

District of Alberta
Division No: 01-Edmonton
Court No. 24-1639187
Estate No. 24-1639187

**In the Matter of the Bankruptcy of
1492236 Alberta Corp.**

Trustee's Preliminary Report

MNP Ltd.
Trustees in Bankruptcy

APPOINTMENT:

1492236 Alberta Corp. ("the Bankrupt") filed an Assignment in Bankruptcy on June 25, 2012 and MNP Ltd. was appointed Trustee.

SECTION A:

Class I Stocks of Merchandise, including Raw Materials, Work in Progress and Finished Goods, etc.:

In accordance with the Statement of Affairs the Bankrupt did not hold any Stocks of Merchandise, including Raw Materials, Work in Progress and Finished Goods.

Class II Plant Machinery and Equipment, Office Equipment, etc.:

In accordance with the Statement of Affairs the Bankrupt owned one piece of equipment, specifically, a Panini Press which was valued at \$50.00. In addition, the Bankrupt owned small wears valued at \$1.00.

Class III Building and Real Estate:

Not applicable as the Bankrupt operated out of a leased premises.

Class IV Books and Records:

A portion of the books and records are in the possession of the bankrupt and a portion of the books and records are in the possession of the Trustee. The Trustee is required to file the prior years' income tax returns (if applicable) along with the 2012 pre bankruptcy return. The bankrupt will be providing the Trustee with the information that is necessary to enable the Trustee to complete the aforementioned income tax returns.

Class V Other Assets:

In accordance with the Statement of Affairs, a sum of \$2,506.79 is owing to the bankrupt corporation relating to one (1) outstanding accounts receivable.

The Bankrupt is a holder of a franchise Agreement with Cara operations Ltd. The Trustee has not determined that the franchise agreement holds any value.

Property of the bankrupt not divisible amongst creditors by virtue of Section 67(b) of the Bankruptcy and Insolvency Act:

There is no property of the Bankrupt that is not divisible amongst the creditors by virtue of Section 67(b) of the Bankruptcy and Insolvency Act.

SECTION B

Conservatory and Protective Measures:

The Trustee is of the opinion that no further protective measures are required at this time.

Insurance:

There is no requirement for the Trustee to obtain insurance coverage for any assets.

SECTION C

Legal Proceedings or Opinions Sought:

The Trustee is not anticipating any legal proceedings or having to obtain any legal opinions.

SECTION D:

Secured Creditors:

In accordance with the Statement of Affairs, Cara Operations Limited holds a security interest in the Bankrupt's small wears, accounts receivable and equipment in the sum of \$65,111 under the terms of its lease agreement with the Bankrupt.

In accordance with the Statement of Affairs, Scotiabank holds a General Security Agreement encompassing all the bankrupt's present and after acquired property in the sum of \$25,632.50.

SECTION E:

Anticipated Realization and Projected Distribution:

In accordance with the Statement of Affairs, the value of the Bankrupt's assets is significantly lower than the amount of the outstanding liabilities to the secured creditors. As such, the Trustee does not anticipate that a dividend will be available for the unsecured creditors.

SECTION F:

Reviewable Transactions and Preference Payments:

There are no reviewable transactions or preference payments to note at this time.

SECTION G:

Other Matters:

There are no additional matters to note at this time.

Dated at the City of Edmonton in the Province of Alberta this 6th day of July, 2012.

MNP Ltd.

In its capacity as Trustee of the Bankruptcy of

1492236 Alberta Corp.

And not in its personal capacity

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Per: Eric Sirrs, CIRP, Trustee
Senior Vice President

The logo for MNP, consisting of the letters 'MNP' in a bold, italicized, sans-serif font.