

**In the matter of the Interim Receivership of
Wireless Age Communications Ltd. and
Wireless Source Distribution Ltd.**

February 2, 2009

To the Court of Queens Bench in Saskatchewan – In Bankruptcy

Second Report of the Interim Receiver

This is the second report of the Interim Receiver of Wireless Age Communications Ltd. (“WACL”) and Wireless Source Distribution Ltd. (“Source”) pursuant to our appointment on January 9th, 2009.

Our appointment was challenged by Management and the parent corporation of both WACL and Source, Wireless Age Communications Inc. (“WACI”), but that challenge was dismissed by Justice Herauf in his decision dated January 27th, 2009.

We have been advised by Sasktel that it will now make application to the Court to appoint us as Receiver Manager of both Corporations and to terminate our appointment as Interim Receiver. That application is scheduled to be heard on February 9th, 2009.

Operational Issues

Continuation of Dealerships

Wireless Age Communications Ltd.

Sasktel has continued to make payments as required under the dealership agreement and is expected to continue to do so.

MTS Allstream Inc. (“MTS”) had indicated through its legal counsel, Balfour Moss, that it is not prepared to make payments in the normal course, principally for two reasons:

- a) MTS is owed approximately \$890,000 for inventory delivered to WACL when it was determined over the two months or so prior to the interim receivership that there was insufficient inventory in the Manitoba stores; and
- b) MTS had determined as far back as November that it would likely be terminating WACL’s dealership agreement as it had lost confidence in WACL management and believed it had sufficient dealers in Manitoba in any event.

MTS has now terminated WACL’s Manitoba dealerships effective February 29th. A copy of the letter is attached as Appendix A. We have consented to the termination and the other matters set out below, as MTS indicated that it was prepared to take the matter immediately before the Court had we not so consented, and as their dealership agreement allowed.

MTS has agreed to cover any Manitoba operating costs paid by the Interim Receiver to the extent they are not covered by Manitoba revenue received by the Interim Receiver, has been putting inventory into the Manitoba stores on a consignment basis and is cooperating with us on the sale of assets as outlined below.

MTS has also indicated that it will, if no satisfactory purchaser is found by the end of February, arrange a purchase of all the Manitoba assets and will arrange the retention of all WACL employees in Manitoba, likely through an acquisition of the Manitoba operations by one, or more, of their existing dealers.

In our view, this is a reasonable solution, given that the bulk of the profitable operations of WACL are located in Saskatchewan.

Wireless Source Distribution Ltd.

Source is a dealer for both Vertec and Motorola phones. We have been able to arrange a method of purchasing inventory from Motorola on a cost plus basis, but have not yet been able to do so with Vertec – we continue to discuss matters with them.

Cash Flow

Sasktel has continued to make payments in accordance with the dealership agreement, and MTS has contributed \$100,000 toward the operating costs in Manitoba as outlined above.

To date, we have been able to receive sufficient funds to make payment to all employees, pay operating expenses and purchase inventory at sufficient levels for Saskatchewan operations (as MTS is providing inventory for Manitoba.). However, suppliers are understandably concerned about the large amounts of money owing to them and we have, in some cases, had to pay additional amounts to them in order to purchase any new inventory, even on a COD basis.

For example, Bell Distribution Inc. the largest unsecured creditor of the companies (approximately \$1.8 million), will only sell to us COD if we pay an additional 25% of purchases to be credited toward older invoices owing. We have restricted purchases from them to a minimum, as the operating margins of WACL are less than 25%, but we have to purchase certain inventory items from them, as they are the only supplier of those items in Canada.

Our initial estimate is that, over the balance of February there should be sufficient funds to cover all necessary expenses and acquire inventory to operate without resorting to borrowing any funds although we will not be able to make the payment required to Sasktel under its agreements with the companies. We will continue to review and refine this cash flow as we continue to operate the companies.

Employees

To date we have continued to retain all employees, subject to local management's normal decisions about retaining part-time staff after the holidays etc and local management will continue to manage the day to day operations.

The four individuals working for Source who were actually employed at a related company in Ontario called Forest City Communications have now been terminated on two weeks notice.

The cooperation from employees at all levels has been exemplary.

Inventory

We have managed to acquire inventory from a number of sources such that sales have improved in Saskatchewan.

We have had to arrange to pay additional amounts to BDI as outlined above, although they did deliver the “prepaid” Blackberry phones as noted in our previous report.

We have just completed an arrangement with Motorola in respect of purchases, and will have to pay them an additional 10% toward outstanding invoices.

Generally, suppliers have been as cooperative as one might expect in the circumstances.

Intercompany Accounts Receivable

The books of WACL indicate that it is owed \$4,749,438 by its parent, WACI as at December 31, 2009.

The books of Source indicate that it is owed \$3,403,286 by its parent, WACI as at December 31, 2008.

It is our intention, once the Court appointment making us Receiver Manager has been made and subject to discussion with legal counsel, to demand repayment of these amounts, and to take whatever steps are required to gain control of whatever assets WACI might have in order to collect on the amounts owed.

In addition to the above, we intend to attempt to recover management fees paid to WACI over the past two years, and we also intend to pursue directors of WACL, Source and/ or WACI to recover amounts paid that had the effect of rendering WACL and/ or Source insolvent.

Sale of the Assets and Operations of Wireless Age Communications Ltd. and Wireless Source Distribution Ltd.

We are of the view that it is imperative that a purchaser be sought for the operations and assets of both companies as quickly as possible. In particular, the following two facts create a degree of urgency:

- a) The termination of the Manitoba Dealerships by MTS Allstream Inc. as of February 29th; and
- b) The demands by suppliers, particularly BDI, for repayment of pre-interim receivership amounts at a rate that cannot be sustained by the companies over the longer term.

Accordingly, we have utilized the staff from our wholly owned Corporate Finance Subsidiary, Tamarack Capital Advisors Inc. to prepare the following:

- a) a “teaser” document to be sent to prospective purchasers (Appendix B);
- b) a confidentiality agreement (Appendix C); and
- c) A complete Confidential Information Memorandum (not attached due to the confidential nature of the information contained therein).

We have also identified a list of 65 potential purchasers and starting on Friday January 30th we have commenced contacting those parties with a view to soliciting offers to purchase by February 20th, although we retain the right to sell the assets prior to that date if an acceptable offer is achieved.

Any offer will be subject to Court Approval and Sasktel and MTS as appropriate in respect to the Manitoba and Saskatchewan dealerships. Both of those parties have provided contact information for interested parties to discuss dealership arrangements with them.

Statement of Receipts and Disbursements

Attached, as Exhibit 1 to this Report are interim statements of Receipts and Disbursements to date.

Note: To date we have incurred fees based on our normal hourly rates of approximately \$51,000 and have taken an advance, as authorized by the order appointing us, of \$25,000, subject to Court Approval in due course.

Statement of Outstanding Purchases and Commitments Authorized by the Interim Receiver

Attached, as Exhibit 2 to this Report, is a listing of outstanding purchases authorized by the Interim Receiver, for which the Interim Receiver is responsible for paying.

Meyers Norris Penny Limited

Per: Ian Schofield, CA CIRP
Senior Vice President

Appendix A

Termination Notice of Manitoba Dealerships

February 2, 2009

Notice of Termination

To the Manitoba Employees of Wireless Age Communications Ltd.

Please be advised that MTS Allstream Inc. has terminated the dealership of Wireless Age Communications Ltd. ("WACL") effective February 29th, 2009. Accordingly, this document will serve as your official notice that your employment with Wireless Age Communications Ltd. will also terminate on February 29th, 2009.

However, we are pleased to advise that, if we are not able to obtain an offer to purchase the assets of Wireless Age Communications Ltd. on a going concern basis prior to that date, MTS Allstream Inc. has advised that they will arrange for one of their other dealers to acquire the Manitoba assets of WACL as of that date and that all employees of WACL in Manitoba will be offered employment by that party.

We appreciate your co-operation during the Interim Receivership and wish you the best of success in the future.

Wireless Age Communications Ltd.
By its Interim Receiver
Meyers Norris Penny Limited

Per _____

Ian Schofield, CA CIRP
Vice President
306-790-7904

Appendix B

“Teaser” Document for Prospective Purchasers

Wireless Age Communications Ltd. (WACL) and Wireless
Source Distribution Ltd. (Source)
Saskatchewan and Manitoba



Acquisition Highlights

- The Companies are owned by Wireless Age Communications Inc. and are being sold by Meyers Norris Penny Limited, in its capacity as Receiver Manager.
- The Assets available for Purchase are the Receiver's right title and interest in:
 - Parcel 1 – The assets of Source
 - Parcel 2 – The Saskatchewan assets of WACL
 - Parcel 3 – The Manitoba assets of WACL
- The Receiver Manager will consider offers for any individual parcel (or part thereof) but preference will be given to those offering to purchase all available parcels. Complete Terms and Conditions are included in the detailed Information Memorandum.
- Offers will be received until 4:30 pm on the 20th day of February, 2009.

Company Profile

- WACL operates retail cellular and telecommunications outlets. The company has 5 outlets in Saskatchewan and 4 in Manitoba. There is also a head office located in Regina, Saskatchewan.
- Experienced President in place that has been with the companies since 2000.
- Source is a wholesale distributor of two-way radio products, wireless accessories, etc. and operates out of Saskatchewan.
- WACL currently employees 54 people in Saskatchewan and 37 in Manitoba. Source employs 7 people.
- WACL was started in 1991 and Source was incorporated in 2001. In 2001 both companies were vended into a public company.

Contacts:

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p 306.790.7904
ian.schofield@mnp.ca

Adam Mallon
p 780.969.1438
adam.mallon@mnp.ca

Key Financial Information

WACL Saskatchewan

Fiscal:	(11 Months)	
	2008	2007
Revenue	\$13,792,055	\$12,495,950
Normalized EBITDA	\$2,719,637	\$2,734,366

WACL Manitoba

Fiscal:	(11 Months)	
	2008	2007
Revenue	\$6,666,264	\$6,362,885
Normalized EBITDA	\$345,184	\$305,758

Source*

Fiscal:	(11 Months)	
	2008	2007
Revenue	\$16,023,575	\$16,321,137
Normalized EBITDA	\$89,233	\$351,394

Combined

Fiscal:	(11 Months)	
	2008	2007
Revenue	\$36,481,894	\$35,179,972
Normalized EBITDA	\$3,154,054	\$3,157,011

* Source has lost the pre-paid card contract that provided much of its revenue; going forward the revenue is expected to be much smaller. The Normalized EBITDA has been adjusted to reflect this change.

- Parcel 2 and 3 remain profitable. The main reason for the receivership is that the parent company had increasingly re-directed cash for other initiatives unrelated to WACL and Source.

Contacts:

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ian.schofield@mnp.ca

Adam Mallon
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Appendix C

Confidentiality Agreement for Prospective Purchasers

Confidentiality Agreement

This Confidentiality Agreement (“Agreement”) is made between Meyers Norris Penny Limited in its capacity as Interim Receiver and/ or Receiver Manager of Wireless Age Communications Ltd. and Wireless Source Distribution Ltd. (the “Receiver”) and **PROSPECT LTD (“PROSPECT”)**; the Receiver and **PROSPECT** may be referred to in this Agreement individually as a “Party” or collectively “Parties.” Wireless Age Communications Ltd. and Wireless Source Distribution Ltd., together (“WACL”), and Meyers Norris Penny Limited, in its capacity as Receiver Manager shall collectively be considered the “Disclosing Party”. **PROSPECT** shall be considered to be the “Receiving Party”.

The Parties will or already have had discussions, and intend to continue having discussions, in connection with a possible sale transaction between WACL and **PROSPECT**. All such discussions, and the provision of information by the Disclosing Party to the Receiving Party in connection with such discussions, hereafter will be called the “Discussions.” During, and in connection with the Discussions, the Receiving Party may have need for information from the Disclosing Party that is regarded as confidential and in particular, the Receiving Party may have the need for confidential information in relation to WACL. Accordingly, the Parties agree as follows:

1. **“Confidential Information”** is defined as any information that is disclosed by the Disclosing Party (or by the Disclosing Party's agents, solicitors, employees, officers, directors, shareholders or subsidiaries) to the Receiving Party (or to the Receiving Party's agents, solicitors, employees, officers, directors, shareholders or subsidiaries) in connection with the Discussions in any form including, without limitation, the following:
 - a. Written information, including reports, assessments, drawings, documents, financial statements and projections, product and product cycle plans and any other written information or machine readable data;
 - b. Electronically stored or transmitted information including facsimiles, emails and attachments, spreadsheets, databases and any and all other electronically stored or electronically transmitted information;
 - c. Information, including demonstrations, which is furnished orally, graphically or visually; and
 - d. Any item of hardware, including samples, devices and any other physical embodiments delivered to the Receiving Party.

Confidential Information also includes any and all documents generated by the Receiving Party or its agents, solicitors, employees, officers, directors, shareholders or subsidiaries during, or in contemplation of, or in connection with the Discussions.

2. **Incorporation of Confidential Information in Other Documents.** In the event Confidential Information is incorporated into or reflected in other documents, whether separately or jointly generated by the Parties, such other documents will be deemed Confidential Information subject to the terms of this Agreement.
3. **Non-Disclosure.** The Receiving Party shall maintain the confidentiality of Confidential Information and shall be held strictly liable under this Agreement for any damages stemming from the disclosure of any Confidential Information to any individual, group of individuals, corporation, or entity, with the exception of such of the Receiving Party's directors, employees, agents, advisors or subsidiaries as have a need to know such Confidential Information in order that the objectives of the Discussions can be achieved (the “Permitted

Sub-Recipients"). The Parties further agree to ensure that the Permitted Sub-Recipients comply with the terms of this Agreement and that the Receiving Party shall be held strictly liable for a breach of the terms of this Agreement by the Permitted Sub-Recipients of any of them. These obligations shall survive the termination of the Discussions or this Agreement.

4. **Exceptions to Confidentiality Obligations.** The confidentiality and limited use obligations of this Agreement will not apply to information received pursuant to this Agreement, which:
- a. Is or becomes publicly known other than through a breach of this Agreement by the Receiving Party; or
 - b. Is already known to the Receiving Party at the time of disclosure as evidenced by the receiving Party's written documentation; or
 - c. Is lawfully received by the Receiving Party from a third party without breach of this Agreement or breach of any other agreement between the Disclosing Party and such third party; or
 - d. Is independently developed by employees of the Receiving Party who have not had access to or received any Confidential Information under this Agreement; or
 - e. Is authorized in writing by the Disclosing Party to be released from the confidentiality obligations herein.

The Receiving Party shall bear the burden of proving the application of any of the above exceptions.

5. **Ownership of Confidential Information.** Confidential information shall remain the exclusive property of the Disclosing Party. The Receiving Party agrees that Confidential Information disclosed hereunder is being received subject to the Disclosing Party's ownership rights in such Confidential Information, and, further, subject to all relevant intellectual and/or proprietary property rights of the Disclosing Party, including relevant laws governing patents, trademarks, copyrights, semiconductor chip protection, trade secrets and unfair competition.
6. **Return of certain Confidential Information.** Upon the expiration or termination of the Discussions, or upon the earlier request of the Disclosing Party, the Receiving Party shall, at its own expense, either
- a. promptly return to the Disclosing Party all originals and copies of the writings and hardware in its possession which contain Confidential Information and delete all electronically stored information, which contains confidential information; or,
 - b. By written notice, executed by the Receiving Party, certify that such writings, items of electronically stored information or hardware have been permanently destroyed.
7. **Use of Confidential Information.** Confidential Information will not be copied or used by the Receiving Party for any purpose other than in connection with the Discussions. With regard to Confidential Information, which is covered by copyrights belonging to the disclosing Party, it is agreed that the Disclosing Party reserves all rights therein. However, the Parties further agree that a limited number of copies of written materials covered by such copyrights (not including machine readable data) may be made by the Receiving Party so that the Receiving party can adequately use such Confidential Information within the terms and conditions of this Agreement, provided that all proprietary legends and notices on the originals are also reproduced on such copies and that each copy is controlled by the receiving Party as an original in accordance with the terms of this Agreement.



8. **Right to Injunction.** The Receiving Party agrees that a violation of the covenants not to disclose or make use of the Confidential Information in this Agreement may cause irreparable harm to the Disclosing Party not compensable in damages. For that reason, further, the Receiving Party agrees that the Disclosing Party shall be entitled, as a matter of course, to an injunction out of any Court of competent jurisdiction restraining any violation of such covenants by the Receiving Party and pending the hearing and decision on the application for such injunction, the Disclosing Party shall be entitled to a temporary restraining order; all without prejudice to any other remedies available to it. If the Disclosing Party is required to seek injunctive relief, the Receiving Party will reimburse the Disclosing Party for all legal fees (including disbursements and good and services) incurred on a solicitor and his own client basis.
9. **Non-solicitation of Employees.** At no time, for a period of two (2) years from the date of the Agreement, shall the Receiving Party solicit for employment any person who was employed by the Disclosing Party, provided that this prohibition shall not apply to solicitations made by the Receiving Party to the public or the industry generally, and the Receiving Party shall not be prohibited from employing any person who contacts the Receiving Party on his or her own initiative within any prohibited solicitation.
10. **Information Regarding Existence of Discussions.** During the term of this Agreement, except as required by law, neither the Receiving Party nor the Disclosing Party shall issue any statement, confirm, or otherwise disclose to the general public, to the news media, or to any third party, except with the prior written concurrence of the other, both as to the content and timing of any such disclosure, (i) that the Discussions are taking or have taken place, (ii) that the Parties have exchanged information with a view toward the consummation or implementation of an agreement, or (iii) the existence of this Agreement.
11. **Legally Required Disclosure.** If the Receiving Party becomes legally compelled (by oral questions, interrogatories, request for information or documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information, the Receiving Party will provide the Disclosing Party with prompt written notice so the Disclosing Party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event such protective order or other remedy is not obtained, or the Disclosing Party waives compliance with the provisions of this Agreement, the Receiving Party will furnish only that Confidential Information which is legally required and will exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information so disclosed.
12. **Export of Confidential Information.** The Receiving Party agrees that it and its employees will not export such Confidential Information in contravention of the provisions of any other relevant laws of other countries.
13. **No Assignment.** PROSPECT may not assign any of its rights or delegate any of its obligations under this Agreement, except with the prior written consent of the Receiver.
14. **Term of Agreement.** This Agreement will be effective as of the date hereof and will terminate one year after its effective date unless extended by mutual agreement of the Parties. Notwithstanding the termination of this Agreement, the obligations of limited use and nondisclosure hereunder will remain in effect for a period of three (3) years from the date on which the Agreement is terminated and the non-solicitation covenant as set forth in Section 9 will remain in effect for a period of two (2) years from the date hereof.



- 15. **Governing laws.** This Agreement will be governed by and construed in accordance with the laws of Saskatchewan. The Parties hereto consent to the jurisdiction of the courts of Saskatchewan.
- 16. **No Patent or Trademark License.** Nothing herein shall be construed as granting or conferring upon a Party hereunder, expressly, impliedly, or otherwise, any licenses or other rights under any patents, trademarks or any other intellectual and/or proprietary rights to which the other Party hereunder now owns or may hereafter acquire.
- 17. **Integration.** This Agreement supersedes all previous oral and written agreements, if any, among the Parties regarding confidentiality of information disclosed in connection with the Discussions.
- 18. **Additional Terms.** Without prejudice to the terms and conditions of any eventual formal agreement or agreements that may result from the Discussions:
 - (a) the Disclosing Party does not make any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information;
 - (b) the Receiving Party will rely upon its own investigations, due diligence and analysis in evaluating and in satisfying itself as to all matters relating to the Discussions;
 - (c) the Disclosing Party shall have no liability to the Receiving Party or any of its Permitted Sub-Recipients resulting from any use of the Confidential Information by the Receiving Party or any of its Permitted Sub-Recipients; and
 - (d) no commitment or contract relating to the Discussions shall exist unless and until definitive written agreements have been executed and delivered.
- 19. **Standard of Care.** The Receiving Party shall take all reasonable and prudent precautions, and at least the same precautions it uses to protect its own confidential information, in order to protect Confidential Information from any unauthorized access, use or disclosure.
- 20. **Severance.** If any provision of this Agreement is determined by a court of competent jurisdiction to be wholly or partially unenforceable for any reason, such unenforceability will not affect the enforceability of the balance of this Agreement and all provisions of this Agreement shall, if alternative interpretations are applicable, be construed so as to preserve the enforceability hereof.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the day and date below:

PROSPECT LTD

Meyers Norris Penny Limited as Interim Receiver and/ or Receiver Manager of Wireless Age Communications Ltd. and Wireless Source Distribution Ltd.

BY: X _____

 Title

Date: _____

BY: X _____
 Ian Schofield
 Senior Vice President
 Title

Date: _____

Exhibit 1

Interim Statements of Receipts and Disbursements

District of Saskatchewan
Division No. 01 - Regina
Court No.
Estate No.

FORM 12
Interim Statement of Receipts and Disbursements
(Other than Summary Administration and Consumer Proposals)
(Section 152 of the Act)

In the matter of the Interim Receivership of
Wireless Age Communications Ltd.
of the city of Regina
in the Province of Saskatchewan

RECEIPTS:

1. Asset Realization		
Cash on hand	54,813.06	
Accounts receivable	1,352,250.49	<u>1,407,063.55</u>
TOTAL RECEIPTS:		<u>1,407,063.55</u>

DISBURSEMENTS:

2. Miscellaneous:		
Net Operating expenses	519,964.97	
GST remitted	45,342.11	
QST remitted	36,052.38	
Courier	786.08	
Group insurance	14,729.57	
Payroll services	359,446.55	
Utilities	5,382.09	
Wages	10,740.44	
Receiver's fees and costs	26,250.00	
Rental expense	5,230.29	<u>1,023,924.48</u>
TOTAL DISBURSEMENTS:		<u>1,023,924.48</u>

Amount available for distribution		<u>383,139.07</u>
3. Levy payable under section 147 of the Act		<u>0.00</u>
4. Unsecured creditors		
Current dividend	0.00 less levy	<u>0.00</u>
5. Amount retained in the Trust account by the Trustee:		<u><u>383,139.07</u></u>

Dated at the city of Regina in the Province of Saskatchewan, this 2nd day of February 2009.

Meyers Norris Penny Limited - Receiver

Suite 900, 2010 11th Ave.
Regina SK S4P 0J3
Phone: (306) 790-7900 Fax: (306) 790-2001

Taxed at the sum of \$ _____, this _____ day of _____.

Registrar

STATEMENT OF OPERATING RECEIPTS

Operating Receipts0.00 0.00**Operating Disbursements**

Disbursements Purchases

(a) Purchases

444,470.76

444,470.76

Disbursements Expenses

(a) Office Rent

71,790.44

(b) Office Supplies

34.65

(c) Operating Expense

3,654.12

75,479.21519,949.97**Net Profit**-519,949.97

District of Saskatchewan
Division No. 01 - Regina
Court No.
Estate No.

FORM 12
Interim Statement of Receipts and Disbursements
(Other than Summary Administration and Consumer Proposals)
(Section 152 of the Act)

In the Matter of the Interim Receivership of
Wireless Source Distribution Ltd.
of the city of Regina
in the Province of Saskatchewan

RECEIPTS:

1. Asset Realization			
Cash on hand	84,233.11		
Accounts receivable	182,345.45	<u>266,578.56</u>	
TOTAL RECEIPTS:			<u>266,578.56</u>

DISBURSEMENTS:

2. Miscellaneous:			
Net Operating expenses	22,970.22		
GST remitted	5,321.56		
Freight	677.25		
Group insurance	2,100.00		
Payroll services	46,160.92		
Wages	7,230.05	<u>84,460.00</u>	
TOTAL DISBURSEMENTS:			<u>84,460.00</u>
Amount available for distribution			<u>182,118.56</u>
3. Levy payable under section 147 of the Act			<u>0.00</u>
4. Unsecured creditors			
Current dividend	0.00	less levy	0.00
			<u>0.00</u>
5. Amount retained in the Trust account by the Trustee:			<u>182,118.56</u>

Dated at the city of Regina in the Province of Saskatchewan, this 2nd day of February 2009.

Meyers Norris Penny Limited - Receiver

Suite 900, 2010 11th Ave.
Regina SK S4P 0J3
Phone: (306) 790-7900 Fax: (306) 790-2001

Taxed at the sum of \$ _____, this _____ day of _____.

Registrar

STATEMENT OF OPERATING RECEIPTS

Operating Receipts0.00 0.00**Operating Disbursements**

Disbursements Purchases

(a) Purchases

19,059.07

19,059.07

Disbursements Expenses

(a) Office Rent

3,869.00

(b) Office Supplies

34.65

3,903.6522,962.72**Net Profit**-22,962.72

Exhibit 2

***Interim Reciever' Outstanding Purchase Orders and
Commitments***

Interim Receiver' Outstanding Purchase Orders and Commitments

Purchase Orders for Inventory – 20,000 (Most inventory has been purchased COD).

Estimated February 15th payroll - \$190,000

Equipment Rental – \$5,000

In addition to the above, the interim receiver has also made commitments to a number of courier companies to honour the cost for deliveries made on or after January 9, 2009