035.60

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 21
(5619)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : KEATA PHARMA, INC.
FILE CURRENCY : 14MAY 2009

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001	1		20060112 1022 9009 0035	

21 RECORD REFERENCED — FILE NUMBER 621931077

RENEWAL YEARS | CORRECT PERIOD

PAGE AMENDED | NO SPECIFIC PAGE AMENDED | CHANGE REQUIRED A AMENDMENT

22 FIRST GIVEN NAME | INITIAL | SURNAME

23 REFERENCE
24 DEBTOR/ TRANSFEROR — BUSINESS NAME KEATA PHARMA INC.

25 OTHER CHANGE
26 REASON/ DESCRIPTION — ADDITIONAL COLLATERAL CLASSIFICATION
27
28

02/ DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
05 DEBTOR/
03/ TRANSFEREE — BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR MATURITY DATE	NO FIXED
10		X		X	X				

YEAR | MAKE | MODEL | V.I.N.

11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT OR SECURED PARTY/ LIEN CLAIMANT — ADDRESS — SAMUEL ENG & ASSOCIATES, 310-3636 STEELES AVENUE EAST, MARKHAM, ONT, L3R 1K9
17

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 22

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fr 11/2008)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : KEATA PHARMA, INC.
FILE CURRENCY : 14MAY 2009

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
651761415	20090227 1237 1862 1416			
648743427	20080924 1010 1462 0923			
648768591	20080924 1701 1462 1092			
648730971	20080923 1703 1462 0840			
641539899	20071220 1432 1862 1386	20090313 1146 1862 2592		
641550087	20071220 1640 1590 5719			
621931014	20060111 1355 9009 0029	20060112 1026 9009 0036		
621931077	20060111 1403 9009 0030	20060112 1022 9009 0035		

11 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crfj2 11/2008)

Ontario

THIS IS EXHIBIT "I" REFERRED TO IN
THE AFFIDAVIT OF VASDEV CHANCHLANI
SWORN BEFORE ME THIS 27 DAY
OF MAY, 2009

.....

A COMMISSIONER FOR TAKING AFFIDAVITS

Matter#	NOT PROVIDED	**Order#**	999830-1
Project Id :		**Order Date**	05/19/2009

Subject:	**PHARMENG USA, INC.**
Jurisdiction:	**DE - SECRETARY OF STATE**
Request for:	**UCC Debtor Search**
Thru Date:	**May 12, 2009**
Result:	**Certified results retrieved**
Original:	9
Assignment:	1
Terminated:	3

You agree that all information that Corporation Service Company furnishes to you will be used solely as one factor in your credit, insurance, marketing or other business decisions and will not be used (i) in determining a consumer's eligibility for credit or insurance where such credit or insurance is to be used primarily for personal, family or household purposes, (ii) for employment purposes, or (iii) for governmental licenses. Use of the information in the above manner is a violation of the Fair Credit Reporting Act.

Delaware

The First State

CERTIFICATE

SEARCHED MAY 19, 2009, AT 1:57 P.M.
FOR DEBTOR "PHARMENG USA, INC."

1 OF 9 FINANCING STATEMENT 61362557
EXPIRATION DATE: APRIL 24, 2011
DEBTOR: PHARMENG USA, INC.
4307 EMPEROR BLVD SUITE 120 ADDED 04-24-06
DURHAM NC 27703
SECURED: ACCORD FINANCIAL INC.
25 WOODS LAKE ROAD, SUITE 102 ADDED 04-24-06
GREENVILLE SC 29607

F I L I N G H I S T O R Y

61362557 FILED 04-24-06 AT 2:04 P.M. FINANCING STATEMENT
62358786 FILED 07-10-06 AT 12:47 P.M. TERMINATION

2 OF 9 FINANCING STATEMENT 61808161
EXPIRATION DATE: MAY 24, 2011
DEBTOR: PHARMENG USA, INC.
4307 EMPEROR BLVD SUITE 120 ADDED 05-24-06
DURHAM NC 27703
SECURED: ROYAL BANK AMERICA LEASING
550 TOWNSHIP LINE ADDED 05-24-06
SUITE 425
BLUE BELL PA 19422

F I L I N G H I S T O R Y

61808161 FILED 05-24-06 AT 10:30 A.M. FINANCING STATEMENT

3 OF 9 FINANCING STATEMENT 62353225
EXPIRATION DATE: JULY 5, 2011
DEBTOR: PHARMENG USA, INC.
4307 EMPEROR BLVD SUITE 120 ADDED 07-05-06
DURHAM NC 27703
SECURED: MAPLE TRADE FINANCE INC.
5475 SPRING GARDEN ROAD, ADDED 07-05-06
SUITE 701
HALIFAX BEJ 3T2

F I L I N G H I S T O R Y

62353225 FILED 07-05-06 AT 12:00 P.M. FINANCING STATEMENT

Jeffrey W. Bullock, Secretary of State

20091584967UCXL AUTHENTICATION: 7310446

090494374 DATE: 05-19-09

Delaware

The First State

74796776 FILED 12-19-07 AT 10:26 A.M. TERMINATION

4 OF 9 FINANCING STATEMENT 62619088
EXPIRATION DATE: JULY 28, 2011
DEBTOR: PHARMENG USA, INC.
3760 14TH AVENUE ADDED 07-28-06
MARKHAM ON L3R 3TZ
SECURED: LAURUS MASTER FUND, LTD
825 THIRD AVE., 14TH FL ADDED 07-28-06
NEW YORK NY 10022

F I L I N G H I S T O R Y

62619088 FILED 07-28-06 AT 12:02 P.M. FINANCING STATEMENT
74144886 FILED 10-31-07 AT 12:47 P.M. TERMINATION

5 OF 9 FINANCING STATEMENT 74838875
EXPIRATION DATE: DECEMBER 21, 2012
DEBTOR: PHARMENG USA, INC.
4307 EMPEROR BLVD., SUITE 120 ADDED 12-21-07
DURHAM NC 27703
SECURED: PHARMENG INTERNATIONAL INC.
3760 14TH AVENUE, SUITE 201 ADDED 12-21-07
MARKHAM, ONTARIO L3R 3T7

F I L I N G H I S T O R Y

74838875 FILED 12-21-07 AT 1:45 P.M. FINANCING STATEMENT

6 OF 9 FINANCING STATEMENT 74838941
EXPIRATION DATE: DECEMBER 21, 2012
DEBTOR: PHARMENG USA, INC.
3760 14TH AVENUE, SUITE 201 ADDED 12-21-07
MARKHAM, ONTARIO CANADA L3R 3T7
SECURED: PHARMENG INTERNATIONAL INC.
3760 14TH AVENUE, SUITE 201 ADDED 12-21-07
MARKHAM, ONTARIO L3R 3T7

F I L I N G H I S T O R Y

74838941 FILED 12-21-07 AT 1:45 P.M. FINANCING STATEMENT

7 OF 9 FINANCING STATEMENT 74844188
EXPIRATION DATE: DECEMBER 21, 2012
DEBTOR: PHARMENG USA, INC.
3760 14TH AVENUE, SUITE 201 ADDED 12-21-07

Jeffrey W. Bullock, Secretary of State

20091584967UCXL AUTHENTICATION: 7310446

090494374 DATE: 05-19-09

Delaware

The First State

MARKHAM, ONTARIO CANADA L3R 3T7
SECURED: BHC INTERIM FUNDING II, L.P.
444 MADISON AVENUE ADDED 12-21-07
NEW YORK NY 10022

F I L I N G H I S T O R Y

74844188 FILED 12-21-07 AT 12:11 P.M. FINANCING STATEMENT

8 OF 9 FINANCING STATEMENT 74847629
EXPIRATION DATE: DECEMBER 21, 2012
DEBTOR: PHARMENG USA, INC.
4307 EMPEROR BLVD SUITE 120 ADDED 12-21-07
DURHAM NC 27703
SECURED: LANDSBANKI ISLANDS HF.
5112 PRINCE STREET ADDED 12-21-07
HALIFAX, NOVA SCOTIA B3J IL3 REMOVED 03-16-09
SECURED: LABKI FINANCE INC.
1100 RENE-EVESQUE BLVD. WEST ADDED 03-16-09
MONTREAL, QUEBEC, CANADA H3B 5C9

F I L I N G H I S T O R Y

74847629 FILED 12-21-07 AT 6:39 P.M. FINANCING STATEMENT
90836368 FILED 03-16-09 AT 3:00 P.M. ASSIGNMENT

9 OF 9 FINANCING STATEMENT 91472213
EXPIRATION DATE: MAY 8, 2014
DEBTOR: PHARMENG USA, INC.
21 ODESSA CRESCENT ADDED 05-08-09
MARKHAM, ON, CANADA L6C 2L3
SECURED: 2186827 ONTARIO INC.
2450 DOULTON PLACE ADDED 05-08-09
MISSISSAUGA, ON, CANADA L5H 4G5

F I L I N G H I S T O R Y

91472213 FILED 05-08-09 AT 2:36 P.M. FINANCING STATEMENT

E N D O F F I L I N G H I S T O R Y

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THE ABOVE LISTING IS A RECORD OF ALL PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS AND UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, AS OF MAY 12, 2009 AT 11:59 P.M.

Jeffrey W. Bullock, Secretary of State

20091584967UCXL AUTHENTICATION: 7310446

090494374 DATE: 05-19-09

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

8008335778

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

UCC DIRECT SERVICES
2727 ALLEN PARKWAY
SUITE 1000

HOUSTON TX 77019

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 02:04 PM 04/24/2006
INITIAL FILING NUM: 6136255 7
AMENDMENT NUMBER: 0000000
SRV: 060376850

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: PHARMENG USA, INC.				
OR 1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME		SUFFIX
1c. MAILING ADDRESS: 4307 EMPEROR BLVD SUITE 120	CITY: DURHAM	STATE: NC	POSTAL CODE: 27703	COUNTRY: US
1e. TYPE OF ORGANIZATION: CORPORATION	1f. JURISDICTION OF ORGANIZATION: DE			

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME				
OR 2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME		SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION			

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: ACCORD FINANCIAL, INC.				
OR 3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME		SUFFIX
3c. MAILING ADDRESS: 25 WOODS LAKE ROAD, SUITE 102	CITY: GREENVILLE	STATE: SC	POSTAL CODE: 29607	COUNTRY: US

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

DE-0-20637037-PHARMENG USA, INC.

UCC FINANCING STATEMENT ADDENDUM - COLLATERAL

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT			
	9a. ORGANIZATION'S NAME		
OR	PHARMENG USA, INC.		
	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME,SUFFIX

This FINANCING STATEMENT covers the following collateral

ALL OF DEBTOR'S RIGHT, TITLE AND INTEREST IN AND THE FOLLOWING, WHETHER NOW EXISTING OR HEREAFTER ARISING: (A) ANY AND ALL RESERVES DETERMINED BY SECURED PARTY, IN ACCORDANCE WITH THE MASTER PURCHASE AND SALE AGREEMENT BY AND BETWEEN SECURED PARTY AND DEBTOR ("RESERVES"), AND ALL PAYMENTS (IF ANY) DUE OR TO BECOME DUE TO DEBTOR FROM THE RESERVES AS WELL AS MONIES ON DEPOSIT, HOLDBACKS AND CREDITS, (B) ALL ACCOUNTS AND GENERAL INTANGIBLES WHETHER NOW EXISITNG OR HEREAFTER ACQUIRED OR ARISING, ALL INTEREST OF DEBTOR ARISING IN GOODS, THE SALE OF WHICH GAVE RISE TO ANY ACCOUNT, (C) ALL DOCUMENTS, CHATTEL PAPER, INSTRUMENTS AND GENERAL INTANGIBLES RELATING TO THE FOREGOING, (D) ALL BOOKS AND RECORDS PERTAINING TO ALL OF THE FOREGOING, INCLUDING BUT NOT LIMITED TO COMPUTER PROGRAMS, DATA AND LISTS, AND (E) ALL PROCEEDS OF THE FOREGOING.

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

8008335778

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

UCC DIRECT SERVICES
2727 ALLEN PARKWAY
SUITE 1000

HOUSTON TX 77019

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 12:47 PM 07/10/2006
INITIAL FILING NUM: 6136255 7
AMENDMENT NUMBER: 6235878 6
SRV: 060651598

1a. INITIAL FINANCING STATEMENT FILE #

6136255 7

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. # TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.

☐ DELETE name: Give record name to be deleted in item 6a or 6b.

☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT

Accord Financial, Inc.

10. OPTIONAL FILER REFERENCE DATA

DE-0-21380353-PHARMENG USA, INC.

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Phone:(800) 331-3282 Fax: (818) 662-4141

B. SEND ACKNOWLEDGEMENT TO: (Name and Address)
17206 ROYAL BANK AME

UCC Direct Services
P.O. Box 29071
Glendale, CA 91209-9071

8473247

DEDE

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 10:30 AM 05/24/2006
INITIAL FILING NUM: 6180816 1
AMENDMENT NUMBER: 0000000
SRV: 060501660

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: PharmEng USA, Inc.

OR

1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS: 4307 Emperor Blvd, Suite 120 | CITY: Durham | STATE: NC | POSTAL CODE: 27703 | COUNTRY

1d. SEE INSTRUCTIONS | ADD'L INFO RE ORGANIZATION DEBTOR | 1e. TYPE OF ORGANIZATION: CORPORATION | 1f. JURISDICTION OF ORGANIZATION: DE | 1g. ORGANIZATIONAL ID #, if any: 3999299 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

2d. SEE INSTRUCTIONS | ADD'L INFO RE ORGANIZATION DEBTOR | 2e. TYPE OF ORGANIZATION | 2f. JURISDICTION OF ORGANIZATION | 2g. ORGANIZATIONAL ID #, if any ☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: ROYAL BANK AMERICA LEASING

OR

3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS: 550 TOWNSHIP LINE ROAD SUITE 425 | CITY: BLUE BELL | STATE: PA | POSTAL CODE: 19422 | COUNTRY

4. This FINANCING STATEMENT covers the following collateral:

See Attached Exhibit A"including all replacements, parts, substitutions, modifications, accessories, additions, attachements, accessions and tools of the debtor now or hereafter installed therein, affixed thereto or used or intended to be used in connection therewith".

5. ALTERNATIVE DESIGNATION [if applicable] ☒ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

8473247 1450 Marie

FILING OFFICE COPY - NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

Prepared by UCC Direct Services, P.O. Box 29071, Glendale, CA 91209-9071 Tel (800) 331-3282

EXHIBIT "A"
Page 1 of 1

LESSOR: Royal Bank America Leasing, L.P.
Equipment Vendor(s), Quantity and Description
Price Modern Carolina
3000 Perimeter Park
Morrisville, NC 27560
919-228-4005

Qty	Part Number	Part Description
1	QS400E-GS3072F	Right Reception Desk, 72W x 30D x 42H
1	GLOVE 7531T-A27L	Glove active midback chair with a27 T-arm with pivot
4	2112	2110 Series Guest Leg Base Double Rail Arms
1	400E-ST222218	End Table, 22W x 22D x 18H
1	QS400E-F4272FA	Dbl Pedestal Bow Front Desk, 72W x 42D x 29H
1	QS400E-F2072KF	Kneespace Credenza, 72W x 20D x 29-5/8H
1	QS400E-E724416P	Hutch w/ Doors, 72W x 16D x 44H
1	GLOVE 7532T-A27L	Glove active midback chair with a27 T-arm with pivot
1	QS400E-R42.2	Round Top 42" of Diameter, 42 W x 42D x 1-5/8H
1	QSLGC-CR27	Conference Table Base (Cross), 27W x 27D x 28H
1	QSLGC-GBAKD27	Art Keybd Arms for Keybd and Mouse/ Glide, Black, 27W x 17D
1	400E-RT120.2	Racetrack Top (2 Pieces), 120W x 48D x 1-5/8H
1	LGC-P30.120144	Panel Base (3) For Tables 120" And 144", 24W x 1-5/8D x 28H
8	2482	Managerial Mid-back Swivel, Tilt tens & lock, Arm
2	QS400E-F3672S	Left Sgl Pedestal Desk, 72W x 36D x 29H
1	QS400E-S3672F	Right Sgl Pedestal Desk, 72W x 36D x 29H
3	TR240TEA15	TR2 CHAIR EXEC HI BACK A 15 HT ADJ ARM
1	UTM2460	Metal Utility Table, 24D x 60W
6	S74L	500 Series Lateral File 4-Drawer 30W
2	S72ABC	Bookcase 5-Shelf 12-5/8D x 34-1/2W x 71H
2	683L	600 Series Lateral File 3-Drawer 36W
2	919436	36W 18D Square Edge Laminate Top For Lateral File
8	USED FURN	1 LOT OF USED FURNITURE TO INCLUDE ITEMS BELOW
16	NER-1	POWER RECEPTACLE - TRIPLEX BOX OF 6
1	NEBF-1	ENH BASE FEED,HARDWARE CONN,VINYL-CLAD CONDUIT
14	NLSS-64	ENH STRAIGHT CONNECTOR,FULL HGT,64 IN
3	NL4-64-SN	ENH 4-WAY CONNECTOR,FULL CONN,64"H
2	NL3P-64-SN	ENH 3-WAY CONNECTOR,FULL CONN, FULL COVER-PNT,64H
8	NL2P-64-S	ENH 2-WAY CONNECTOR,FULL CONN, FULL COVER-PNT,64H
8	NUDS-42-LM	DOWNMOUNT OVERHEAD STORAGE - 42" STEEL DOOR
8	JPAJ-24-S1	X SERIES,PEDESTAL,ATTACHED,FILE/FILE 24"D
8	JPAH-24-S1	X SERIES,PEDESTAL,ATTACHED,BOX/BOX/FILE 24"D
16	NSCB-1-L	SHARED CANTILEVER BRACKET
8	NWRL-2442	LMNT WORKSURFACE - REGULAR 24" X 42"
8	NWRL-2436	LMNT WORKSURFACE - REGULAR 24" X 36"
8	NWCL-2436	CORNER WS - LAMINATE 24" X 36"
18	NMFF-6442-SN	ENH PREMISE MONO PANEL,64HX42W
10	NMFF-6436-SN	ENH PREMISE MONO PANEL,64HX36W
8	NMFF-6436-SP	ENH PREMISE MONO PANEL,64HX36W
10	NLRP-64-SN	ENH END-OF-RUN CONNECTOR,FULL CONN,FULL COVER-PNT,64H

This Exhibit "A" is attached to and a part of Royal Bank America Leasing, L.P.
Lease Number _____ and constitutes a true and accurate description of the equipment.

PharmEng USA, Inc.

By: [signature]

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

UCC Direct
a Wolters Kluwer business

P. O. Box 29071
Glendale, CA 91209-9071

SS-DE 87679644

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 12:00 PM 07/05/2006
INITIAL FILING NUM: 6235322 5
AMENDMENT NUMBER: 0000000
SRV: 060644863

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: **PharmEng USA, Inc.**

OR

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
4307 Emperor Blvd. Suite 120	Durham	N.C.	27703	USA

1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any
		Corporation	Delaware	☑ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME: **N/A**

OR

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
				☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: **Maple Trade Finance Inc.**

OR

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
5475 Spring Garden Road, Suite 701	Halifax,	NS	B3J 3T2	Canada

4. This FINANCING STATEMENT covers the following collateral:

All debts, accounts, claims, monies and intangibles (goodwill, patents, trademarks) that now are or may at any time hereafter be due or owing to or owned by the Debtor and as described in Assignment of Receivables Agreement dated May 18, 2006 between the Debtor and the Secured Party, and also all securities, bills, notes, and other documents now held or owned or which may hereafter be taken, held or owned by the Debtor or anyone on behalf of the Debtor in respect of those debts, accounts, claims, monies and intangibles or any part thereof, and also all books and papers recorded, evidencing or relating to those debts, accounts, claims, monies and intangibles or any part thereof, and also all returned, seized or repossessed goods which are the subject of any such debts, accounts, claims, monies or intangibles.

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 10:26 AM 12/19/2007
INITIAL FILING # 6235322 5
AMENDMENT # 2007 4796776
SRV: 071339562

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
62353225 FILED 07/05/2006

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. ☑ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.

☐ DELETE name: Give record name to be deleted in item 6a or 6b.

☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
				☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
MAPLE TRADE FINANCE INC.

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA
FILED IN THE STATE OF DELAWARE AGAINST PHARMENG USA, INC. AS DEBTOR 367972-1

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Corporation Service Company
P.O. Box 591
Wilmington, DE 19899

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 12:02 PM 07/28/2006
INITIAL FILING NUM: 6261908 8
AMENDMENT NUMBER: 0000000
SRV: 060711687

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: PharmEng USA, Inc.

OR

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
3760 14th Avenue	Markham	ON	L3R 3TZ	Canada

1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any
		Corporation	Delaware	3999299 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
				☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: Laurus Master Fund, Ltd.

OR

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
c/o Laurus Capital Management, LLC 825 Third Ave., 14th Fl.	New York	NY	10022	U.S.

4. This FINANCING STATEMENT covers the following collateral:

All assets and personal property of the Debtor, whether now owned and/or hereafter acquired.

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

DE - SOS

277264-1

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

[redacted]

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 12:47 PM 10/31/2007
INITIAL FILING # 6261908 8
AMENDMENT # 2007 4144886
SRV: 071174018

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
62619088 FILED 07/28/2006

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. ☑ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. ☐ DELETE name: Give record name to be deleted in item 6a or 6b. ☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
				☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
LAURUS MASTER FUND, LTD.

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA
FILED IN THE STATE OF DELAWARE AGAINST PHARMENG USA, INC. AS DEBTOR 297458

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

[redacted]

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 01:45 PM 12/21/2007
INITIAL FILING # 2007 4838875

SRV: 071353355

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CSC *Corporation Service Company®*
P.O. Box 591
Wilmington, DE 19899
(800) 927-9800

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: PharmEng USA, Inc.

OR

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
4307 Emperor Blvd., Suite 120	Durham	NC	27703	USA

1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any
		CORP	DE	3999299 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME:

OR

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
				☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: PharmEng International Inc.

OR

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
3760 14th Avenue, Suite 201	Markham, Ontario		L3R 3T7	CAN

4. This FINANCING STATEMENT covers the following collateral:

All of the debtor's present and after acquired personal property.

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [optional] [ADDITIONAL FEE] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

DE-Secretary Of State

3735716-1

Corporation Service Company
2711 Centerville Rd, Ste. 400
Wilmington, DE 19808

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CSC *Corporation Service Company®*
P.O. Box 591
Wilmington, DE 19899
(800) 927-9800

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 01:45 PM 12/21/2007
INITIAL FILING # 2007 4838941

SRV: 071353357

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: PharmEng USA, Inc.

OR

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
3760 14th Avenue, Suite 201	Markham, Ontario		L3R 3T7	CAN

1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any
		CORP	DE	3999299 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME:

OR

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
				☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: PharmEng International Inc.

OR

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
3760 14th Avenue, Suite 201	Markham, Ontario		L3R 3T7	CAN

4. This FINANCING STATEMENT covers the following collateral:

All of the debtor's present and after acquired personal property.

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [optional] [ADDITIONAL FEE] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

DE-Secretary Of State

3735760-2

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

Corporation Service Company
2711 Centerville Rd, Ste. 400
Wilmington, DE 19808

[redacted]

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 12:11 PM 12/21/2007
INITIAL FILING # 2007 4844188

SRV: 071352748

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: PharmEng USA, Inc.

OR 1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS: 3760 14th Avenue, Suite 201 | CITY: Markham | STATE: ON | POSTAL CODE: L3R 3T7 | COUNTRY: CAN

1d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 1e. TYPE OF ORGANIZATION: Corporation | 1f. JURISDICTION OF ORGANIZATION: Delaware | 1g. ORGANIZATIONAL ID #, if any: DE-3999299 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

2d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 2e. TYPE OF ORGANIZATION | 2f. JURISDICTION OF ORGANIZATION | 2g. ORGANIZATIONAL ID #, if any ☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: BHC Interim Funding II, L.P.

OR 3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS: 444 Madison Avenue | CITY: New York | STATE: NY | POSTAL CODE: 10022 | COUNTRY: USA

4. This FINANCING STATEMENT covers the following collateral:

All of Debtor's assets, including but not limited to, all now owned or hereafter acquired or arising accounts, inventory, machinery, furniture, fixtures, equipment, general intangibles, chattel paper, contract rights, documents, instruments, deposit accounts and investment property; and all cash and non-cash proceeds thereof (including, without limitation, insurance proceeds) and proceeds of proceeds.

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA
121529-01044 (TK) #21648106

373244-5

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

[redacted]

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 06:39 PM 12/21/2007
INITIAL FILING # 2007 4847629

SRV: 071356957

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
CYNTHIA BERGMANN 312-360-6000

B. SEND ACKNOWLEDGMENT TO: (Name and Address)
Please Return to Diana Gierut
CT
A WoltersKluwer Company
208 South LaSalle Suite 814
Chicago, IL 60604
)000

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
PHARMENG USA, INC.

OR 1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS: YORKSHIRE PLACE, 4307 EMPEROR BOULEVARD, SUITE 120 | CITY: DURHAM | STATE: NC | POSTAL CODE: 27703 | COUNTRY: USA

1d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 1e. TYPE OF ORGANIZATION: CORPORATION | 1f. JURISDICTION OF ORGANIZATION: DELAWARE | 1g. ORGANIZATIONAL ID #, if any: 3999299 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

2d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 2e. TYPE OF ORGANIZATION | 2f. JURISDICTION OF ORGANIZATION | 2g. ORGANIZATIONAL ID #, if any ☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
LANDSBANKI ISLANDS HF

OR 3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS: 5112 PRINCE STREET | CITY: HALIFAX, NOVA SCOTIA | STATE | POSTAL CODE: B3J 1L3 | COUNTRY: CANADA

4. This FINANCING STATEMENT covers the following collateral:

THE DEBTOR GRANTS TO THE SECURED PARTY A LIEN ON AND SECURITY INTEREST IN, AND RIGHT OF SET OFF AGAINST, AND ACKNOWLEDGES AND AGREES THAT THE SECURED PARTY HAS AND SHALL CONTINUE TO HAVE A CONTINUING LIEN ON AND SECURITY INTEREST IN, AND RIGHT OF SET OFF AGAINST, ALL RIGHT, TITLE, AND INTEREST OF THE DEBTOR, WHETHER NOW OWNED OR EXISTING OR HEREAFTER CREATED, ACQUIRED OR ARISING, IN AND TO ALL OF THE FOLLOWING: (A) ACCOUNTS; (B) CHATTEL PAPER; (C) INSTRUMENTS (INCLUDING PROMISSORY NOTES); (D) DOCUMENTS; (E) GENERAL INTANGIBLES (INCLUDING PAYMENT INTANGIBLES AND SOFTWARE, PATENTS, TRADEMARKS, TRADESTYLES, COPYRIGHTS, AND ALL OTHER INTELLECTUAL PROPERTY RIGHTS, INCLUDING ALL APPLICATIONS, REGISTRATION, AND LICENSES THEREFOR, AND ALL GOODWILL OF THE BUSINESS CONNECTED THEREWITH OR REPRESENTED THEREBY); (F) LETTER OF CREDIT RIGHTS; (G) SUPPORTING OBLIGATIONS; (H) DEPOSIT ACCOUNTS; (I) INVESTMENT PROPERTY [continued]

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] [or recorded] in the REAL ESTATE RECORDS. Attach Addendum [if applicable] | 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

TO BE FILED WITH THE DELAWARE SECRETARY OF STATE. 7111766r1 SD

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)
ILUCC1FNAT 2/6/202 C T System Online

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME

OR PHARMENG USA, INC.

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME,SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any
				☐ NONE

12. ☐ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME - Insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

12c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ as-extracted collateral, or is filed as a ☐ fixture filing.

14. Description of real estate:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

(INCLUDING CERTIFICATED AND UNCERTIFICATED SECURITIES, SECURITIES ACCOUNTS, SECURITY ENTITLEMENTS, COMMODITY ACCOUNTS, AND COMMODITY CONTRACTS); (J) INVENTORY; (K) EQUIPMENT (INCLUDING ALL SOFTWARE, WHETHER OR NOT THE SAME CONSTITUTES EMBEDDED SOFTWARE, USED IN THE OPERATION THEREOF); (L) FIXTURES; (M) COMMERCIAL TORT CLAIMS (AS DESCRIBED IN THAT CERTAIN SECURITY AGREEMENT BETWEEN THE DEBTOR AND THE SECURED PARTY AND ANY AND ALL SUPPLEMENTS THERETO); (N) RIGHTS TO MERCHANDISE AND OTHER GOODS

[continued]

17. Check only if applicable and check only one box.

Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

☐ Debtor is a TRANSMITTING UTILITY

☐ Filed in connection with a Manufactured-Home Transaction — effective 30 years

☐ Filed in connection with a Public-Finance Transaction — effective 30 years

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME

OR PHARMENG USA, INC.

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME,SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any
				☐ NONE

12. ☐ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

12c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ as-extracted collateral, or is filed as a ☐ fixture filing.

14. Description of real estate:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

(INCLUDING RIGHTS TO RETURNED OR REPOSSESSED GOODS AND RIGHTS OF STOPPAGE IN TRANSIT) WHICH IS REPRESENTED BY, ARISES FROM, OR RELATES TO ANY OF THE FOREGOING; (O) MONIES, PERSONAL PROPERTY, AND INTERESTS IN PERSONAL PROPERTY OF DEBTOR OF ANY KIND OR DESCRIPTION NOW HELD BY THE SECURED PARTY OR AT ANY TIME HEREAFTER TRANSFERRED OR DELIVERED TO, OR COMING INTO THE POSSESSION, CUSTODY OR CONTROL OF THE SECURED PARTY, OR SECURED PARTY OR AFFILIATE OF THE SECURED PARTY, WHETHER EXPRESSLY AS COLLATERAL SECURITY OR FOR ANY OTHER PURPOSE (WHETHER FOR SAFEKEEPING, CUSTODY, COLLECTION OR OTHERWISE), [continued]

17. Check only if applicable and check only one box.

Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

☐ Debtor is a TRANSMITTING UTILITY

☐ Filed in connection with a Manufactured-Home Transaction — effective 30 years

☐ Filed in connection with a Public-Finance Transaction — effective 30 years

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME

OR PHARMENG USA, INC.

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME,SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any
				☐ NONE

12. ☐ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

12c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ as-extracted collateral, or is filed as a ☐ fixture filing.

14. Description of real estate:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

AND ALL DIVIDENDS AND DISTRIBUTIONS ON OR OTHER RIGHTS IN CONNECTION WITH ANY SUCH PROPERTY; (P) SUPPORTING EVIDENCE AND DOCUMENTS RELATING TO ANY OF THE ABOVE DESCRIBED PROPERTY, INCLUDING, WITHOUT LIMITATION, COMPUTER PROGRAMS, DISKS, TAPES AND RELATED ELECTRONIC DATA PROCESSING MEDIA, AND ALL RIGHTS OF DEBTOR TO RETRIEVE THE SAME FROM THIRD PARTIES, WRITTEN APPLICATIONS, CREDIT INFORMATION, ACCOUNT CARDS, PAYMENT RECORDS, CORRESPONDENCE, DELIVERY AND INSTALLATION CERTIFICATES, INVOICE COPIES, DELIVERY RECEIPTS, NOTES AND [continued]

17. Check only if applicable and check only one box.

Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

☐ Debtor is a TRANSMITTING UTILITY

☐ Filed in connection with a Manufactured-Home Transaction — effective 30 years

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9a. ORGANIZATION'S NAME

OR PHARMENG USA, INC.

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				☐ NONE

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OR

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14. Description of real estate:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

OTHER EVIDENCES OF INDEBTEDNESS, INSURANCE CERTIFICATES AND THE LIKE, TOGETHER WITH ALL BOOKS OF ACCOUNT, LEDGERS, AND CABINETS IN WHICH THE SAME ARE REFLECTED OR MAINTAINED; (Q) ACCESSIONS AND ADDITIONS TO, AND SUBSTITUTIONS AND REPLACEMENTS OF, ANY AND ALL OF THE FOREGOING; AND (R) PROCEEDS AND PRODUCTS OF THE FOREGOING, AND ALL INSURANCE OF THE FOREGOING AND PROCEEDS THEREOF. ALL TERMS WHICH ARE DEFINED IN THE UNIFORM COMMERCIAL CODE OF THE STATE OF DELAWARE AS IN EFFECT FROM TIME TO TIME ("UCC") SHALL HAVE THE SAME MEANINGS HEREIN AS SUCH TERMS ARE [continued]

17. Check only if applicable and check only one box.

Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

☐ Debtor is a TRANSMITTING UTILITY

☐ Filed in connection with a Manufactured-Home Transaction — effective 30 years

☐ Filed in connection with a Public-Finance Transaction — effective 30 years

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME

OR PHARMENG USA, INC.

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME,SUFFIX

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OR

11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any
				☐ NONE

12. ☐ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

12c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ as-extracted collateral, or is filed as a ☐ fixture filing.

14. Description of real estate:

16. Additional collateral description:

DEFINED IN THE UCC; EXCEPT FOR PURPOSES OF THIS FINANCING STATEMENT, THE TERM "ACCOUNTS" MEANS ALL RIGHTS TO THE PAYMENT OF A MONETARY OBLIGATION, WHETHER OR NOT EARNED BY PERFORMANCE, AND WHETHER EVIDENCED BY AN ACCOUNT, CHATTEL PAPER, INSTRUMENT, GENERAL INTANGIBLE, OR OTHERWISE.

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

☐ Debtor is a TRANSMITTING UTILITY

☐ Filed in connection with a Manufactured-Home Transaction — effective 30 years

☐ Filed in connection with a Public-Finance Transaction — effective 30 years

[redacted]

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 03:00 PM 03/16/2009
INITIAL FILING # 2007 4847629
AMENDMENT # 2009 0836368
SRV: 090270564

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
LAURA C. PIEPER

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

FREEBORN & PETERS LLP
311 SOUTH WACKER DRIVE
SUITE 3000
CHICAGO, ILLINOIS 60611

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
20074847629

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ☑ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☑ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☑ CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. ☐ DELETE name: Give record name to be deleted in item 6a or 6b. ☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME
OR
LANDSBANKI ISLANDS HF

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME
OR
LABKI FINANCE INC.

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
1100 RENE-LEVESQUE BLVD. WEST	MONTREAL, QUEBEC		H3B 5C9	CA

7d. SEE INSTRUCTIONS	ADDL INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
				☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
OR
LANDSBANKI ISLANDS HF

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

[redacted]

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 02:36 PM 05/08/2009
INITIAL FILING # 2009 1472213

SRV: 090447944

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Ulmer & Berne LLP
1660 West 2nd Street, Suite 1100
Cleveland, Ohio 44113-1448
Attn: Christine Dziak

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME: PharmEng USA, Inc.

OR 1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS: 21 Odessa Crescent | CITY: Markham | STATE: ON | POSTAL CODE: L6C 2L3 | COUNTRY: CANADA

1d. SEE INSTRUCTIONS | ADD'L INFO RE ORGANIZATION DEBTOR | 1e. TYPE OF ORGANIZATION: for profit corporation | 1f. JURISDICTION OF ORGANIZATION: Delaware | 1g. ORGANIZATIONAL ID #, if any: DE 3999299 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

2d. SEE INSTRUCTIONS | ADD'L INFO RE ORGANIZATION DEBTOR | 2e. TYPE OF ORGANIZATION | 2f. JURISDICTION OF ORGANIZATION | 2g. ORGANIZATIONAL ID #, if any ☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: 2186827 Ontario Inc.

OR 3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS: 2450 Doulton Place | CITY: Mississauga | STATE: ON | POSTAL CODE: L5H 4G5 | COUNTRY: CANADA

4. This FINANCING STATEMENT covers the following collateral:

All assets of Debtor.

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] | 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

Filed with the Delaware Secretary of State

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

THIS IS EXHIBIT "J" REFERRED TO IN
THE AFFIDAVIT OF VASDEV CHANCHLANI
SWORN BEFORE ME THIS 27 DAY
OF MAY, 2009

.....

A COMMISSIONER FOR TAKING AFFIDAVITS

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF PharmEng International Inc. (the Corporation) held at the Head Offices of PharmEng International Inc., Suite 201, Toronto, Ontario on

April 3, 2009 5:30 pm – 6:45 pm

Location:	Pharmeng Offices, Toronto, ON
Board Members Present:	Ed Parker - Chairman (on telephone bridge) Alan Kwong, Ravi Joshi, Bernie Boudreau (on telephone bridge) Aditya Jha (on telephone bridge)
Absent: Also present by Invitation:	Michael Sefton Vasu Chanchlani Bjorn Sigtryggsson - Landsbanki Bob Mulderrig – BHC (on telephone bridge) Brian Fielding Charles Ivey
Minutes Recorded by:	Charles Ivey

All the Directors having received notice of the meeting and all those present in person or participating by telephone in the meeting having confirmed that they could communicate simultaneously and instantaneously and having consented to the holding thereof by telephone pursuant to the Business Corporations Act (Ontario), the meeting was declared to be regularly constituted for the transaction of business.

The Chairman of the Board observed that a quorum was present, welcomed members and guests and called the meeting to order.

MOTION:
To approve the Agenda: Moved by Alan, Seconded by Bernie with no abstentions.

A Motion to approve the Minutes of February 16, 2009 was deferred.

Regarding a finance update, Brian provided a power point presentation with the following as a summary of the information:

- Cash: $0.8M (net of vacation pay obligations)
- Accounts payable and accruals: $6.5M
  - overextended $2.5 – $3.5M
  - Plus 90 accounts: $3.5M
    - » Alza: $1.8M
    - » Pfizer: $1.0M
- Borrowing base overdrawn: $1.4M

- Vasu facility can be called Nov. 09: $1.0M
- BHC facility matures December 09: $6.0M
- All material debt covenants in default

Regarding the Sydney sale update, Brian provided the Board with the following:
Sydney sale: Process continues at a slow pace

- No Asset Purchase Agreement
- Offer to subsidize April burn but no money to date
- Outstanding "showstoppers"
  - » Novopharm
  - » NSBI
  - » "Gap" analysis (new)
- Potential exists that PCI is waiting us out
- Keata needs facility for April to transition Gesticare opportunity to Arnprior

- although there were discussions that PCI would offset the Sydney operating losses beginning April 1, 2009, there is no agreement to offset the burn as of March 31, 09.
- PCI met with Brian in the Markham offices on Monday, March 30, 2009
- no response regarding PCI providing $25/wk until closing.
- Novapharm could be a deal breaker in that PCI has requested that Novapharm's ongoing business is required for the deal. A meeting with Novapharm has been arranged in 2 weeks time which implies that there will be no asset agreement until after meeting
- another closing issue – need for government financing, this has not been concluded yet.
– new – a "gap analysis", to be conducted by a 3rd party to determine any equipment / processing shortfalls.

The Board decided that if the $25 K was not forthcoming next week, that management would begin decommissioning the facility. This would also coincide with the completion of the Gesticare PO which is anticipated to be finished by the end of April.
Close date - April 30, 2009.

Regarding an update from BHC, Bob provided the following:
- it is impossible for BHC to secure an equity investment while Sydney is still around
- BHC has contacted 14 high net worth individuals or investment groups with only 2 being non strategic
- of this 14, 2 groups are seriously interested, Contract Pharmaceutical Ltd (CPL) out of Mississauga and Pentland USA Limited - a UK based organization (not strategic)
- CPL, represented by Ken Paige, visited the Arnprior facility last week with Bob and Kevin C. from BHC also attending sorting out with ken paige value of business units no relief on interest

Regarding an update from Landsbanki, Bjorn indicated that they signed another Letter of Intent one week ago with an unidentified purchaser. The LOI is exclusive with a negotiating period through to the end of April. The LOI is for the full $14 M Landsbanki facility. The prospective buyer is a different buyer than before.

The Chair indicates that the Board will now go into a "In Camera" session and asks the secured creditors to leave the meeting.
BHC leaves.
Landsbanki requests to stay in the "in camera" session.
Motion to allow Labki to remain in the "in camera" session was made by Alan, seconded by Bernie. There were no abstentions.

Aditya signs off.

Motion for going into "in camera" is proposed by Alan, seconded by Bernie. There were no abstentions.

Bjorn indicates that the new purchaser has approved the NOI/IR process and has authorized Landsbanki to collaborate with the Company during this process. Labki has been given the authorization to be the "stalking horse".

Brian introduced Chaitons (Harvey Chaiton) and Farbers (Paul Denton) as the selected insolvency and financial advisory group assisting the Company during the process.

Regarding the payment of the March interest:
$230K of March interest payments owed:

- Landsbanki: $150K
- BHC: $70K
- Vasu: $10K

- Request for 2 week payment deferral accepted by Landsbanki but not BHC – no response from Vasu

There was no Motion made on whether to pay or not to pay the March interest.

Regarding the upcoming 2009 audit,

- 2009 audit field work was stopped to preserve cash as well on the assumption that PII would be well into a creditor process which would have removed the need for year end financial reporting
- It is very doubtful that we can release financials now before end of April
- Cost of audit on a expedited basis will be +$200K
- Lack of timely release of year end financials has implications to Directors and Officers

There was no Motion on whether to engage Deloittes for the 2009 audit.

Chaitons provided the Board with BHC rights with their Share Pledge

- Chaittons has completed a review of the BHC loan and security documentation
- Pledge of PII's subsidiary shares was provided to BHC as part of the December 2007 financing
    - Pledge can be exercised under any condition of default
    - No notice is required for exercise
    - Shares are explicitly excluded from intercreditor agreement with Landsbanki and ECBC, therefore not subject to other standstill provisions
- Impact of exercise of share pledge
    - BHC would become the sole shareholder of all subsidiaries
    - As sole shareholder BHC can:
        - » Appoint management of the subsidiaries
        - » Is entitled to any residual economic value in the subsidiaries – strips all economic value from PII
        - » Could "starve" PII into bankruptcy
    - BHC would acquire "go forward" Director liabilities associated the operation of the subsidiaries

- If BHC exercises share pledge they would still have to deal with Landsbanki's priority security interest in the assets of subsidiaries
    - We expect that Landsbanki would immediately appoint an interim receiver and initiate a sales process
        - » Outcome would be comparable to a NOI filing of PII
    - Landsbanki could decide to work with BHC having removed the corporate costs of PII but this is considered unlikely
        - » Landsbanki's intentions are being confirmed

There was some discussion that a solution given that failure to provide notice to BHC would not invalidate any resolutions passed by the Board, therefore pass a Filing resolution with PII, Keata, PTI and the Institute - do not give notice to BHC thereby granting a stay on all secured / unsecured creditors.

Management recommendations to the Board were:

- Confirm planning with Landsbanki – bring them into the process
- Stop working to perfect Sydney/PCI transaction and roll Sydney into creditor process
    - provide employee working notices for end of April terminations
- Do Not pay March interest of $230K
- Do not engage 2009 financial audit of $200K
- File a NOI for PII and then subsequent NOI's for subsidiaries
- If US or subsidiary held assets are a problem, file NOI with understanding from Landsbanki that they would file to appoint an interim receiver if BHC exercises share pledge

Bernie speaks in support of immediate filing and to not paying the interest.

Bernie proposes that Chaitons drafts a Resolution for the NOI filing to be voted on at the next Board meeting. No Motion is passed by the Board in support of the drafting although verbal instructions were given to Chaitons to proceed with the drafting.

The Board agreed to Labki's request that they be allowed (with their lawyers) to meet with Chaitons and Farbers to discuss in more detail the Company Plan.

Harvey outlines the planned process for the Board:

1. Confirm strategy with Landsbanki
2. Upon Board resolution a Notice of Intent would be filed with the courts (resolution developed)
3. Press release (developed)
4. Communication plan for all stakeholders (developed)
    1. Employees
    2. Customers
    3. Suppliers
5. Appointment of interim receiver (Farber)
6. Creditor claims automatically "stayed" (courts – NOI)
7. Debtor in possession financing if required (TCE/Farber/courts)
8. Execute stalking horse offer (if achievable)
9. Marketing of assets (Farber)
10. Revisit negotiated outcome with BHC
11. Closing sale and vesting orders (Farber)

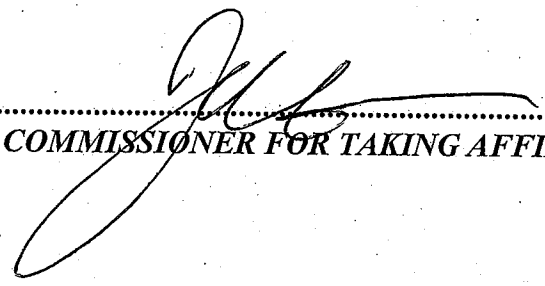
Motion to come out of camera proposed by Alan, seconded by Bernie. No Abstentions.

Adjournment:

After coming out of camera, Bernie asked Bjorn if the $1 M loan held by Vasu is ahead of Landsbanki on all AR and inventories. Bjorn acknowledged it's correct that Vasu's $1M loan is senior to Landsbanki

There being no other business, a motion to adjourn the meeting was moved by Ravi and seconded by Bernie. There were no abstentions.

THIS IS EXHIBIT "K" REFERRED TO IN THE AFFIDAVIT OF VASDEV CHANCHLANI SWORN BEFORE ME THIS 27 DAY OF MAY, 2009



.....

A COMMISSIONER FOR TAKING AFFIDAVITS

ames McKeon - Fw: RE: Re: Loan priority

rom: vasdev chanchlani <vasdevc@yahoo.ca>
o: Aditya Jha <aditya.jha@karmacandy.ca>, James McKeon <JMCKEON@aylaw.com>,...
ate: 16/04/2009 2:45 PM
ubject: Fw: RE: Re: Loan priority

egards,

asu Chanchlani

47-448-9500 Cell
16-369-0008 ext404 Off
16-369-0199 fax

-- On **Thu, 4/16/09, Björn Sigtryggsson** ***<bjorn.sigtryggsson@labki.ca>*** wrote:

From: Björn Sigtryggsson <bjorn.sigtryggsson@labki.ca>
Subject: RE: Re: Loan priority
To: "'vasdevc@yahoo.ca'" <vasdevc@yahoo.ca>
Received: Thursday, April 16, 2009, 1:06 PM

Vasu,

I do confirm the email from Alan Kwong below.

Regards,

Bjorn Sigtryggsson

Manager, Commercial Lending

Labki Finance Inc.

5112 Prince Street, Halifax Nova Scotia Canada

Tel: +1902 405 4103

Cell: +1902 401 4854

http://www.landsbanki.is

From: vasdev chanchlani [mailto:vasdevc@yahoo.ca]
Sent: 16. apríl 2009 08:22
To: Björn Sigtryggsson
Subject: Fw: Re: Loan priority

Please confirm.

Regards,

Vasu Chanchlani

647-448-9500 Cell
416-369-0008 ext404 Off
416-369-0199 fax

--- On **Wed, 4/15/09, Alan Kwong** ***<alan.kwong@pharmeng.com>*** wrote:

From: Alan Kwong <alan.kwong@pharmeng.com>
Subject: Re: Loan priority
To: vasdevc@yahoo.ca, "' Björn Sigtryggsson " < bjorn.sigtryggsson@landsbanki.is >
Cc: "James McKeon" <JMCKEON@aylaw.com>
Received: Wednesday, April 15, 2009, 7:53 PM

Vasu,

On the Apr 3 BOD meeting, Bernie asked for the same clarification to Bjorn. Bjorn replied that it's his understanding as well as Landsbanki that the $1 Mil loan is senior to the AR and inventories held by PharmEng and subsidiaries owed to Landsbanki. This is my understanding of the loan's seniority. The board members present in the meeting included Ed, Ravi, Bernie, Aditya and myself.

Regards,

Alan

From: vasdev chanchlani [mailto:vasdevc@yahoo.ca]
To: Alan Kwong [mailto:alan.kwong@pharmeng.com], ' Björn Sigtryggsson [mailto: bjorn.sigtryggsson@landsbanki.is]
Cc: James McKeon [mailto:JMCKEON@aylaw.com]
Sent: Wed, 15 Apr 2009 09:33:52 -0400
Subject:

We just file a claim on the demand loan and we want to confirm with you that our $ 1 million loan is senior

to Landsbanki's on the AR and Inventories of PharmEng International Inc. and all it subsidiaries.

Regards,

Vasu Chanchlani

647-448-9500 Cell
416-369-0008 ext404 Off
416-369-0199 fax

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TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	**TUESDAY, THE 15TH DAY**
	)	
JUSTICE NEWBOULD	)	**OF SEPTEMBER, 2009**

Court File No.: 31-1191414

IN THE MATTER OF THE PROPOSALS OF KEATA PHARMA, INC., PHARMENG INTERNATIONAL INC., AND PHARMENG TECHNOLOGY INC. COMPANIES DULY INCORPORATED PURSUANT TO THE LAWS OF THE PROVINCE OF ONTARIO, WITH A HEAD OFFICE IN MARKHAM, IN THE PROVINCE OF ONTARIO

SUPERIOR COURT OF JUSTICE
COUR SUPÉRIEURE DE JUSTICE

ORDER

THIS MOTION made by 2186827 Ontario Inc. ("218") for an order, *inter alia*, declaring that the security constituted under a certain debenture issued by PharmEng International Inc. and dated November 12, 2008 and collateral security granted by PharmEng International Inc. for such debenture extends to and constitutes a charge upon the assets and undertaking of the subsidiaries, PharmEng Technology Inc., Keata Pharma, Inc. and PharmEng U.S.A. Inc. and for other related relief was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record, the Amended Notice of Motion, the supplementary affidavit of Vasdev Chanchlani sworn July 22, 2009 and on hearing the submissions of counsel for 218, Labki Finance Inc., the debtors and the Receiver, no other party appearing, although validly served:

1. **THIS COURT DECLARES** that the security constituted under a certain debenture issued by PharmEng International Inc. and dated November 12, 2008 (the "Debenture"), and the collateral security granted by PharmEng International Inc. for the Debenture, including a certain general security agreement dated November 12, 2008 (the "GSA"), were all intended by each of PharmEng International Inc. and its subsidiaries, PharmEng Technology Inc., Keata Pharma, Inc. and PharmEng U.S.A. Inc.(collectively, the "Subsidiaries"), to be binding on each of them jointly and severally and to grant security interests in the accounts receivable and inventories of each of PharmEng International Inc. and the Subsidiaries in favour of 2186827 Ontario Inc..

2. **THIS COURT ORDERS** that the Debenture and the GSA shall be rectified to add the Subsidiaries as debtors to each of those instruments and that each of PharmEng International Inc. and the Subsidiaries shall execute and deliver to 2186827 Ontario Inc. the rectified GSA in the form attached as Schedule "A" hereto.

3. **THIS COURT ORDERS** that 218 shall have its costs of this motion, to and including entry and service of this Order, as provided for by the terms of the Debenture and the GSA and that said costs are hereby fixed in the amount of ~~$56,650.00~~ $35,000, inclusive of disbursements and goods and services tax, and such amount shall constitute part of the debt secured under the Debenture and the GSA.

Schedule "A"

GENERAL SECURITY AGREEMENT

This General Security Agreement is made as of November 12, 2008

TO: Name: 2186827 ONTARIO INC.
Address: 3760 14TH Avenue, Suite 201
Markham, Ontario L3R 3T7
Attention: Vasdev Chanchlani
Facsimile: 416.369.0199

RECITALS:

A. EACH OF PHARMENG INTERNATIONAL INC., PHARMENG TECHNOLOGY INC., PHARMENG USA, INC. and KEATA PHARMA, INC. (hereinafter each referred to as a "Debtor" and collectively, as the Debtors), jointly and severally has issued a $1,000,000 debenture dated the date hereof (the "**Debenture**") to the Secured Party and may issue further debentures to the Secured Party.

B. To secure the payment and performance of the Secured Liabilities, the Debtor has agreed to grant to the Secured Party the Security Interests in respect of the Collateral in accordance with the terms of this Agreement.

For good and valuable consideration, the receipt and adequacy of which are acknowledged by the Debtor, the Debtor agrees with and in favour of the Secured Party as follows:

1. **Definitions**. In this Agreement capitalized terms used but not otherwise defined in this Agreement shall have the meanings given to them in the Debenture, and the following terms have the following meanings:

"**Accessions**", "**Account**", "**Chattel Paper**", "**Certificated Security**", "**Consumer Goods**", "**Document of Title**", "**Equipment**", "**Futures Account**", "**Futures Contract**", "**Futures Intermediary**", "**Goods**", "**Instrument**", "**Intangible**", "**Inventory**", "**Investment Property**", "**Money**", "**Proceeds**", "**Securities Account**", "**Securities Intermediary**" "**Security**", "**Security Certificate**", "**Security Entitlement**", and "**Uncertificated Security**" have the meanings given to them in the PPSA.

"**Agreement**" means this agreement, including the exhibits and recitals to this agreement, the Supplements and the Schedules, as it or they may be amended, supplemented, restated or replaced from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement.

"**Books and Records**" means all books, records, files, papers, disks, documents and other repositories of data recording in any form or medium, evidencing or relating to the Personal Property of the Debtor which are at any time owned by the Debtor or to which the Debtor (or any Person on the Debtor's behalf) has access.

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Province referred to in the "Governing Law" section of this Agreement.

"**Collateral**" means all of the present and future:

(a) undertaking;

(b) Personal Property (including any Personal Property that may be described in any schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time provide to the Secured Party in connection with this Agreement); and

(c) real property (including any real property that may be described in any schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time provide to the Secured Party in connection with this Agreement and including all fixtures, improvements, buildings and other structures placed, installed or erected from time to time on any such real property),

of the Debtor (including Books and Records, Contracts, Intellectual Property Rights and Permits, including all such property in which the Debtor now or in the future has any right, title or interest whatsoever, whether owned, leased, licensed, possessed or otherwise held by the Debtor, and all Proceeds thereof, wherever located.

"**Contracts**" means all contracts and agreements to which the Debtor is at any time a party or pursuant to which the Debtor has at any time acquired rights, and includes (i) all rights of the Debtor to receive money due and to become due to it in connection with a contract or agreement, (ii) all rights of the Debtor to damages arising out of, or for breach or default in respect of, a contract, licence or agreement, and (iii) all rights of the Debtor to perform and exercise all remedies in connection with a contract or agreement.

"**Control**" means, in respect of a particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise. "**Controlled**" has meanings correlative thereto

"**Debtor**" means each of PharmEng International Inc., PharmEng Technology Inc., PharmEng USA, Inc. and Keata Pharma, Inc.

"**Event of Default**" means any "Event of Default" as defined in the Debenture or in any further debenture issued by the Debtor.

"**Governmental Authority**" means the government of Canada, any other nation or any political subdivision thereof, whether provincial, state, territorial or local, and any agency, authority, instrumentality, regulatory body, court, central bank, fiscal or monetary authority or other authority regulating financial institutions, and any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including the Bank Committee on Banking Regulation and Supervisory Practices of the Bank of International Settlements.

"**Intellectual Property Rights**" means all industrial and intellectual property rights of the Debtor or in which the Debtor has any right, title or interest, including copyrights, patents, inventions (whether or not patented), trade-marks, get-up and trade dress, industrial designs, integrated circuit topographies, plant breeders' rights, know how and trade secrets, registrations and applications for registration for any such industrial and intellectual property rights, and all Contracts related to any such industrial and intellectual property rights.

"**Issuer**" has the meaning given to that term in the STA.

"**Laws**" means all federal, provincial, municipal, foreign and international statutes, acts, codes, ordinances, decrees, treaties, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgements, orders, decisions, rulings or awards or any provisions of the foregoing, including general principles of common and civil law and equity, and all policies, practices and guidelines of any Governmental Authority binding on or affecting the Person referred to in the context in which such word is used (including, in the case of tax matters, any accepted practice or application or official interpretation of any relevant taxation authority); and "**Law**" means any one or more of the foregoing.

"**Lien**" means, (a) with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothec (whether movable or immovable), hypothecation, encumbrance, charge, security interest, royalty interest, adverse claim, defect to title or right of set off in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to any asset, (c) any purchase option, call or similar right of a third party with respect to such asset, (d) any netting arrangement, defeasance arrangement or reciprocal fee arrangement, and (e) any other arrangement having the effect of providing security.

"**Organizational Documents**" means, with respect to any Person, such Person's articles or other charter documents, by-laws, unanimous shareholder agreement, partnership agreement or trust agreement, as applicable, and any and all other similar agreements, documents and instruments relative to such Person.

"**Permits**" means all permits, licences, waivers, exemptions, consents, certificates, authorizations, approvals, franchises, rights-of-way, easements and entitlements that the Debtor has, requires or is required to have, to own, possess or operate any of its property or to operate and carry on any part of its business.

"**Permitted Liens**" means Liens in favour of Landsbanki Islands h.f., BHC Interim Funding II, L.P., Cape Breton Growth Fund Corporation, and Enterprise Cape Breton Corporation.

"**Person**" includes any natural person, corporation, Companies, limited liability Companies, unlimited liability Companies, trust, joint venture, association, incorporated organization, partnership, Governmental Authority or other entity.

"**Personal Property**" means personal property and includes Accounts, Chattel Paper, Documents of Title, Equipment, Goods, Instruments, Intangibles, Inventory, Investment Property and Money.

"**Pledged Issuer**" means, in respect of the Debtor at any time, any Person which is at such time an Issuer with respect to any Pledged Securities or Pledged Security Entitlements.

"**Pledged Issuer's Jurisdiction**" means, with respect to any Pledged Issuer, its jurisdiction as determined under section 44 of the STA.

"**Pledged Securities**" means, in respect of the Debtor, any and all Collateral of the Debtor that is a Security.

"**Pledged Securities Accounts**" means, in respect of the Debtor, any and all Collateral of the Debtor that is a Securities Account.

"**Pledged Securities Intermediary**" means, at any time, any Person which is at such time is a Securities Intermediary at which a Pledged Securities Account is maintained.

"**Pledged Securities Intermediary's Jurisdiction**" means, with respect to any Securities Intermediary, its jurisdiction as determined under section 45(2) of the STA.

"**Pledged Security Entitlements**" means, in respect of the Debtor, any and all Collateral of the Debtor that is a Security Entitlement.

"**PPSA**" means the *Personal Property Security Act* of the Province referred to in the "Governing Law" section of this Agreement, as such legislation may be amended, renamed or replaced from time to time, and includes all regulations from time to time made under such legislation.

"**Receiver**" means a receiver, a manager or a receiver and manager.

"**Release Date**" means the date on which all the Secured Liabilities of the Debtor have been indefeasibly paid and discharged in full.

"**Secured Liabilities**" means all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to the Secured Party under this Agreement, the Debenture, any further debentures issued by the Debtor, and the Term Sheet, and any unpaid balance thereof.

"**Secured Party**" means 2186827 Ontario Inc.

"**Schedules**" means the schedules to this Agreement.

"**Security Interests**" means the Liens created by the Debtor in favour of the Secured Party under this Agreement.

"**STA**" means the *Securities Transfer Act* of the Province referred to in the "Governing Law" section of this Agreement, as such legislation may be amended, renamed or replaced from time to time, and includes all regulations from time to time made under such legislation.

"**Subsidiary**" means, with respect to any Person (the "parent") at any date, any other Person (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more Subsidiaries of the parent or by the parent and one or more Subsidiaries of the parent.

"**Term Sheet**" means the term sheet dated November ____, 2008 entered into between the Secured Party and the Debtor, as it may be amended, restated, modified or supplemented from time to time.

2. **Grant of Security Interests**. As general and continuing collateral security for the due payment and performance of its Secured Liabilities, each of the Debtors, jointly and severally, pledges, mortgages, charges and assigns (by way of security) to the Secured Party, and grants to the Secured Party a security interest in, the Collateral of the Debtor.

3. **Limitations on Grant of Security Interests**. If the grant of the Security Interests in respect of any Contract, Intellectual Property Right or Permit under Section 2 would result in the termination or breach of such Contract, Intellectual Property Right or Permit, or is otherwise prohibited or ineffective (whether by the terms thereof or under applicable Law), then such Contract, Intellectual Property Right or Permit will not be subject to the Security Interests but will be held in trust by the Debtor for the benefit of the Secured Party and, on the exercise by the Secured Party of any of its rights or remedies under this Agreement following an Event of Default will be assigned by the Debtor as directed by the Secured Party; provided that: (a) the Security Interests of the Debtor shall attach to such Contract, Intellectual Property Right or Permit, or applicable portion thereof, immediately at such time as the condition causing such termination or breach is remedied, and (b) if a term in a Contract that prohibits or restricts the grant of the Security Interests in the whole of an Account or Chattel Paper forming part of the Collateral is unenforceable against the Secured Party under applicable Law, then the exclusion from the Security Interests set out above shall not apply to such Account or Chattel Paper. In addition, the Security Interests do not attach to Consumer Goods or extend to the last day of the term of any lease or agreement for lease of real property. Such last day will be held by the Debtor in trust for the Secured Party and, on the exercise by the Secured Party of any of its rights or remedies under this Agreement following an Event of Default, will be assigned by the Debtor as directed by the Secured Party. For greater certainty, no Intellectual Property Right in any trade-mark, get-up or trade dress is presently assigned to the Secured Party by sole virtue of the grant of the Security Interests contained in Section 2.

4. **Attachment; No Obligation to Advance**. Each of the Debtors confirms that value has been given by the Secured Party to the Debtor, that the Debtor has rights in its Collateral existing at the date of this Agreement or the date of any Supplement, as applicable, and that the Debtor and the Secured Party have not agreed to postpone the time for attachment of the Security Interests to any of the Collateral. The Security Interests in respect of the Collateral created by this Agreement will have effect and be deemed to be effective whether or not the Secured Liabilities or any part thereof are owing or in existence before or after or upon the date of this Agreement or the date of any Supplement, as applicable. Neither the execution and delivery of this Agreement or any Supplement nor the provision of any financial accommodation by the

Secured Party shall oblige the Secured Party to make any financial accommodation or further financial accommodation available to the Debtor or any other Person.

5. **Representations and Warranties**. Each of the Debtors, jointly and severally, represents and warrants to the Secured Party that, as of the date of this Agreement or the date of any Supplement, as applicable:

(a) Debtor Information. All of the information set out in the Schedules and Supplements, as applicable, with respect to the Debtor is accurate and complete.

(b) Title; No Other Security Interests. Except for Permitted Liens, the Debtor owns (or, with respect to any leased or licensed property forming part of the Collateral of the Debtor, holds a valid leasehold or licensed interest in) its Collateral free and clear of any Liens. The Debtor is the record and beneficial owner of all Collateral that is Investment Property. No security agreement, financing statement or other notice with respect to any or all of the Collateral of the Debtor is on file or on record in any public office, except for filings with respect to Permitted Liens.

(c) Amount of Accounts. The amount represented by the Debtor to the Secured Party from time to time as owing by each account debtor or by all account debtors in respect of its Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Secured Party at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Secured Party, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or any of the Secured Party.

(d) Authority. The Debtor has full power and authority to grant to the Secured Party the Security Interests and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's Organizational Documents or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of its Collateral is bound.

(e) Consents. Except for any consent that has been obtained and is in full force and effect, no consent of any Person (including any counterparty in respect of any Contract, any account debtor in respect of any Account, or any Governmental Authority in respect of any Permit) is required, or is purported to be required, for the execution, delivery, performance and enforcement of this Agreement (this representation being given without reference to the exclusions contained in Section 3). For the purposes of complying with any transfer restrictions contained in the Organizational Documents of any Pledged Issuer, the Debtor hereby

irrevocably consents to any transfer of the Debtor's Pledged Securities of such Pledged Issuer.

(f) Execution and Delivery. This Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar Laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

(g) No Consumer Goods. The Debtor does not own any Consumer Goods which are material in value or which are material to the business, operations, property, condition or prospects (financial or otherwise) of the Debtor.

(h) Intellectual Property Rights. All registrations and applications for registration pertaining to any Intellectual Property Rights, all other material Intellectual Property Rights of the Debtor, and the nature of the Debtor's right, title or interest therein, are described in the Schedules and Supplements as applicable, with respect to the Debtor. Each Intellectual Property Right is valid, subsisting, unexpired, enforceable, and has not been abandoned. In the case of copyright works of the Debtor, the Debtor has obtained full and irrevocable waivers of all moral rights or similar rights pertaining to such works. Except as set out in the Schedules and Supplements, as applicable, none of the Intellectual Property Rights have been licensed or franchised by the Debtor to any Person or, to the best of the Debtor's knowledge, infringed or otherwise misused by any Person. Except as set out in the Schedules and Supplements, as applicable, the exercise of any Intellectual Property Right or any licensee or franchisee thereof, has not infringed or otherwise misused any intellectual property right of any other Person, and the Debtor has not received and is not aware of any claim of such infringement or other misuse.

(i) Partnerships, Limited Liability Companies. The terms of any interest in a partnership or limited liability Companies that is Collateral expressly provide that such interest is a "security" for the purposes of the STA.

6. **Survival of Representations and Warranties**. All representations and warranties made by the Debtor in this Agreement (a) are material, (b) will be considered to have been relied on by the Secured Party, and (c) will survive the execution and delivery of this Agreement and any investigation made at any time by or on behalf of the Secured Party and any disposition or payment of the Secured Liabilities until the Release Date.

7. **Covenants**. Each of the Debtors, jointly and severally, covenants and agrees with the Secured Party that:

(a) Further Documentation. The Debtor will from time to time, at the expense of the Debtor, promptly and duly authorize, execute and deliver such further instruments

and documents, and take such further action, as the Secured Party may request for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Security Interests). The Debtor acknowledges that this Agreement has been prepared based on the existing Laws in the Province referred to in the "Governing Law" section of this Agreement and that a change in such Laws, or the Laws of other jurisdictions, may require the execution and delivery of different forms of security documentation. Accordingly, the Debtor agrees that the Secured Party will have the right to require that this Agreement be amended, supplemented, restated or replaced, and that the Debtor will immediately on request by the Secured Party authorize, execute and deliver any such amendment, supplement, restatement or replacement (i) to reflect any changes in such Laws, whether arising as a result of statutory amendments, court decisions or otherwise, (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions, or (iii) if the Debtor merges or amalgamates with any other Person or enters into any corporate reorganization, in each case in order to confer on the Secured Party Liens similar to, and having the same effect as, the Security Interests.

(b) Maintenance of Records. The Debtor will keep and maintain accurate and complete records of the Collateral, including a record of all payments received and all credits granted with respect to the Accounts and Contracts. At the written request of the Secured Party, the Debtor will mark any Collateral specified by the Secured Party to evidence the existence of the Security Interests.

(c) Right of Inspection. The Secured Party may, at all times during normal business hours, without charge, examine and make copies of all Books and Records. The Secured Party may also, without charge, enter the premises of the Debtor where any of the Collateral is located for the purpose of inspecting such Collateral, observing its use or otherwise protecting its interests in such Collateral. The Debtor, at its expense, will provide the Secured Party with such clerical and other assistance as may be reasonably requested by the Secured Party to exercise any of its rights under this paragraph.

(d) Limitations on Other Liens. The Debtor will not create, incur or permit to exist, and will defend the Collateral of the Debtor against, and will take such other action as is necessary to remove, any and all Liens in and other claims affecting the Collateral, other than the Permitted Liens, and the Debtor will defend the right, title and interest of the Secured Party in and to the Collateral against the claims and demands of all Persons.

(e) Limitations on Dispositions of Collateral. The Debtor will not, without the Secured Party's prior written consent, sell, lease or otherwise dispose of any of its Collateral, except that Inventory may be sold, leased or otherwise disposed of and, subject to the terms of this Agreement, Accounts may be collected, in either case in the ordinary course of the Debtor's business. Following an Event of

Default, all Proceeds of the Collateral (including all amounts received in respect of Accounts) received by or on behalf of the Debtor, whether or not arising in the ordinary course of the Debtor's business, will be received by the Debtor as trustee for the Secured Party and will be immediately paid to the Secured Party.

(f) Limitations on Modifications, Waivers, Extensions. Other than as not prohibited by paragraph (g) below, the Debtor will not (i) amend, modify, terminate, permit to expire or waive any provision of any of the Debtor's Permits, Contracts or any documents giving rise to an Account in any manner which is or could reasonably be expected to be materially adverse to the Debtor or any of the Secured Party, or (ii) fail to exercise promptly and diligently its rights under each of the Debtor's Contracts and documents giving rise to an Account if such failure is or could reasonably be expected to be materially adverse to the Debtor or any of the Secured Party.

(g) Limitations on Discounts, Compromises, Extensions of Accounts. Other than in the ordinary course of business of the Debtor consistent with commercially reasonable practices, the Debtor will not (i) grant any extension of the time for payment of any Account of the Debtor, (ii) compromise, compound or settle any Account of the Debtor for less than its full amount, (iii) release, wholly or partially, any Person liable for the payment of any Account of the Debtor, or (iv) allow any credit or discount of any Account of the Debtor.

(h) Maintenance of Collateral. The Debtor will maintain all tangible Collateral in good operating condition, ordinary wear and tear excepted, and the Debtor will provide all maintenance, service and repairs necessary for such purpose. The Debtor shall maintain in good standing all registrations and applications with respect to the Intellectual Property Rights except to the extent that any failure to do so could not reasonably be expected to be materially adverse to the Debtor or any of the Secured Party.

(i) Insurance. The Debtor will keep the Collateral of the Debtor insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Secured Party, and will (i) contain a breach of warranty clause in favour of the Secured Party, (ii) provide that no cancellation, material reduction in amount or material change in coverage will be effective until at least 30 days after receipt of written notice thereof by the Secured Party, (iii) contain by way of endorsement a mortgagee clause in form and substance satisfactory to the Secured Party, and (iv) name the Secured Party as loss payee as its interest may appear. The Debtor will, from time to time at the Secured Party's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Secured Party. If the Debtor does not obtain or maintain such insurance, the Secured Party may, but need not, do so, in which event the Debtor will

immediately on demand reimburse the Secured Party for all payments made by the Secured Party in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Secured Liabilities of the Debtor and will be secured by the Security Interests. No Secured Party nor its correspondents or its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance.

(j) Further Identification of Collateral. The Debtor will promptly furnish to the Secured Party such statements and schedules further identifying and describing the Collateral, and such other reports in connection with the Collateral, as the Secured Party may from time to time reasonably request, including an updated list of any motor vehicles or other "serial number" goods owned by the Debtor and classified as Equipment, including vehicle identification numbers.

(k) Amalgamation, Merger or Consolidation. The Debtor will not permit any Pledged Issuer to amalgamate, merge or consolidate unless all of the outstanding capital stock of the surviving or resulting corporation is, upon such amalgamation, merger or consolidation, pledged under this Agreement, and no cash, securities or other property is distributed in respect of the outstanding shares of any other constituent corporation.

(l) Agreements re Intellectual Property Rights. Promptly upon request from time to time by the Secured Party, the Debtor will authorize, execute and deliver any and all agreements, instruments, documents and papers that the Secured Party may request to evidence the Security Interests in any Intellectual Property Rights and, where applicable, the goodwill of the business of the Debtor connected with the use of, and symbolized by, any such Intellectual Property Rights.

(m) Instruments; Documents of Title; Chattel Paper. Promptly upon request from time to time by the Secured Party, the Debtor will deliver to the Secured Party, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Secured Party may reasonably request, any and all Instruments, Documents of Title and Chattel Paper included in or relating to the Collateral as the Secured Party may specify in its request.

(n) Partnerships, Limited Liability Companies. The Debtor will ensure that the terms of any interest in a partnership or limited liability Companies that is Collateral will expressly provide that such interest is a "security" for the purposes of the STA.

(o) Notices. The Debtor will advise the Secured Party promptly, in reasonable detail, of any:

(i) change to a Pledged Securities Intermediary's Jurisdiction or Pledged Issuer's Jurisdiction;

(ii) change in the location of the jurisdiction of incorporation or amalgamation, chief executive office, or domicile of the Debtor;

(iii) change in the name of the Debtor;

(iv) merger, consolidation or amalgamation of the Debtor with any other Person;

(v) additional jurisdiction in which the Debtor carries on business or has tangible Personal Property;

(vi) additional jurisdiction in which material account debtors of the Debtor are located;

(vii) acquisition of any right, title or interest in real property by the Debtor;

(viii) acquisition of any Intellectual property Rights which are the subject of a registration of application with any governmental intellectual property or other governing body or registry, or which are material to the Debtor's business;

(ix) acquisition of any Instrument, Document of Title or Chattel Paper;

(x) creation or acquisition of any Subsidiary of the Debtor;

(xi) Lien (other than Permitted Liens) on, or claim asserted against, any of the Collateral of the Debtor; or

(xii) occurrence of an event, claim or occurrence that could reasonably be expected to have a material adverse effect on the value of the Collateral of the Debtor or on the Security Interests.

The Debtor will not effect or permit any of the changes referred to in clauses (ii) through (viii) above unless all filings have been made and all other actions taken that are required in order for the Secured Party to continue at all times following such change to have a valid and perfected Security Interest in respect of all of the Collateral of the Debtor.

8. **Rights on Event of Default**. If an Event of Default has occurred and is continuing, then and in every such case all of the Secured Liabilities of the Debtor shall, at the option of the Secured Party, become immediately due and payable and the Security Interests of the Debtor shall become enforceable and the Secured Party, in addition to any rights now or hereafter existing under applicable Law may, personally or by agent, at such time or times as the Secured Party in its discretion may determine, do any one or more of the following:

(a) Rights under PPSA, etc. Exercise against the Debtor all of the rights and remedies granted to secured parties under the PPSA and any other applicable

statute, or otherwise available to the Secured Party by contract, at law or in equity.

(b) Demand Possession. Demand possession of any or all of the Collateral, in which event the Debtor will, at the expense of the Debtor, immediately cause the Collateral designated by the Secured Party to be assembled and made available and/or delivered to the Secured Party at any place designated by the Secured Party.

(c) Take Possession. Enter on any premises where any Collateral of the Debtor is located and take possession of, disable or remove such Collateral.

(d) Deal with Collateral. Hold, store and keep idle, or operate, lease or otherwise use or permit the use of, any or all of the Collateral for such time and on such terms as the Secured Party may determine, and demand, collect and retain all earnings and other sums due or to become due from any Person in respect of any of the Collateral.

(e) Carry on Business. Carry on, or concur in the carrying on of, any or all of the business or undertaking of the Debtor and enter on, occupy and use (without charge by the Debtor) any of the premises, buildings, plant and undertaking of, or occupied or used by, the Debtor.

(f) Enforce Collateral. Seize, collect, receive, enforce or otherwise deal with any Collateral in such manner, on such terms and conditions and at such times as the Secured Party deems advisable.

(g) Dispose of Collateral. Realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Secured Party or elsewhere, with or without advertising or other formality, except as required by applicable Law, on such terms and conditions as the Secured Party may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.

(h) Court-Approved Disposition of Collateral. Institute proceedings in a court of competent jurisdiction to obtain an order for the sale or foreclosure of any or all of the Collateral.

(i) Purchase by Secured Party. At any public sale, and to the extent permitted by Law on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain, sell or otherwise dispose of such Collateral without any further accountability to the Debtor or any other Person with respect to such holding, retention, sale or other disposition, except as required by Law. In any such sale to the Secured Party, the Secured Party may, for the purpose of making payment for all or any part of the

Collateral so purchased, use any claim for any or all of the Secured Liabilities then due and payable to it as a credit against the purchase price.

(j) Collect Accounts. Notify (whether in its own name or in the name of the Debtor) the account debtors under any Accounts of the Debtor of the assignment of such Accounts to the Secured Party and direct such account debtors to make payment of all amounts due or to become due to the Debtor in respect of such Accounts directly to the Secured Party and, upon such notification and at the expense of the Debtor, enforce collection of any such Accounts, and adjust, settle or compromise the amount or payment of such Accounts, in such manner and to such extent as the Secured Party deems appropriate in the circumstances.

(k) Transfer of Collateral. Transfer any Collateral that is Investment Property into the name of the Secured Party or its nominee.

(l) Voting. Subject to the rights of any other secured creditor of the Debtor, vote any or all of the Pledged Securities (whether or not transferred to the Secured Party or its nominee) and Pledged Security Entitlements and give or withhold all consents, waivers and ratifications in respect thereof and otherwise act with respect thereto as though it were the outright owner thereof.

(m) Exercise Other Rights. Exercise any and all rights, privileges, entitlements and options pertaining to any Collateral that is Investment Property as if the Secured Party were the absolute owner of such Investment Property.

(n) Dealing with Contracts and Permits. Deal with any and all Contracts and Permits to the same extent as the Debtor might (including the enforcement, realization, sale, assignment, transfer, and requirement for continued performance), all on such terms and conditions and at such time or times as may seem advisable to the Secured Party.

(o) Payment of Liabilities. Pay any liability secured by any Lien against any Collateral. The Debtor will immediately on demand reimburse the Secured Party for all such payments and, until paid, any such reimbursement obligation shall form part of the Secured Liabilities and shall be secured by the Security Interests.

(p) Borrow and Grant Liens. Borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of the Debtor and grant Liens on any Collateral (in priority to the Security Interests or otherwise) as security for the money so borrowed. The Debtor will immediately on demand reimburse the Secured Party for all such borrowings and, until paid, any such reimbursement obligations shall form part of the Secured Liabilities and shall be secured by the Security Interests.

(q) Appoint Receiver. Appoint by instrument in writing one or more Receivers of the Debtor or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of the Secured Party under this Agreement) as may be provided for in the instrument of appointment or

any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by applicable Law, any Receiver appointed by the Secured Party will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the agent of the Debtor and not of the Secured Party or any of the other Secured Party.

(r) Court-Appointed Receiver. Institute proceedings in a court of competent jurisdiction to obtain an order for the appointment of a Receiver of the Debtor or of any or all of the Collateral.

(s) Consultants. Require the Debtor to engage a consultant of the Secured Party's choice, or engage a consultant on its own behalf, such consultant to receive the full cooperation and support of the Debtor and its agents and employees, including unrestricted access to the premises of the Debtor and the Books and Records; all reasonable fees and expenses of such consultant shall be for the account of the Debtor and the Debtor hereby authorizes any such consultant to report directly to the Secured Party and to disclose to the Secured Party any and all information obtained in the course of such consultant's employment.

The Secured Party may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by applicable Law) to or on the Debtor or any other Person, and the Debtor hereby waives each such demand, presentment, protest, advertisement and notice to the extent permitted by applicable Law. None of the above rights or remedies will be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time. The Debtor acknowledges and agrees that any action taken by the Secured Party hereunder following the occurrence and during the continuance of an Event of Default shall not be rendered invalid or ineffective as a result of the curing of the Event of Default on which such action was based.

9. **Realization Standards**. To the extent that applicable Law imposes duties on the Secured Party to exercise remedies in a commercially reasonable manner and without prejudice to the ability of the Secured Party to dispose of the Collateral in any such manner, each of the Debtors acknowledges and agrees that it is not commercially unreasonable for the Secured Party to (or not to) (a) incur expenses reasonably deemed significant by the Secured Party to prepare the Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) fail to obtain third party consents for access to the Collateral to be disposed of, (c) fail to exercise collection remedies against account debtors or other Persons obligated on the Collateral or to remove Liens against the Collateral, (d) exercise collection remedies against account debtors and other Persons obligated on the Collateral directly or through the use of collection agencies and other collection specialists, (e) dispose of Collateral by way of public auction, public tender or private contract, with or without advertising and without any other formality, (f) contact other Persons, whether or not in the same business of the Debtor, for expressions of interest in acquiring all or any portion of the Collateral, (g) hire one or more professional auctioneers to assist in the disposition of the Collateral, whether or not such Collateral is of a specialized nature or an upset or reserve bid or price is established, (h) dispose of the Collateral by utilizing internet sites that provide for the

auction of assets of the types included in such Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (i) dispose of assets in wholesale rather than retail markets, (j) disclaim disposition warranties, such as title, possession or quiet enjoyment, (k) purchase insurance or credit enhancements to insure the Secured Party against risks of loss, collection or disposition of the Collateral or to provide to the Secured Party a guaranteed return from the collection or disposition of such Collateral, (l) the extent deemed appropriate by the Secured Party, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Secured Party in the collection or disposition of any of the Collateral, (m) dispose of Collateral in whole or in part, and (n) dispose of Collateral to a customer of the Secured Party, and (o) establish an upset or reserve bid price in respect of Collateral.

10. **Grant of Licence**. For the purpose of enabling the Secured Party to exercise its rights and remedies under this Agreement when the Secured Party is entitled to exercise such rights and remedies, and for no other purpose, each of the Debtors grants to the Secured Party an irrevocable, non-exclusive licence (exercisable without payment of royalty or other compensation to the Debtors) to use, assign or sublicense any or all of the Intellectual Property Rights, including in such licence reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout of the same. For any trade-marks, get up and trade dress and other business indicia, such licence includes an obligation on the part of the Secured Party to maintain the standards of quality maintained by the Debtors or, in the case of trade-marks, get-up and trade dress, or other business indicia licensed to the Debtors, the standards of quality imposed upon the Debtors by the relevant licence. For copyright works, such licence shall include the benefit of any waivers of moral rights and similar rights.

11. **Securities Laws**. The Secured Party is authorized, in connection with any offer or sale of any Pledged Securities or Pledged Security Entitlements, to comply with any limitation or restriction as it may be advised by counsel is necessary to comply with applicable Law, including compliance with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications, and restricting prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the distribution or resale of such Securities. Each of the Debtors further agrees that compliance with any such limitation or restriction will not result in a sale being considered or deemed not to have been made in a commercially reasonable manner, and the Secured Party will not be liable or accountable to the Debtor for any discount allowed by reason of the fact that such Pledged Securities or Pledged Security Entitlements are sold in compliance with any such limitation or restriction. If the Secured Party chooses to exercise its right to sell any or all Pledged Securities or Pledged Security Entitlements, upon written request, each of the Debtors will cause each applicable Pledged Issuer to furnish to the Secured Party all such information as the Secured Party may request in order to determine the number of shares and other instruments included in the Collateral which may be sold by the Secured Party in exempt transactions under any Laws governing securities, and the rules and regulations of any applicable securities regulatory body thereunder, as the same are from time to time in effect.

12. **Application of Proceeds**. All Proceeds of Collateral received by the Secured Party or a Receiver may be applied to discharge or satisfy any expenses (including the Receiver's

remuneration and other expenses of enforcing the Secured Party's rights against the Debtor under this Agreement), Liens on the Collateral in favour of Persons other than the Secured Party, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Secured Party or the Receiver to protect, preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Liens on the Collateral ranking in priority to any of the Security Interests, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds may, at the sole discretion of the Secured Party, be held as collateral security for the Secured Liabilities of the Debtor or be applied to such of the Secured Liabilities of the Debtor (whether or not the same are due and payable) in such manner and at such times as the Secured Party considers appropriate and thereafter will be accounted for as required by Law.

13. **Continuing Liability of Debtor**. The Debtor will remain liable for any Secured Liabilities that are outstanding following realization of all or any part of the Collateral and the application of the Proceeds thereof.

14. **Secured Party's Appointment as Attorney-in-Fact**. Effective upon the occurrence and during the continuance of an Event of Default, the Debtor constitutes and appoints the Secured Party and any officer or agent of the Secured Party, with full power of substitution, as the Debtor's true and lawful attorney-in-fact with full power and authority in the place of the Debtor and in the name of the Debtor or in its own name, from time to time in the Secured Party's discretion, to take any and all appropriate action and to execute any and all documents and instruments as, in the opinion of such attorney, may be necessary or desirable to accomplish the purposes of this Agreement. Without limiting the effect of this Section but subject to the rights of any other secured creditor of the Debtor, the Debtor grants the Secured Party an irrevocable proxy to vote the Pledged Securities and Pledged Security Entitlements and to exercise all other rights, powers, privileges and remedies to which a holder thereof would be entitled (including giving or withholding written consents of shareholders, calling special meetings of shareholders and voting at such meetings), which proxy shall be effective, automatically and without the necessity of any action (including any transfer of any Pledged Securities or Pledged Security Entitlements on the books and records of a Pledged Issuer or Pledged Securities Intermediary, as applicable, upon the occurrence of an Event of Default. These powers are coupled with an interest and are irrevocable until the Release Date. Nothing in this Section affects the right of the Secured Party as secured party or any other Person on the Secured Party's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification statements and other documents relating to the Collateral and this Agreement as the Secured Party or such other Person considers appropriate. The Debtor hereby ratifies and confirms, and agrees to ratify and confirm, whatever lawful acts the Secured Party or any of the Secured Party's sub-agents, nominees or attorneys do or purport to do in exercise of the power of attorney granted to the Secured Party pursuant to this Section.

15. **Performance by Secured Party of Debtor's Obligations**. If the Debtor fails to perform or comply with any of the obligations of the Debtor under this Agreement, the Secured Party may, but need not, perform or otherwise cause the performance or compliance of such obligation, provided that such performance or compliance will not constitute a waiver, remedy or satisfaction of such failure. The expenses of the Secured Party incurred in connection with any such performance or compliance will be payable by the Debtor to the Secured Party immediately

on demand, and until paid, any such expenses will form part of the Secured Liabilities of the Debtor and will be secured by the Security Interests of the Debtor.

16. **Interest**. If any amount payable by the Debtor to the Secured Party under this Agreement is not paid when due, the Debtor will pay to the Secured Party, immediately on demand, interest on such amount from the date due until paid, at a nominal annual rate equal at all times to twelve percent (12%). All amounts payable by the Debtor to the Secured Party under this Agreement, and all interest on all such amounts, compounded monthly on the last Business Day of each month, will form part of the Secured Liabilities and will be secured by the Security Interests.

17. **Severability**. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

18. **Rights of Secured Party; Limitations on Secured Party's Obligations**.

(a) Limitations on Liability of Secured Party. Neither the Secured Party nor any other Secured Party will be liable to the Debtor or any other Person for any failure or delay in exercising any of the rights of the Debtor under this Agreement (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Collateral, or to preserve rights against prior parties). Neither the Secured Party, any other Secured Party, a Receiver, nor any agent thereof (including, in Alberta or British Columbia, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Collateral in its possession. Neither the Secured Party, any other Secured Party, any Receiver, nor any agent thereof will be liable for any, and the Debtor will bear the full risk of all, loss or damage to any and all of the Collateral (including any Collateral in the possession of the Secured Party, any other Secured Party, any Receiver, or any agent thereof) caused for any reason other than the gross negligence or wilful misconduct of the Secured Party, such other Secured Party, such Receiver or such agent thereof.

(b) Debtors Remain Liable under Accounts and Contracts. Notwithstanding any provision of this Agreement, the Debtor will remain liable under each of the documents giving rise to the Accounts of the Debtor and under each of the Contracts to observe and perform all the conditions and obligations to be observed and performed by the Debtor thereunder, all in accordance with the terms of each such document and Contract. Neither the Secured Party nor any other Secured Party will have any obligation or liability under any Account (or any document giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by the Secured Party of any payment relating to such Account or Contract pursuant hereto, and in particular (but without limitation), neither the Secured Party nor any other Secured Party will be obligated in any manner to

perform any of the obligations of the Debtor under or pursuant to any Account (or any document giving rise thereto) or under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any document giving rise thereto) or under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time.

(c) Collections on Accounts and Contracts. The Debtor shall be authorized to, at any time that an Event of Default is not continuing, collect its Accounts and payments under the Contracts in the normal course of the business of the Debtor and for the purpose of carrying on the same. If required by the Secured Party at any time, any payments of Accounts of the Debtor or under Contracts of the Debtor, when collected by the Debtor, will be forthwith (and, in any event, within two Business Days) deposited by the Debtor in the exact form received, duly endorsed by the Debtor to the Secured Party if required, in a special collateral account maintained by the Secured Party, and until so deposited, will be held by the Debtor in trust for the Secured Party, segregated from the other funds of the Debtor. All such amounts while held by the Secured Party (or by the Debtor in trust for the Secured Party) and all income in respect thereof will continue to be collateral security for the Secured Liabilities and will not constitute payment thereof until applied as hereinafter provided. If an Event of Default has occurred and is continuing, the Secured Party may apply all or any part of the amounts on deposit in respect of the Debtor in said special collateral account on account of the Secured Liabilities in such order as the Secured Party may elect. At the Secured Party's request, the Debtor will deliver to the Secured Party any documents evidencing and relating to the agreements and transactions which gave rise to the Accounts and the Contracts, including all original orders, invoices and shipping receipts.

(d) Analysis of Accounts. At any time and from time to time, the Secured Party will have the right to analyze and verify the Accounts of the Debtor in any manner and through any medium that it reasonably considers advisable, and the Debtor will furnish all such assistance and information as the Secured Party may require in connection therewith. At any time and from time to time, the Secured Party may in its own name or in the name of others (including the Debtor) communicate with account debtors on the Accounts and parties to the Contracts to verify with them to its satisfaction the existence, status, amount and terms of any Account or any Contract. At any time and from time to time, upon the Secured Party's reasonable request and at the expense of the applicable Debtor, the Debtor will furnish to the Secured Party reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts.

(e) Use of Secured Partys. The Secured Party may perform any of its rights or duties under this Agreement by or through agents and is entitled to retain counsel and to act in reliance on the advice of such counsel concerning all matters pertaining to its rights and duties under this Agreement.

19. **Dealings by Secured Party**. The Secured Party will not be obliged to exhaust its recourse against the Debtor or any other Person or against any other security it may hold in respect of the Secured Liabilities or any part thereof before realizing upon or otherwise dealing with the Collateral in such manner as the Secured Party may consider desirable. The Secured Party and the other Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Debtor and any other Person, and with any or all of the Collateral, and with other security and sureties, as they may see fit, all without prejudice to the Secured Liabilities or to the rights and remedies of the Secured Party under this Agreement. The powers conferred on the Secured Party under this Agreement are solely to protect the interests of the Secured Party in the Collateral and will not impose any duty upon the Secured Party to exercise any such powers.

20. **Communication**. Any notice or other communication required or permitted to be given under this Agreement will be in writing and will be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by facsimile transmission or other similar means of electronic communication, in each case to the address or facsimile number of the Debtor or Secured Party set out in this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a Business Day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following Business Day. Any communication sent by mail will be deemed to have been given and to have been received on the fifth Business Day following mailing, provided that no disruption of postal service is in effect. The Debtor and the Secured Party may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the other in accordance with the provisions of this Section.

21. **Release of Information**. The Debtor authorizes the Secured Party to provide a copy of this Agreement and such other information as may be requested of the Secured Party (i) to the extent necessary to enforce the Secured Party's rights, remedies and entitlements under this Agreement, (ii) to any assignee or prospective assignee of all or any part of its Secured Liabilities, and (iii) as required by applicable Law.

22. **Expenses; Indemnity; Waiver**.

(a) The Debtor shall indemnify the Secured Party against, and hold the Secured Party harmless from, any and all losses, claims, cost recovery actions, damages, expenses and liabilities of whatsoever nature or kind and all reasonable out-of-pocket expenses and all applicable taxes to which the Secured Party may become subject arising out of or in connection with the enforcement of the Secured Party' rights hereunder and any related investigation, defence, preparation of defence, litigation and enquiries; provided that such indemnity shall not, as to the Secured Party, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of or material breach of this Agreement by such Secured Party.

(b) The Debtor shall not assert, and the Debtor hereby waives (to the fullest extent permitted by applicable Law), (i) any claim against the Secured Party (or any director, officer or employee thereof), on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, and (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute.

(c) All amounts due under this Section shall be payable to the Secured Party for the benefit of the Secured Party not later than three Business Days after written demand therefor.

(d) The indemnifications set out in this Section will survive the Release Date and the release or extinguishment of the Security Interests.

23. **Release of Debtor**. Upon the written request of the Debtor given at any time on or after the Release Date, the Secured Party shall at the expense of the Debtor, release the Debtor and the Collateral from the Security Interests and such release shall serve to terminate any licence granted in this Agreement. Upon such release, and at the request and expense of the Debtor, the Secured Party shall execute and deliver to the Debtor such releases and discharges as the Debtor may reasonably request.

24. **Additional Security**. This Agreement is in addition to, and not in substitution of, any and all other security previously or concurrently delivered by the Debtor or any other Person to the Secured Party, all of which other security shall remain in full force and effect.

25. **Alteration or Waiver**. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Secured Party. The Secured Party will not, by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Secured Party of any right or remedy hereunder on any one occasion will not be construed as a bar to any right or remedy which the Secured Party would otherwise have on any future occasion. Neither the taking of any judgment nor the exercise of any power of seizure or sale will extinguish the liability of the Debtor to pay the Secured Liabilities, nor will the same operate as a merger of any covenant contained in this Agreement or of any other liability, nor will the acceptance of any payment or other security constitute or create any novation.

26. **Amalgamation**. The Debtor acknowledges that if it amalgamates or merges with any other corporation or corporations, then (i) the Collateral and the Security Interests of the Debtor will extend to and include all the property and assets of the amalgamated corporation and to any property or assets of the amalgamated corporation thereafter owned or acquired, (ii) the term

"Debtor", where used in this Agreement, will extend to and include the amalgamated corporation, and (iii) the term "Secured Liabilities", where used in this Agreement, will extend to and include the Secured Liabilities of the amalgamated corporation.

27. **Governing Law; Attornment**. This Agreement will be governed by and construed in accordance with the Laws of the Province of Ontario. Without prejudice to the ability of the Secured Party to enforce this Agreement in any other proper jurisdiction, the Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such province. To the extent permitted by applicable Law, the Debtor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province.

28. **Interpretation**. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word 'shall". The word "or" is disjunctive; the word "and" is conjunctive. The word "shall" is mandatory; the word "may" is permissive. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set out herein), (b) any reference herein to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, (c) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, and (e) all references herein to Sections and Schedules shall be construed to refer to Sections and Schedules to, this Agreement, Section headings are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement. Any reference in this Agreement to a Permitted Lien is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Security Interest to any Permitted Lien.

29. **Successors and Assigns**. This Agreement will enure to the benefit of, and be binding on, the Debtor and its successors and permitted assigns, and will enure to the benefit of, and be binding on, the Secured Party and its successors and assigns. The Debtor may not assign this Agreement, or any of its rights or obligations under this Agreement. The Secured Party may assign this Agreement and any of its rights and obligations hereunder to any Person that replaces it in its capacity as such upon prior written notice to the Debtor. If the Debtor or the Secured Party is an individual, then the term "Debtor" or "Secured Party", as applicable, will also include his or her heirs, administrators and executors.

30. **Acknowledgment of Receipt/Waiver**. The Debtor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by applicable Law, waives the right to receive a copy of any financing statement or financing change statement registered in connection

with this Agreement or any verification statement issued in respect of any such financing statement or financing change statement.

31. **Enforcement by Secured Party**. This Agreement and the Security Interests may be enforced only by the action of the Secured Party acting on behalf of the Secured Party and no other Secured Party shall have any rights individually to enforce or seek to enforce this Agreement or any of the Security Interests, it being understood and agreed that such rights and remedies may be exercised by the Secured Party for the benefit of the Secured Party upon the terms of this Agreement.

32. **Electronic Signature**. Delivery of an executed signature page to this Agreement by the Debtor by facsimile or other electronic form of transmission shall be as effective as delivery by the Debtor of a manually executed copy of this Agreement by the Debtor. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

[signatures on the next following page]

IN WITNESS WHEREOF the undersigned has caused this Agreement to be duly executed as of the date first written above.

PHARMENG INTERNATIONAL INC.

Address: 3760 14th Avenue, Suite 201
Markham, Ontario L3R 3T7

Attention: Alan Kwong
Facsimile: _____

By: _____
Name:
Title:

PHARMENG TECHNOLOGY INC.

Address: _____

Attention: _____
Facsimile: _____

By: _____
Name:
Title:

PHARMENG USA, INC.

Address: _____

Attention: _____
Facsimile: _____

By: _____
Name:
Title:

KEATA PHARMA, INC.

Address: _____

Attention: _____
Facsimile: _____

By: _____
Name:
Title:

IN THE MATTER OF PROPOSAL OF KEATA PHARMA, INC.
IN THE MATTER OF PROPOSAL OF PHARMENG INTERNATIONAL INC.
IN THE MATTER OF PROPOSAL OF PHARMENG TECHNOLOGY INC.

Court File No.: 31-1191425
Court File No.: 31-1191414
Court File No.: 31-1191419

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

RECTIFICATION ORDER

AYLESWORTH LLP
P.O. Box 124, 18th Floor
222 Bay Street
Toronto ON M5K 1H1

Richard B. Jones (LSUC No. 11575V)
Lisa S. Corne (LSUC No. 27974M)
Tel: 416-777-4022/416-646-4608
Fax: 416-865-1398

Lawyers for 2186827 Ontario Inc.

TAB 4

District of Ontario
Division No. 09 - Toronto
Court File No. 31-1191414
Estate File No. 31-1191414

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE PROPOSALS OF KEATA PHARMA, INC., PHARMENG INTERNATIONAL INC., AND PHARMENG TECHNOLOGY INC., COMPANIES DULY INCORPORATED PURSUANT TO THE LAWS OF THE PROVINCE OF ONTARIO, WITH A HEAD OFFICE IN MARKHAM, IN THE PROVINCE OF ONTARIO

FOURTH REPORT OF THE PROPOSAL TRUSTEE AND INTERIM RECEIVER

July 16, 2009

INTRODUCTION

1. On April 14, 2009, PharmEng International Inc ("**PII**"), Keata Pharma, Inc ("**Keata**") and PharmEng Technology Inc ("**PTI**") filed Notices of Intention to make a Proposal ("**NOI**") under Section 50.4 of the Bankruptcy and Insolvency Act (the "**BIA**"). PII, Keata and PTI will be referred to collectively as "**PharmEng**" or the "**Debtors**". A. Farber & Partners Inc. ("**Farber**") was appointed as Trustee in the Proposal of the Debtors.

2. By Order of the Honourable Madam Justice Hoy dated May 5, 2009 (the "**Appointment Order**"), Farber was also appointed as Interim Receiver of all of the Debtors' assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**") for the limited purpose of conducting a sales and marketing process in respect of the Property. The Interim Receiver was not authorized to take possession or control of any of the Property nor to manage or operate the business of the Debtors without further order of the Court.

3. Although PII, Keata and PTI are separate estates which have each filed an NOI, the Appointment Order has authorized an administrative consolidation such that all legal proceedings brought in respect of the Debtors and all materials filed with the Court may be brought and filed, as the case may be, in Estate No. 31-1191414.

4. By Order of the Court dated May 13, 2009 each of the Debtors PII, PTI and Keata were granted an extension for the filing of a Proposal to June 28, 2009. On June 26, 2009 all three entities lodged proposals with Farber in its capacity as proposal trustee, which proposals were in turn filed with the Official Receiver on June 26, 2009 along with other prescribed documents.

DISCLAIMER

5. For the purposes of this report, Farber has relied upon the financial records of the Debtors, as well as other information supplied by management. Farber's procedures and enquiries did not constitute an audit or review engagement. Farber assumes no responsibility or liability for loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of this report. Any use which any party, other than the Court, makes of this report, or any reliance on or a decision made based upon it is the responsibility of such party.

PURPOSES OF THIS REPORT

6. The purposes of this report are to:

   (a) Report to this Honourable Court on the actions and activities undertaken by Farber in its capacity as Interim Receiver and proposal trustee since last reporting on May 28, 2009;

   (b) Report on the results of the Sales Process to date; and

   (c) Recommend approval of an Asset Purchase Agreement dated July 10, 2009 ("**APA**") in respect of the Canadian assets and property relating to the consulting business operated by PTI and a related US company, PharmEng USA, Inc. ("**PUSA**").

BACKGROUND –DESCRIPTION OF THE BUSINESS

7. PharmEng, headquartered in Toronto, Canada, is a contract manufacturing and full-service consulting company that serves the pharmaceutical and biotechnology industries in North America and internationally.

8. Contract manufacturing includes pharmaceutical support, formulation development laboratory testing, and finished solid dosage and liquid products. The Contract manufacturing business is carried on from an 85,000 square foot facility located in Arnprior, Ontario (the "**Arnprior Facility**") and a 46,000 square foot facility located in Sydney, Nova Scotia (the "**Sydney Facility**"). Both the Arnprior Facility and the Sydney Facility are owned and operated by Keata.

9. Consulting services include project management, engineering, GMP, validation, calibration, regulatory compliance and certified training (hereinafter referred to as the "**Consulting Business**"). The Consulting Business is operated by PTI and PUSA. PUSA is not part of the NOI Proposal or Receivership proceedings. Given approval of the sale of the Canadian assets used in the Consulting Business is contemplated in this motion, the operations of the Consulting Business are more fully described herein.

10. The operations of PTI and PUSA are integrated. The two companies share management, marketing, human resources, as well as the infrastructure of accounting, information technology and human resource services (including payroll processing and recruiting) ("**shared services**"). The majority of these shared services are resident at PTI, including the majority of the employees who are employed by PTI. Normally, on a periodic interval, the cost of these shared services have been allocated as between PTI and PUSA and accounted for by way of intercompany charges.

11. Over the past three years, the Consulting Services business revenue has been in the range of $8 million to $10 million, with management reporting that in approximate terms, 60% of this revenue is generated in the US market (and reported by PUSA), while the balance is generated in Canada and internationally and reported by PTI.

12. The Consulting Business has encountered downward pressure on revenues over the past year, due to the market downturn, which has been pronounced through early 2009 due to the economic slow down in the US economy. The Consulting Business, based on review with management, has tracked at close to break-even over the past year.

13. From an organizational and operational perspective, the Consulting Business effective May 2009 employed 71 full time employees and 16 sub contactors in Canada, the US and internationally for a total of 87 staff. PTI employs or contracts 71 of the 87 staff. PTI has three offices servicing the Canadian market, while PUSA has one physical office and one virtual office. The Canadian employed staff however travel extensively in the US to service and maintain that market for the PUSA.

14. The Consulting Business and its underlying value, as with any consulting business, relies heavily on its network of customer relationships built up over time, and its employee work force where the know-how and qualifications largely reside. The customer relationships and employee retention have been challenging items to manage over the past 3 months from a both a stabilization of operations and retention perspective, given the uncertainty that came with the NOI proceedings.

CAUSES OF FINANCIAL DIFFICULTY AND STATUS OF OPERATIONS

15. PharmEng took on substantial debt in 2007 and 2008 to finance the acquisition of the Arnprior Facility from Pfizer Canada Inc. ("**Pfizer**") in December 2007 and the construction of the Sydney Facility through 2007 and 2008, under the assumption that sufficient supply contracts would be secured from customers to fully utilize this capacity.

16. Due to a combination of failure to secure those contracts, cost overruns and delays in the start up of the Sydney Facility and the market downturn through 2008 negatively impacted the Consulting Business, PharmEng incurred significant losses and was unable to service its debt through 2008.

17. Management had embarked on a number of restructuring initiatives, including the decision made in late 2008 to attempt to sell the Sydney Facility. Through January, February and March 2009, PharmEng had, with the consent of senior secured lenders, been endeavouring to finalize a transaction for a sale of this facility to an interested party, in exchange for a release from Enterprise Cape Breton Corporation and the Cape Breton Growth Fund (collectively "ECBC") debt, which has a first charge over the Sydney Facility real property. However, effective April 14, 2009, the NOI filing date, no agreement was able to be finalized with an interested party. As a result of the significant ongoing losses at the Sydney Facility, PharmEng made the decision to temporarily close down its operations by May 8, 2009.

18. Both the Arnprior Facility and Consulting Business operations have continued in the normal course throughout the NOI and receivership proceedings.

INTERIM RECEIVER AND PROPOSAL TRUSTEE ACTIVITIES

19. Since its appointment the activities of Farber, in its capacity as Interim Receiver, have focused largely on completing the Court approved Sales Process in accordance with the terms of the Appointment Order. The Sales Process is reported on more fully below.

20. Additionally Farber has liaised closely with the Debtors' management in terms of the daily and weekly cash flow performance and weekly reporting of same, as required by the Receivership Order.

21. The cash flow performance of PharmEng has throughout tracked on or in excess

of forecast with the cash reserves augmented by expedited accounts receivable terms with some customers.

22. In addition to the cash flow monitoring in its capacity as proposal trustee, Farber has assisted the Debtors with the NOI Proceedings, and formulating their proposals. Proposals under the BIA along with prescribed documents, were filed with the Official Receiver on June 26, 2009 for all three entities.

SALES PROCESS STATUS

23. The Appointment Order required that Farber implement a sales process to market the Property for sale in accordance with the timelines set forth in Exhibit [Number] to the [Report] (the "**Sales Process**"). Pursuant to an Order dated June 2, 2009 the deadline for receiving offers was extended from June 3 to June 17, 2009 with targeted Court Approval of a transaction or transactions on or prior to June 29, 2009.

24. The Appointment Order also provided that Farber:

> *"shall not (a) without the prior consent of Labki, accept any offer or offers that may result in net proceeds of sale in an amount that is less than the outstanding indebtedness of the Debtors to Labki unless such offer provides for the assumption of the indebtedness owing to Labki; (b) without the prior consent of ECBC, accept any offer for the land and building owned by the Debtors and located in Sydney, Nova Scotia that may result in net proceeds of sale in an amount that is less than the outstanding indebtedness of the Debtors to ECBC and secured against that Property in priority to Labki unless such offer provides for the assumption of the indebtedness owing to ECBC; or (c) without the prior consent of 218 Ontario, accept offer or offers for the Debtors' accounts receivable or inventory over which 218 has security that may result in net proceeds of sale in an amount that is less than the outstanding indebtedness of the Debtors to 218 Ontario."*

25. The Sales Process was conducted through May and June 2009 with, in essence, three businesses marketed for sale as follows:

(i) the Arnprior Facility, the primary contract manufacturing business located close to Ottawa, Ontario;

(ii) the Sydney Facility, the second contract manufacturing facility; and,

(iii) the Consulting Business described above.

26. Pursuant to the Court Approved Sales Process, Farber completed the following:

- Invitations for Offers and Terms and Conditions of Sale were drafted, finalized and posted on the Farber web site

- Confidentiality agreement ,"teasers" and Confidential Information Memoranda ("CIM") for each of the businesses, were drafted and finalized

- Interested parties were identified by consulting with the Debtors' management, each of the Debtors' secured creditors, the major customers and a number of funds/capital contacts of Farber, in addition to responding to enquires flowing from the advertisement, web site and referrals

- Farber placed an advertisement in *The Globe and Mail* (National Edition) on May 15, 2009 advertising the Sales Process

- Virtual data rooms were set up for each of the businesses, with detailed information reviewed with management and placed in the virtual data rooms to assist interested parties in completing due diligence. Protocols were put in place for password access to these data rooms, upon the signing of confidentiality agreements by interested parties

- Additional protocols were put in place for the major customers of the Arnprior Facility, Pfizer and Johnson & Johnson Inc. to protect their proprietary information. This required additional screening of interested

parties, the establishment of confidentiality agreements for each of those customers, which were required to be signed by the interested party, the Interim Receiver, and the major customer. In addition, separate virtual data rooms were set up for each of these customers, with the contents placed therein vetted by the customer, PharmEng and the Interim Receiver

- Additional due diligence enquiries from interested parties were coordinated by Farber with the Debtors' management team

27. Effective June 17, 2009, the Interim Receiver can report the following:

Sales Process Summary

Parties contacted who expressed interest, or who responded to the advertisement or web page who registered interest:	58
Confidentiality agreements signed:	36
Due diligence performed:	
• Arnprior	31
• Sydney	21
• Consulting	15

28. In parallel with the Sales Process, Farber completed liquidation assessments for each PharmEng entity and the underlying businesses, which included commissioning plant and equipment appraisals from liquidation and appraisal firms for the Arnprior Facility and the Sydney Facility, as well as utilization of recent real estate appraisals, in order to properly assess offers when received (hereinafter referred to as the "**Liquidation Analysis**").

29. PharmEng and Farber, in concert with major contract manufacturing customers, also developed a draft plan to effect an orderly wind down of the businesses (in

particular the Arnprior Facility), while also working with the senior secured creditor on the Sydney Facility, ECBC, regarding the ongoing strategy for its maintenance and sale, while further attempts are made to locate a purchaser or purchasers of the remaining property and businesses of PharmEng (hereinafter defined as **"Orderly Wind Down"**).

30. The Orderly Wind Down and Liquidation Analysis formed an integral part in the assessment of offers or expressions of interest received.

JUNE 17, 2009 OFFER DEADLINE

31. Effective the June 17, 2009 offer deadline, two offers were submitted for the Consulting Business.

32. No acceptable offers were submitted for the Arnprior or Sydney businesses or PharmEng as a whole.

33. Based on the level of interest and number of requests for an extension to the Sales Process for the Keata owned Arnprior and Sydney businesses (eight parties at June 17, 2009), and given the Keata cash flow continued to track ahead of forecast, the Interim Receiver in consultation with Labki Finance Inc. (**"Labki"**) and ECBC, extended the Sales Process for the Arnprior and Sydney Facilities to June 24, 2009. However, no acceptable offers were provided in that time.

CONSULTING BUSINESS SALES PROCESS

34. For the benefit of this Honourable Court, the Sales Process is reported on in more detail below.

INVOLVEMENT OF ALAN KWONG

35. Mr. Alan Kwong, CEO of the PharmEng entities, declared his intent to make an offer on the Consulting Business. As a result, Mr. Kwong was completely

removed from the Sales Process at the commencement of same and Mr. Ravi Joshi, President of PTI, was involved in the interview and due diligence process with interested parties, working with the Interim Receiver. As with the other PharmEng businesses, enquiries came first to Farber, who coordinated initially the signing of confidentiality agreements, provision of CIMs and access to the Consulting Business virtual data room. Additional due diligence requests related to the Consulting Business were coordinated with Mr. Joshi and the PharmEng controller Mr. Moisan, including interviews from time to time.

36. Additionally Mr. Kwong's management contract was reviewed by the Interim Receiver and Labki's legal counsel at the request of an interested party, and it was confirmed that there was no non-compete clause as such in the contract that might apply, in the event that Mr. Kwong was not successful in a bid for the Consulting Business and his employment was terminated.

37. Throughout the Sales Process, all negotiations regarding expressions of interest or offers from various parties, were kept confidential from Mr. Kwong, so as to ensure that the maximum offer possible could be obtained from interested parties for the Consulting Business, including from Mr. Kwong.

INTEREST IN AND OFFERS FOR THE CONSULTING BUSINESS

38. Unlike the contract manufacturing business in Keata, time is truly of the essence in respect of a sale of the Consulting Business. Whereas the contract manufacturing business has committed volume from its customers for the next number of months, there exists increasing risk of customer loss or employee departure in the Consulting Business. Five consultants have for example departed since the start of June 2009.

39. The Consulting Business has significant ongoing employee obligations (with wage and contract payrolls since the filing of the NOI averaging close to

$325,000, twice a month) that continue to need to be funded in the face of uncertainty around the level and timing of cash flow from the Consulting Business customer base.

40. As reported above in paragraph 27, in total 15 parties who had signed confidentiality agreements, expressed interest in the Consulting Business, with ultimately two offers received in the prescribed form by the offer deadline of June 17, 2009. Other parties had expressed interest and either did not submit an offer on time, or included the consulting business as part of an overall expression of interest for the PharmEng businesses, inclusive of the contract manufacturing businesses represented by the Arnprior Facility and the Sydney Facility, which were inferior in all respects, including the value ascribed to the Consulting Business.

41. Both offers received in respect of the Consulting Business contemplated a purchase of the assets of both PTI and PUSA. As mentioned above, PUSA is a US entity and is not subject of the Debtors' BIA proposal proceedings or of these receivership proceedings. The Interim Receiver is therefore not able to convey the assets of PUSA to any purchaser. As described in some detail below, the offer received from the Preferred Purchaser (defined below) reflects this fact and contemplates a sale by the receiver of the PTI assets and a private sale of the PUSA assets.

42. As a result of the above process, the Interim Receiver, in consultation with Labki in accordance with the Appointment Order accepted an offer deemed to be the highest and best offer (the "**Preferred Offer**") with limited conditions attached thereto, from Mr. Kwong, in trust for a corporation to be incorporated (hereinafter the "**Preferred Purchaser**"). Attached as Confidential Appendix 1 is a summary of the offers submitted. This offer from the Preferred Purchaser was assessed to be superior in terms of pricing, limited conditions and ability to close

promptly, in response to the reported risks around employee and customer retention and potential cash burn that may ensue if a protracted negotiation and closing took place.

PROPOSED CONSULTING BUSINESS APA TRANSACTIONS

43. Following acceptance of the Preferred Offer the Interim Receiver and Labki engaged in negotiations with the Preferred Purchaser with the objective of finalizing asset purchase agreements for the Canadian assets used in the Consulting Business and held by PTI and for the US assets used in the Consulting Business and held by PUSA. As a result of those negotiations, the following agreements have been agreed upon in respect of the Consulting Business Assets:

(a) An agreement among the Interim Receiver, PII, PTI and the Preferred Purchaser relating to the Canadian assets used in the Consulting Business (the "**Canadian Asset APA**"); and

(b) An agreement between Labki and the Preferred Purchaser relating to the US assets used in the Consulting Business (the "**US Asset APA**").

44. The Interim Receiver understands that Labki will convey the PUSA assets to the Preferred Purchaser through private sale proceedings under the relevant Uniform Commercial Code provisions in the United States. The Interim Receiver is not involved in this sale and is not seeking approval of the US Asset APA *per se*. The Interim Receiver does request, however, that in approving its conduct as reflected in this Fourth Report, that this Honourable Court approve the manner in which the sale of the Consulting Business is to be effected (i.e. by way of two separate sale transactions).

45. Attached as Confidential Appendix 2 and 3 are agreed upon copies of the Canadian Asset APA and US Asset APA to acquire the Property associated with the Consulting Business on an "as is where is basis".

46. The key terms of the Preferred Offer, as effected by the Canadian Asset APA and the US Asset APA are summarized in Confidential Appendix 4, which evidences the following:

- The purchase price for the assets used in the Consulting Business;
- That a meaningful deposit has been paid to the Interim Receiver;
- That the Preferred Purchaser will assume all employee and contract employee liabilities for wages and vacation pay;
- Both the Canadian Asset APA and the US Asset APA are conditional upon obtaining an Approval and Vesting Order in respect of the Canadian Asset APA;
- The purchase price is to be paid by a combination of cash on closing and a promissory note from the purchaser payable on or before 30 days after closing for the balance of the Purchase Price, which promissory note is unconditionally guaranteed by a personal guarantee of Mr. Kwong; and
- Closing of the Canadian Asset APA and the US Asset APA is to occur two business days after Court approval of the Canadian Asset APA.

47. As disclosed in the Confidential Appendix 1, the purchase price has been allocated as between the PTI assets and the PUSA assets on a 40%:60% basis respectively, which accords with management's view of the relative value of the two enterprises.

48. Payment of the purchase price is dealt with under the Canadian Asset APA and the US Asset APA as follows:

(a) Labki is to receive the full amount of the US Asset APA purchase price in cash on closing (including application of the deposit); and

(b) The Interim Receiver is to receive the full amount of the Canadian Asset APA purchase price by way of promissory note payable within 30 days of closing, guaranteed by Mr. Kwong.

49. The Interim Receiver notes that the purchase price under the US Asset APA is to be paid, pursuant to a direction to be given by Labki to the Preferred Purchaser, to counsel for Labki, Gowling Lafleur Henderson LLP to be held in trust by that firm to be paid as directed by the Court.

50. With respect to the aforesaid allocation of purchase price and the manner of payment thereof, the Interim Receiver notes that it has obtained an opinion from its counsel, Fasken Martineau DuMoulin LLP that, subject to customary assumptions and qualifications, the security interest of Labki in the assets of the Debtors is valid and enforceable in accordance with the terms of the agreements as between the parties. The Interim Receiver further notes that (a) the indebtedness of the Debtors to Labki (approximately $14 million) far exceeds the gross purchase price for the Consulting Business, (b) it appears that Labki is the primary secured creditor in respect of the Consulting Business assets to be sold, and (c) the proceeds from the US Asset APA will reduce the indebtedness of the Debtors to Labki on a dollar for dollar basis. The Interim Receiver understands that the other senior secured creditor, BHC Interim Funding II LP ("**BHC**") does not oppose to the Canadian Asset APA and the US Asset APA.

INTERIM RECEIVER RECOMMENDATIONS WITH RESPECT TO THE CONSULTING APAs

51. The Interim Receiver believes the Preferred Purchaser's offer for the Consulting Business to be superior to the other offer submitted, due to the combination of pricing, limited conditions, and higher certainty of closing. The benefits are listed below:

- The Consulting Business Purchase Price and assumed obligations is well above the other offer submitted.
- There are limited conditions to closing and no further due diligence conditions.
- Continued employment is being offered to all of the existing workforce.
- The Purchase Price is superior to a liquidation assessment completed, (attached as part of Confidential Appendix 1), allows for a going concern sale and is a commercially reasonable outcome in the circumstances.
- Time is of the essence with this transaction, as, there exists increasing risk of customer loss, employee departure and cash burn.
- This is an "as is where is sale" occurring across two entities, with PUSA not being part of the proceedings and with no Court Vesting Order being granted to underpin the US Asset APA, which is a risk the potential purchaser is willing to bear.
- The senior secured creditor Labki has consented to the Canadian Asset APA and the US Asset APA and BHC does not oppose.
- The allocation of the Consulting Business purchase price between the Canadian assets and the US assets appears reasonable.

SEALING OF THE CONSULTING BUSINESS APAs

52. The Interim Receiver requests that the summary of offers for the Consulting Business, the Consulting Business Liquidation Analysis, the Canadian Asset APA and the US Asset APA be sealed pending closing of the transactions, to preserve the integrity of the process and the possibility that, if the transactions contemplated in those agreements are not closed a sale of the Consulting Business could be negotiated with another party.

RECOMMENDATIONS AND REQUESTS

53. For the reasons set out above, Farber respectfully recommends that this Honourable Court make an Order to approve:

- The Canadian Asset APA and the transaction contemplated therein;
- Vesting the Canadian purchased assets in the Preferred Purchaser;
- The sealing of Confidential Appendices 1, 2 and 3; and
- Farber's activities as described in this Report, including the manner of completing the Preferred Offer (i.e. by way of the two asset purchase agreements discussed herein).

All of which is respectfully submitted this 16th day of July, 2009.

A. FARBER & PARTNERS INC., in its capacity as Interim Receiver of and as Trustee acting *in re* the proposal of PharmEng International Inc. Keata Pharma, Inc. PharmEng Technology Inc. and not in its personal capacity

A. Farber & Partners Inc.

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TAB 5

Court File No.: 31-1191414

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE M ADAM	**WEDNESDAY, THE 22ND DAY**
JUSTICE SPIES	**OF JULY, 2009**

IN THE MATTER OF THE PROPOSALS OF KEATA PHARMA, INC., PHARMENG INTERNATIONAL INC., AND PHARMENG TECHNOLOGY INC. COMPANIES DULY INCORPORATED PURSUANT TO THE LAWS OF THE PROVINCE OF ONTARIO, WITH A HEAD OFFICE IN MARKHAM, IN THE PROVINCE OF ONTARIO

APPROVAL AND VESTING ORDER

THIS MOTION, made by Labki Finance Inc. for an a order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") among A. Farber & Partners Inc., in its capacity as the Court-appointed interim receiver (the "**Receiver**") of the undertaking, property and assets of PharmEng Technology Inc. ("**PTI**"), Keata Pharma Inc. and PharmEng International, Inc. ("**PII**" and, together with PTI, the "**Debtors**'), the Debtors and PE Pharma Inc. (the "**Purchaser**") made as of July 16, 2009 and vesting in the Purchaser, the Debtors' right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Fourth Report of the Receiver dated 16 July 2009 (the "**Fourth Report**") and on hearing the submissions of counsel for Labki, the Debtors and the Receiver:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such

additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Madam Justice Hoy dated May 5, 2009; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

4. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

5. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Debtors and the Receiver are (as applicable) authorized and permitted to disclose and transfer to the Purchaser all human

resources and payroll information in the Debtors' records pertaining to the Debtors' past and current employees, including personal information of the employees of the Debtors. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtors.

6. **THIS COURT ORDERS** that the activities of the Receiver, as described in the Fourth Report, including the completion of the Preferred Offer (as defined in the Fourth Report) by way of two separate asset purchase transactions, be and are hereby approved.

7. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Debtors;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Debtors and shall not be void or voidable by creditors of any of the Debtors, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. **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 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JUL 22 2009

PER / PAR:

Schedule A - Form of Receiver's Certificate

Court File No.: 31-1191414

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE PROPOSALS OF KEATA PHARMA, INC., PHARMENG INTERNATIONAL INC., AND PHARMENG TECHNOLOGY INC. COMPANIES DULY INCORPORATED PURSUANT TO THE LAWS OF THE PROVINCE OF ONTARIO, WITH A HEAD OFFICE IN MARKHAM, IN THE PROVINCE OF ONTARIO

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Madam Justice Hoy of the Ontario Superior Court of Justice (the "**Court**") dated May 5, 2009, A. Farber & Partners Inc. was appointed as the interim receiver (the "**Receiver**") of the undertaking, property and assets of, among others, PharmEng Technology Inc. ("**PTI**") and PharmEng International Inc. ("**PII**" and, together with PII, the "**Debtors**").

B. Pursuant to an Order of the Court dated July 22, 2009 the Court approved the agreement of purchase and sale made as of July 16, 2009 (the "**Sale Agreement**") among the Receiver, the Debtors and PE Pharma Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtors' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing as set out in Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at_____on July_____, 2009.

_____

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Court File No.: 31-1191414

IN THE MATTER OF THE PROPOSALS OF KEATA PHARMA, INC., PHARMENG INTERNATIONAL INC., AND PHARMENG TECHNOLOGY INC. COMPANIES DULY INCORPORATED PURSUANT TO THE LAWS OF THE PROVINCE OF ONTARIO, WITH A HEAD OFFICE IN MARKHAM, IN THE PROVINCE OF ONTARIO

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

(PROCEEDING COMMENCED AT TORONTO)

ORDER

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IN THE MATTER OF PROPOSAL OF KEATA PHARMA, INC., ET AL

Court File No.: 31-1191414

ONTARIO
SUPERIOR COURT OF JUSTICE
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TORONTO

MOTION RECORD
(Returnable November 4, 2009)

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TAB 6

Court File No. 31-1191414

ONTARIO
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THE HONOURABLE	)	WEDNESDAY, THE 4TH
JUSTICE	)	DAY OF NOVEMBER, 2009

IN THE MATTER OF THE PROPOSALS OF KEATA PHARMA, INC., PHARMENG INTERNATIONAL INC., AND PHARMENG TECHNOLOGY INC. COMPANIES DULY INCORPORATED PURSUANT TO THE LAWS OF THE PROVINCE OF ONTARIO, WITH A HEAD OFFICE IN MARKHAM, IN THE PROVINCE OF ONTARIO

DRAFT

ORDER
(Distribution of Sale Proceeds)

THIS MOTION, made 2186827 Ontario Inc. ("218"), for an Order, *inter alia*, approving a distribution to 218 of the proceeds realized from the sale of certain assets of PharmEng International Inc., PharmEng Technology Inc., and Keata Pharma, Inc. (collectively, the "Debtors"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of 218, the affidavit of Vasdev Chanchlani sworn July 22, 2009, the Order of the Honourable Mr. Justice Newbould dated September 15, 2009, and the Consent of Labki Finance Inc., [and _____,] filed, and on hearing the submissions of counsel for 218,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this Motion is properly returnable today and the requirement for service of the Notice of Motion and of the Motion Record upon any party not served is dispensed with.

DISTRIBUTION OF PROCEEDS

2. **THIS COURT ORDERS** that the Debtors, and A. Farber & Partners Inc., in its capacity as interim receiver of the Debtors, and Gowling Lafleur Henderson LLP be and are hereby authorized and directed to distribute to 218 or as it may direct, out of the proceeds in their hands realized from the sale of certain assets of the Debtors, and PharmEng USA, Inc. ("PUSA"), the following amounts owing by the Debtors and PUSA to 218:

(i) The principal amount of $1,010,000; plus

(ii) Interest accrued thereon until October 31, 2009, in the amount of $73,469.88, plus additional interest accruing from November 1, 2009 until November 30, 2009, whichever is earlier, at the per diem rate of $369.36 and thereafter, until the date of payment, interest accrued in accordance with the rate of interest specified in the Debenture dated November 12, 2008; plus

(iii) Fees and expenses in the total amount of $40,000.

DRAFT

IN THE MATTER OF PROPOSAL OF KEATA PHARMA, INC., ET AL

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ORDER
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