

District of: Ontario
Division No. 09 - Toronto
Court No.
Estate No.

- FORM 87 -

Notice of Statement of the Receiver
(Subsections 245(1) and 246(1) of the Act)

The receiver gives notice and declares that:

1. On the 13th day of November 2020, Baigel Corp., became the Receiver in respect of the property of Natural Energy Systems Inc., that is described below with estimated net book values:

Furniture	Office furniture	\$1
Other	CRA appeal re: Willis	Unknown
Other	GPR - Pilot Scale Equipment	\$5,000
Intellectual Property	Patents - Process for the conversion of organic material to methane rich fuel gas	Unknown
Other	HST Refund	\$75,700

2. Baigel Corp. became Receiver pursuant to an Order by the Honorable Justice Koehnen, Superior Court of Justice, Ontario, issued on November 13, 2020.
3. The undersigned did not take possession or control of the property described above because there is a pending motion to oppose the receiver's appointment beyond December 3, 2020. The Order did authorize the Receiver to take any necessary steps which may be required in the interim to preserve the value of certain assets as described above.
4. The following information relates to the receivership:
 - (a) Address: 5311 John Lucas Drive, Unit 8, Burlington, ON, L7L 6A8
 - (b) Principal line of business: provision of Waste to Energy production plants
 - (c) Location of business: 5311 John Lucas Drive, Unit 8, Burlington, ON, L7L 6A8
 - (d) Amount owed to each creditor who holds a security on the property described above:

Douglas Hallett	Unknown
Halex Capital Inc.	\$280,333

(e) The list of other creditors and the amount owed to each creditor and the total amount due, as per company records and publicly available documentation, is as follows:

G. Paul Greenwood	Unsecured	\$423,332
Dragan Matovic	Unsecured	\$284,658
Michael Greenwood	Unsecured	\$208,000
Stockwoods LLP	Unsecured	\$50,000
Promech Enterprises Inc.	Unsecured	\$34,000
Camelino Galessiere LLP	Unsecured	\$14,200
Bereskin & Parr LLP	Unsecured	\$13,000
Crawford Smith Swallow LLP	Unsecured	\$7,000
Robert Naiman	Unsecured	Unknown

(f) The intended plan of action of the Receiver during the receivership, to the extent that such a plan has been determined, is as follows:

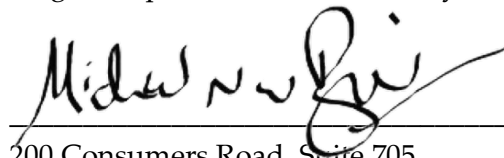
- Until December 3, 2020, the Receiver will take all necessary acts to preserve the value of the material assets of the company, primarily being the patents held. This may include payments to legal counsel to ensure that patents are kept current.
- Should the motion to oppose the Receiver's appointment beyond December 3, 2020 fail, the Receiver will take action to realize the value of the company assets. The realization of such assets would be expected to include a marketing process for the patents.

(g) Contact person for the Receiver:

Michael Baigel, Tel: (416) 224-4350, Fax: (416) 224-4351, Email: baigel@baigel.ca.

Dated at the City of Toronto in the Province of Ontario, this 19th day of November 2020.

Baigel Corp. - Licensed Insolvency Trustee



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