



MEYERS NORRIS PENNY LIMITED

THE DIAMOND BULLET CORPORATION, PREMIERE MANUFACTURING LTD.,
DBC INTERNATIONAL INC., HAT BIT SUPPLY LTD., AND R ENVIRONEMENTAL LABS LTD.
IN RECEIVERSHIP (COLLECTIVELY, THE "COMPANIES")
Estate # 25-093756

RECEIVER'S INTERIM REPORT
(Subsection 246(2) of the *Bankruptcy and Insolvency Act*)

Interim Statements of Receipts and Disbursements

The Receiver's Interim Statements of Receipts and Disbursements for the period February 26, 2009 to May 7, 2010, are attached.

Statement of Property

Pursuant to an Order granted by the Court of Queen's Bench of Alberta on May 7, 2009, the Companies' fixed assets (equipment, vehicles, computer hardware, furniture and fixtures and certain drill bit inventory) were sold via auction and the Companies' drill bit inventory was sold via private liquidation sale.

The Receiver has not yet realized upon the following assets:

- Land and buildings located in Taber, Alberta;
- Certain drill bit inventory located in the United States (approximately 55 drill bits remaining as at May 7, 2010); and
- R Environmental Labs Ltd.'s 37% interest in Sleawzone (2005) Inc.

The Receiver has determined that there will not be any realizations from the Companies' prepaids and deposits. The Receiver has determined that there will not be any realizations from the Companies' inter-company accounts receivable, the Companies' investments in related companies or the accounts receivable due from Sleawzone (2005) Inc.

Status of Administration

Once all of the assets of the Companies have been disposed of, the receivership will be summarily wound up.

Dated at Calgary, Alberta, this 10th day of May, 2010.

Meyers Norris Penny Limited
In its capacity as Receiver of The Diamond Bullet Corporation,
Premiere Manufacturing Ltd., DBC International Inc.,
Hat Bit Supply Ltd., and R. Environmental Labs Ltd.
And not in its personal or corporate capacity



Katherine Bujold, CIRP
Vice President

**The Diamond Bullet Corporation - In Receivership
Interim Statement of Receipts and Disbursements
For the Period February 26, 2009 to May 7, 2010**

	Feb. 26/09 to Aug. 21/09	Activity During Period	Feb. 26/09 to May 7/10
Receipts			
Sale of Machinery, Vehicles and Equipment	\$ 7,357.38	\$ -	\$ 7,357.38
GST Collected	367.87	-	367.87
Total Receipts	<u>7,725.25</u>	<u>-</u>	<u>7,725.25</u>
Disbursements			
General and Administrative	70.00	-	70.00
Auction/Liquidation Expenses:			
Commissions	735.74	-	735.74
GST on Commissions	36.79	-	36.79
Garbage Removal	85.23	-	85.23
Rental Expense	8.85	-	8.85
Auctioneer Expenses	51.41	-	51.41
GST Remitted	-	331.08	331.08
Transfer to Bankrupt Estate	-	5,702.55	5,702.55
Receiver's Fees and Disbursements (Note 1)	-	-	-
Total Disbursements	<u>988.02</u>	<u>6,033.63</u>	<u>7,021.65</u>
Excess of Receipts over Disbursements	<u>\$ 6,737.23</u>	<u>\$ (6,033.63)</u>	<u>\$ 703.60</u>

Note 1: For ease of administration, the Receiver's fees and disbursements with respect to the Diamond Bullet group of companies have been paid by Premiere Manufacturing Ltd. These amounts will be allocated amongst the various Diamond Bullet entities prior to any distribution to unsecured creditors.

Hat Bit Supply Ltd. - In Receivership
Interim Statement of Receipts and Disbursements
For the Period February 26, 2009 to May 7, 2010

	Feb. 26/09 to Aug. 21/09	Activity During Period	Feb. 26/09 to May 7/10
Receipts			
Sale of Vehicle	\$ 4,502.43	\$ -	\$ 4,502.43
Total Receipts	<u>4,502.43</u>	<u>-</u>	<u>4,502.43</u>
Disbursements			
Filing Fees	70.00	-	70.00
Transfer to Bankrupt Estate	-	4,432.43	4,432.43
Receiver's Fees and Disbursements (Note 1)	-	-	-
Total Disbursements	<u>70.00</u>	<u>4,432.43</u>	<u>4,502.43</u>
Excess of Receipts over Disbursements	<u>\$ 4,432.43</u>	<u>\$ (4,432.43)</u>	<u>\$ -</u>

Note 1: For ease of administration, the Receiver's fees and disbursements with respect to the Diamond Bullet group of companies have been paid by Premiere Manufacturing Ltd. These amounts will be allocated amongst the various Diamond Bullet entities prior to any distribution to unsecured creditors.

DBC International Inc. - In Receivership
Interim Statement of Receipts and Disbursements
For the Period February 26, 2009 to May 7, 2010
USD Account

	Feb. 26/09 to Aug. 21/09	Activity During Period	Feb. 26/09 to May 7/10
Receipts			
Cash in Bank	\$ 705.20	\$ -	\$ 705.20
Collection of Accounts Receivable:			
Pre-Receivership Accounts Receivable	38,205.00	-	38,205.00
Post-Receivership Accounts Receivable	52,435.00	-	52,435.00
Total Receipts	<u>91,345.20</u>	<u>-</u>	<u>91,345.20</u>
Disbursements			
Bank Charges	57.25	-	57.25
Transfer to DBC International Inc. CDN Account	10,000.00	81,287.95	91,287.95
Total Disbursements	<u>10,057.25</u>	<u>81,287.95</u>	<u>91,345.20</u>
Excess of Receipts over Disbursements	<u>\$ 81,287.95</u>	<u>\$ (81,287.95)</u>	<u>\$ -</u>

DBC International Inc. - In Receivership
Interim Statement of Receipts and Disbursements
For the Period February 26, 2009 to May 7, 2010
CDN Account

	Feb. 26/09 to Aug. 21/09	Activity During Period	Feb. 26/09 to May 7/10
Receipts			
Cash in Bank	\$ 6,263.50	\$ -	\$ 6,263.50
Pre-Receivership Accounts Receivable	10,445.29	-	10,445.29
Transfer from DBC International Inc. USD Account	12,076.00	87,701.57	99,777.57
GST Refund	8,091.60	-	8,091.60
Total Receipts	<u>36,876.39</u>	<u>87,701.57</u>	<u>124,577.96</u>
Disbursements			
General and Administrative	70.00	-	70.00
Operating Expenses:			
Bank Charges	179.63	-	179.63
Supplies and Materials	19,598.75	-	19,598.75
Freight and Brokerage	545.06	-	545.06
GST Paid	1,625.21	-	1,625.21
Transfer to Bankrupt Estate	-	5,702.55	5,702.55
Receiver's Fees and Disbursements (Note 1)	-	-	-
Total Disbursements	<u>22,018.65</u>	<u>5,702.55</u>	<u>27,721.20</u>
Excess of Receipts over Disbursements	<u>\$ 14,857.74</u>	<u>\$ 81,999.02</u>	<u>\$ 96,856.76</u>
Represented by:			
Payment to Secured Creditor	-	90,000.00	90,000.00
Cash Retained by Receiver	14,857.74	\$ (8,000.98)	6,856.76
	<u>\$ 14,857.74</u>	<u>\$ 81,999.02</u>	<u>\$ 96,856.76</u>

Note 1: For ease of administration, the Receiver's fees and disbursements with respect to the Diamond Bullet group of companies have been paid by Premiere Manufacturing Ltd. These amounts will be allocated amongst the various Diamond Bullet entities prior to any distribution to unsecured creditors.

R Environmental Labs Ltd. - In Receivership
Interim Statement of Receipts and Disbursements
For the Period February 26, 2009 to May 7, 2010

	Feb. 26/09 to Aug. 21/09	Activity During Period	Feb. 26/09 to May 7/10
Receipts			
Cash in Bank	\$ 4,481.75	\$ -	\$ 4,481.75
Sale of Machinery, Vehicles and Equipment	87,099.05	-	87,099.05
GST Collected	4,354.95	-	4,354.95
Pre- Receivership Accounts Receivable	15,891.75	-	15,891.75
Miscellaneous Refund	1,258.76	-	1,258.76
Total Receipts	113,086.26	-	113,086.26
Disbursements			
General and Administrative	146.65	-	146.65
Stocktaking, Possession and Security	394.40	247.90	642.30
Operating Expenses:			
Utilities	3,857.93	10,804.88	14,662.81
Payroll and Benefits	6,184.78	-	6,184.78
Source Deductions and Remittances	2,298.68	-	2,298.68
Lease Payments, Insurance and Operating Expenses	950.23	4,830.00	5,780.23
GST Paid	229.05	460.58	689.63
Auction/Liquidation Expenses:			
Commissions	8,709.90	-	8,709.90
GST on Commissions	435.50	-	435.50
Garbage Removal	1,008.97	-	1,008.97
Rental Expense	104.87	-	104.87
Auctioneer Expenses	608.56	-	608.56
Property Taxes	18,774.39	-	18,774.39
GST Remitted	-	3,625.46	3,625.46
Transfer to Bankrupt Estate	-	5,702.55	5,702.55
Payment of Deemed Trust Claims:			
Service Canada (WEPPA)	2,000.00	(2,000.00)	-
Canada Revenue Agency	9,451.16	-	9,451.16
Receiver's Fees and Disbursements (Note 1)	-	-	-
Total Disbursements	55,155.07	23,671.37	78,826.44
Excess of Receipts over Disbursements	\$ 57,931.19	\$ (23,671.37)	\$ 34,259.82
Represented by:			
Payment to Secured Creditor	-	30,000.00	30,000.00
Cash Retained by Receiver	57,931.19	\$ (53,671.37)	4,259.82
	\$ 57,931.19	\$ (23,671.37)	\$ 34,259.82

Note 1: For ease of administration, the Receiver's fees and disbursements with respect to the Diamond Bullet group of companies have been paid by Premiere Manufacturing Ltd. These amounts will be allocated amongst the various Diamond Bullet entities prior to any distribution to unsecured creditors.

Premiere Manufacturing Ltd. - In Receivership
Interim Statement of Receipts and Disbursements
For the Period February 26, 2009 to May 7, 2010

	Feb. 26/09 to Aug. 21/09	Activity During Period	Feb. 26/09 to May 7/10
Receipts			
Cash in Bank	\$ 19,102.19	\$ -	\$ 19,102.19
Sale of Assets:			
Machinery, Vehicles and Equipment	313,708.57	-	313,708.57
Inventory	131,214.29	528,560.38	659,774.67
Miscellaneous Refunds	4,752.43	51.65	4,804.08
Collection of Accounts Receivable:			
Pre-Receivership Accounts Receivable	181,704.60		181,704.60
Post-Receivership Accounts Receivable	19,598.75	6,600.00	26,198.75
GST Collected	23,223.08	26,758.02	49,981.10
Total Receipts	<u>693,303.91</u>	<u>561,970.05</u>	<u>1,255,273.96</u>
Disbursements			
General and Administrative	315.65		315.65
Stocktaking, Possession and Security	6,674.30	742.20	7,416.50
Operating Expenses:			
Insurance	15,408.53	8,739.00	24,147.53
Computer Services	57.60		57.60
Telephone and Utilities	17,753.29	18,501.63	36,254.92
Courier	125.81		125.81
Lease Payments and Operating Expenses	4,557.18		4,557.18
Payroll and Benefits	10,716.68		10,716.68
Source Deductions and Remittances	3,486.60		3,486.60
Building Maintenance	500.00	568.75	1,068.75
GST Paid	1,100.97		1,100.97
Supplies and Materials	1,427.00		1,427.00
Auctioneer/Liquidator Expenses:			
Commissions	37,931.57	26,428.02	64,359.59
GST on Commissions	1,896.58	1,321.40	3,217.98
Garbage Removal	3,634.01	1,555.23	5,189.24
Rental Expense	377.71		377.71
Auctioneer Expenses	2,191.85	319.17	2,511.02
Courier and Storage	11,200.00	1,050.00	12,250.00
Destruction of Books and Records	-	2,000.00	2,000.00
Property Taxes	10,858.10		10,858.10
GST Paid	13,076.16	4,237.42	17,313.58
Payment of Deemed Trust Claims:			
Service Canada (WEPPA)	14,000.00	(13,551.78)	448.22
Canada Revenue Agency	31,195.97		31,195.97
Professional Fees and Disbursements:			
Receiver's Fees and Disbursements (Note 1)	119,172.54	42,798.12	161,970.66
Interim Receiver's Fees and Disbursements (Note 2)	52,237.35	-	52,237.35
Legal Fees and Disbursements	13,378.50	28,866.17	42,244.67
Transfer to Bankrupt Estate	19,971.57	(12,685.16)	7,286.41
Transfer to Interim Receivership (Note 3)	48,018.82		48,018.82
Total Disbursements	<u>441,264.34</u>	<u>110,890.17</u>	<u>552,154.51</u>
Excess of Receipts over Disbursements	<u>\$ 252,039.57</u>	<u>\$ 451,079.88</u>	<u>\$ 703,119.45</u>
Represented by:			
Payment to HSBC Bank of Canada	200,000.00	450,000.00	650,000.00
Cash on Hand	52,039.57	1,079.88	53,119.45
	<u>\$ 252,039.57</u>	<u>\$ 451,079.88</u>	<u>\$ 703,119.45</u>

**Premiere Manufacturing Ltd. - In Receivership
Interim Statement of Receipts and Disbursements
For the Period February 26, 2009 to May 7, 2010**

NOTES:

Note 1: For ease of administration, the Receiver's fees and disbursements with respect to the Diamond Bullet group of companies have been paid by Premiere Manufacturing Ltd. These amounts will be allocated amongst the various Diamond Bullet entities prior to any distribution to unsecured creditors. A schedule of the Receiver's fees and disbursements is attached as Appendix 1.

Note 2: Pursuant to paragraph 12 of the Order of the Court of Queen's Bench of Alberta granted December 4, 2008, the fees of the Interim Receiver form a first charge on the property.

Note 3: Represents certain accounts receivable generated by sales that occurred during the period of the interim receivership but payment was received after the appointment of the Receiver.

**Premiere Manufacturing Ltd. - In Receivership
For the Period February 26, 2009 to May 7, 2010**

Appendix 1

Description	Fees	Disbursements	SubTotal	GST	Total
For the period February 26, 2009 to May 25, 2009	\$ 37,030.50	\$ 2,505.52	\$ 39,536.02	\$ 1,976.80	\$ 41,512.82
For the period March 26, 2009 to May 26, 2009	52,334.25	3,524.70	55,858.95	2,792.95	58,651.90
For the period May 27, 2009 to July 6, 2009	11,835.00	638.79	12,473.79	623.69	13,097.48
For the period July 7, 2009 to August 7, 2009	10,765.50	538.28	11,303.78	565.19	11,868.97
For the period August 8, 2009 to October 22, 2009	13,411.60	685.81	14,097.41	704.87	14,802.28
For the period October 23, 2009 to November 24, 2009	5,114.10	277.95	5,392.05	269.60	5,661.65
For the period November 25, 2009 to December 18, 2009	4,898.00	257.10	5,155.10	257.76	5,412.86
For the period December 19, 2009 to January 27, 2010	9,208.60	499.77	9,708.37	485.42	10,193.79
For the period January 28, 2010 to March 11, 2010	7,985.00	460.19	8,445.19	422.26	8,867.45
Total	\$ 152,582.55	\$ 9,388.11	\$ 161,970.66	\$ 8,098.54	\$ 170,069.20

Note 1: For ease of administration, the Receiver's fees and disbursements with respect to the Diamond Bullet group of companies have been paid by Premiere Manufacturing Ltd. These amounts will be allocated amongst the various Diamond Bullet entities prior to any distribution to unsecured creditors.