COURT FILE NO.	1001-18206
COURT	**Court of Queen's Bench of Alberta**
JUDICIAL CENTRE	**Calgary**
PLAINTIFF(S)	**HSBC Bank Canada**
DEFENDANT(S)	**Kinetex Multi-Component Services Inc.; and Kinetex Resources Corporation**
DOCUMENT	**Affidavit of Karla McCarthy Sworn December 2, 2010**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Fasken Martineau DuMoulin LLP** Barristers & Solicitors Patent & Trade-mark Agents 3400 First Canadian Centre 350 – 7th Avenue S.W. Calgary, AB T2P 3N9 Attn: Michael A. Loberg Phone: (403) 261-5353 Fie Reference: 245056.000240

Clerk's Stamp

CLERK OF THE COURT

DEC 09 2010

CALGARY, ALBERTA

[Affidavit begins on following page]

DM_VAN/245056-00240/7847416.2

AFFIDAVIT OF KARLA McCARTHY

Sworn December 2nd, 2010

I, the undersigned, Karla McCarthy, of the City of Vancouver in British Columbia, make oath and state as follows:

1. I am an Assistant Vice-President in the Special Credit Department of HSBC Bank Canada ("HSBC" or the "Bank"), a chartered bank pursuant to the laws of Canada and the plaintiff and applicant in this matter.

2. I am the officer of HSBC primarily responsible for the administration of the lending relationship with the defendants, Kinetex Multi-Component Services Inc. ("Services") and Kinetex Resources Corporation ("Resources"), and together with Services, the "Companies"), and as such, I have personal knowledge of the facts stated in this affidavit, save where stated to be based on information and belief, in which case I state the source of the information and verily believe it to be true. I am authorized by the Bank to swear this affidavit on its behalf.

3. Services is registered and incorporated pursuant to the laws of Alberta. Services was formerly known as Kinetex Inc. and prior to that Hydro Flame Technologies Inc. Its parent, Resources is registered and incorporated pursuant to the laws of British Columbia. Attached hereto collectively as **Exhibit "A"** are copies of corporate search results in respect of Services and Resources.

4. Resources (formerly FirstGrowth Capital Inc. and then FirstGrowth Exploration & Development Services Corp.) is a publicly-traded company on the TSX Venture Exchange. The shares of Resources are currently subject to a temporary cease trade order ("CTO") issued by the British Columbia Securities Commission on July 22, 2010.

5. Services is the wholly owned operating subsidiary of Resources and I understand it has approximately 40 full time employees the bulk of which are in the Republic of Colombia. Services provides high resolution geophysical seismic imaging services to energy, metals

and minerals exploration and mining companies. Services has operations in Calgary, Saskatchewan and the Republic of Colombia.

6. HSBC has acted as Banker for Services since 2007. Most recently, pursuant to a facility letter dated June 29, 2010 (the "Loan Agreement"), among HSBC, Services (as borrower) and Resources (as guarantor), HSBC established and authorized certain credit facilities in favour of Services, including a demand revolving overdraft facility, two demand loans, a Mastercard facility and a leasing line. Pursuant to accommodations agreed to between the Bank and the Companies, the Bank established two demand bulge overdraft facilities in favour of Services (collectively, the "Facilities") which were in any event to be repaid by September 30, 2010 and have not been. All of the Facilities are payable on demand. A copy of the Loan Agreement is attached hereto as **Exhibit "B"**.

7. As continuing security for all of its present and future obligations to HSBC, including without limitation the Facilities, Services, among other things, executed and delivered to HSBC a general security agreement dated March 28, 2007 in favour of HSBC (the "GSA") in respect of which a financing statement was registered in the British Columbia Personal Property Registry on April 3, 2007 under base registration number 591111D and in the Alberta Personal Property Registry on April 4, 2007 under registration number 07040438017, granting HSBC a security interest in all present and after-acquired property of Services. A copy of the GSA is attached hereto as **Exhibit "C"**. Copies of the British Columbia (current to December 1st, 2010) and Alberta (current to December 1, 2010) PPSA searches in respect of Services are attached hereto as **Exhibits "D"** and **"E"** respectively.

8. Pursuant to a guarantee dated March 31, 2007 (the "Guarantee"), Resources unconditionally guaranteed payment to HSBC of all present and future debts and liabilities owing to HSBC by Services. A Copy of the Guarantee is attached hereto as **Exhibit "F"**.

9. As continuing security for all of its present and future obligations and liabilities to HSBC under the Guarantee, Resources, among other things, executed and delivered to HSBC:

(a) Assignment and Postponement dated March 31, 2007;

(b) a Security Agreement over Cash, Credit Balances and Deposit Instruments by Third Party dated November 20, 2007; and

(c) Hypothecation of Securities, Mutual Fund Units, Investment Instruments and Other Investment Property owned by a Third Party dated November 13, 2009

(collectively the "**Guarantor Security**") in favour of HSBC in respect of which a financing statements were registered in the British Columbia Personal Property Registry as indicated on the British Columbia PPSA search (current to December 1, 2010) attached hereto as **Exhibit "G"** and in the Alberta Personal Property Registry search (current to December 1, 2010) attached hereto as **Exhibit "H"** granting HSBC a security interest in the property of Resources referenced in the Guarantor Security, including the shares of Services. Copies of the Guarantor Security documents are attached collectively as **Exhibit "I" hereto**.

10. As of November 10, 2010, the balance due and payable by Services to HSBC under the Facilities, and by Resources pursuant to the Guarantee, was $8,449,987.27 plus USD $198,203.30 (which, together with interest thereafter as provided for in the Loan Agreement, is hereinafter referred to as the "Indebtedness") plus HSBC's legal costs, consulting costs and other expenses in respect of the Facilities (collectively "Expenses", and together with the Indebtedness, the "Obligations").

Reporting Covenant Defaults

11. Pursuant to Companies' reporting covenants under the Loan Agreement, the Companies were to provide HSBC with, among other things: (i) review engagement financial statements of Services by April 30, of the following year; (ii) Audited December 31 year-end financial statements or Resources by April 30 of the following year; and (iii) monthly inventory and priority payable reports ("IPP Report") of Services within 25 days of each calendar month end;.

12. Resources financial statements for December 31, 2009 were due to be delivered to the Bank on or before April 30, 2010. Services did deliver draft 2009 financial statements to the Bank in 2010 but as of the date of this Affidavit, the Bank has still not received the finalized audited 2009 Financial Statements from Services or the review engagement

financial statements of Resources. I understand that the CTO issued by the British Columbia Securities Commission in July of 2010 was principally as a result of the failure of Resources to deliver their 2009 audited financial statements.

Financial Covenant Defaults

13. Based upon the information contained in the Companies' draft 2009 financial statements, and the Companies in-house September 30, 2010 financial statements, Services is in breach of its "current ratio" under the Loan Agreement. Given the Companies' lack of collection of accounts receivable over the past several months (as evidenced by the fact that since August 1, 2010, Services has only deposited $65,000 in its HSBC accounts), the Bank is concerned that the accounts receivable of the Companies are in fact in a much worse position than represented in the September 2010 financial statements, which contain no provision for bad debts whatsoever.

14. The Loan Agreement required that Services maintain a margin as detailed in paragraph 5 thereof. Based upon the Services' Margin Report for August, 2010 (the most recent margin report received by the Bank), the Services operating accounts were out of margin by approximately $910,000, and based upon all financial information which the Bank has seen since that time, I verily believe that Services' margin deficit is likely to have increased materially since that time, particularly given the lack of new accounts receivable and the ageing (and lack of collection) of the receivables reflected on the Companies' books.

Other Defaults

15. During discussions with the representatives of the Companies in September, 2010, in particular about the lack of deposits which had been made by Services into its HSBC Accounts, Company management advised that Services had been transacting business, including making deposits, with other financial institutions. I verily believe that Services has set up bank accounts with Royal Bank of Canada in Canada, and BANKCOLOMBIA in Colombia and that a material quantity of operational transactions have been conducted

by the Companies through these bank accounts. Pursuant to 5.2 of the GSA all receivables are to be received and held in trust for the Bank.

16. On or about September 28, 2010, HSBC received Services' August IPP Report. The August IPP Report disclosed that Services has unremitted payroll deductions owing to Canada Revenue Agency of $50,500, and unremitted workers' compensation contribution arrears of $27,800. The Loan Agreement requires that Services stay current in all of its governmental remittances which could have priority over the Bank if unpaid. It is now our understanding that this amount is over $500,000.

17. On or about October 27, 2010, HSBC received correspondence from the Workers' Compensation Board of Alberta ("WCBA") providing notice to HSBC of an amount owing by the Companies to WCBA of $54,386.67 and that WCBA may exercise its priority over the secured claims of HSBC to satisfy its claim. As noted in Exhibit "D", the Alberta Workers' Compensation Board has now registered a priority charge against Services in the amount of $54,386.67.

Appointment of Consultant

18. As a result of HSBC's concerns over the existing defaults and the lack of financial information forthcoming from Resources and Services and the failure of Resources to issue its 2009 Audited Financial Statements, on or about October 15, 2010 HSBC engaged Ernst & Young Inc. as consultant (the "Consultant") to review the business and financial affairs of Services and to report to HSBC with its findings (the "Engagement"). Services agreed and consented to the engagement of the Consultant. A copy of the Engagement dated October 15, 2010 is attached hereto as **Exhibit "J"**.

19. The Consultant has attempted to fulfill its mandate under the Engagement over the past 6 weeks. In this regard I attach hereto as **Exhibit "K"** a copy of the Consultant's report dated and received December 1, 2010 (the "Report"). I'm advised by Mr. Narfason of the Consultant that the Report was reviewed by Mr. Van Betuw and that his comments are faithfully recorded in the Report. The Engagement provides that Services is entitled to review the factual matters in any report issued.

20. The Report confirms HSBC's concerns that prospects of Services are bleak and that their defaults are manifest and admitted. The Engagement specifically provides that the Consultant may act as Receiver or in certain other capacities notwithstanding its engagement.

21. As indicated in the Report and confirmed by Mr. Betuw, Services does not have working capital to pursue its business and pay priority payables. Although HSBC understands that Services is attempting to sell portions of its assets, the fact is that all of those assets are fully charged to the Bank and the purchase prices contemplated are not sufficient to pay out Services indebtedness to HSBC. HSBC has advanced at least $1,000,000 more that it had committed to in order to assist Services in keeping its business alive, but at this point we have no confidence that Services will be able to achieve the dramatic turn around in its economic fortunes. Aside from the guarantee of Resources, the only known asset of which is its interest in Services, HSBC has no outside source to look for payment. Resources is a public company and HSBC committed to this loan on the basis that there would be no personal guarantees. In short, Services and Resources are playing with HSBC's money. HSBC has worked with management to see if there was a realistic prospect of a turn around, but no longer have any confidence that such a turn around is possible.

Demand and 244 Notices

22. As a result of the numerous defaults of Services, on November 15, 2010, HSBC, through its solicitors, Fasken Martineau DuMoulin LLP ("Faskens") made demand for payment of the Indebtedness upon Services as borrower, and on Resources as guarantor. At that time, Faskens also delivered Notices of Intention to Enforce Security ("244 Notices") to each of Services and Resources pursuant to section 244 of the Bankruptcy and Insolvency Act, R.S.C. 1985 c. B-3 as amended (the "BIA"). Attached hereto collectively as **Exhibits "L"** and **"M"** are copies of the demand letters and 244 Notices sent to Services and Resources. I'm advised by Mr. Grieve of Faskens that the said demands and notices were received by Resources and Services during business hours on November 18, 2010.

23. Both Services and Resources have failed to pay the amount referenced in the Demand Letters or any part of it. Accordingly both Services and Resources are in default of their obligations to the Plaintiff.

24. Services has no funds and is unable to make payroll and has effectively ceased to carry on business in Canada. The property which constitutes HSBC's collateral is therefore at risk of damage, seizure by creditors or improper removal, which will cause material financial prejudice to HSBC as secured creditor of the defendants.

25. The portion of the business of Services which is located in the Republic of Colombia appears to have the potential to operate on a stand-alone, going-concern basis, but currently lacks management from its executive offices in Canada and a source of funding to do so. Such lack of management and funding will result in an immediate and material deterioration of the value of Services' business and assets located in Colombia unless they are taken control of by a receiver for the benefit of the stakeholders of Services, including the Bank.

26. The terms of the GSA include the following:

(a) in the event of default by Services in the performance of its obligations to HSBC (including failure to make payment when due or ceasing to carry on business), the GSA immediately becomes enforceable; and

(b) HSBC may (among other things) appoint by instrument a receiver, receiver and manager or receiver-manager, or exercise all of the rights and remedies of a secured party under the Personal Property Security Act (Alberta), to enforce the GSA.

(c) HSBC does not have a general security agreement over the assets of Resources. It does, however, have security over the assets described in paragraph 9 hereof which include the share interest of Resources in Services, any cash or other collateral of Resources and an assignment of any security Resources may hold over the assets of Services. Given this, HSBC also seeks the appointment of a receiver over the assets of Resources.

27. I swear this affidavit in support of HSBC's application for an order or orders

(a) for the appointment of a Receiver or Receiver and Manager of all of the undertaking, property and assets of the Defendants pursuant to:

(i) section 243 of the BIA;

(ii) section 13(2) of the JA; and

(iii) section 65(7) of the PPSA;

and without limitation to the Order to be sought in that regard, an order that the Receiver shall have the power to sell, subject to Court approval, all of such undertaking, property and assets of the Defendants or any part thereof, free and clear of any right, title and interest of the Defendants and of any other party;

(b) possession of the collateral subject of the GSA and the Guarantor Security;

(c) An order seeking the aid and assistance of the Courts of the Republic of Colombia recognizing and giving effect to the Orders of this Honourable Court, and appointing the Receiver as a Foreign Representative for purposes of bringing proceedings outside of Canada; and

(d) Such further and other relief as this Honourable Court deems just.

SWORN, BEFORE ME at Vancouver, British Columbia, on the 2 December, 2010.	))))))	
A Commissioner for taking Affidavits for British Columbia	))	KARLA McCARTHY

JOHN GRIEVE
Barrister & Solicitor
Fasken Martineau DuMoulin LLP
2900 - 550 Burrard Street
Vancouver, BC V6C 0A3
604 631 4772

A

Alberta Corporation/Non-Profit Search
Corporate Registration System

Date of Search: 2010/10/20
Time of Search: 01:41 PM
Search provided by: ROSEWOOD SERVICES LIMITED PARTNERSHIP

Service Request Number: 15410727
Customer Reference Number: 245056.00240

Corporate Access Number: 205696222
Legal Entity Name: KINETEX MULTI-COMPONENT SERVICES INC.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
HYDRO FLAME TECHNOLOGIES INC.	1998/02/17
KINETEX INC.	2008/11/17

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 1993/06/04 YYYY/MM/DD

This is Exhibit A referred to in the affidavit of Karla McCarthy made before me on this 2nd day of December 20 10.

A Commissioner for taking Affidavits for British Columbia

Registered Office:
Street: #1900, 520 - 3RD AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 0R3

Records Address:
Street: #1900, 520 - 3RD AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 0R3

Directors:

Last Name: VAN BETUW
First Name: LEONARD

Street/Box Number: 515 - 70 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2R 0C9

Voting Shareholders:

Last Name: KINETEX RESOURCES CORPORATION
Street: C/O 515 - 70TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2V 0P5
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure:	SEE ATTACHED SCHEDULE "A"
Share Transfers Restrictions:	SEE ATTACHED SCHEDULE "B"
Min Number Of Directors:	1
Max Number Of Directors:	9
Business Restricted To:	NONE
Business Restricted From:	NONE
Other Provisions:	THE CORPORATION SHALL HAVE A LIEN ON SHARES ISSUED TO ENFORCE ANY DEBT OWING TO THE CORPORATION BY A SHAREHOLDER.

Holding Shares In:

Legal Entity Name
KINETEX GEOSCIENCES INC.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)

2010	2010/06/29

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2007/12/05	Change Director / Shareholder
2008/11/17	Name Change Alberta Corporation
2009/11/13	Name/Structure Change Alberta Corporation
2010/06/29	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2010/10/13	Change Address

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2009/11/13
Restrictions on Share Transfers	ELECTRONIC	2009/11/13
Share Structure	ELECTRONIC	2009/11/13

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.

REGISTRAR OF CORPORATIONS

BRITISH COLUMBIA
The Best Place on Earth

Ministry of Finance
BC Registry Services

Mailing Address:
PO BOX 9431 Stn Prov Govt.
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard St.
Victoria BC
250 356-8626

BC Company Summary

For

KINETEX RESOURCES CORPORATION

Date and Time of Search: **October 20, 2010 12:27 PM Pacific Time**

Currency Date: September 29, 2010

ACTIVE

Incorporation Number: BC0716205

Name of Company: KINETEX RESOURCES CORPORATION

Recognition Date and Time: Incorporated on February 10, 2005 03:12 PM Pacific Time

In Liquidation: No

Last Annual Report Filed: February 10, 2010

Receiver: No

COMPANY NAME INFORMATION

Previous Company Name	Date of Company Name Change
FIRSTGROWTH EXPLORATION & DEVELOPMENT SERVICES CORP.	November 06, 2008
FIRSTGROWTH CAPITAL INC.	August 15, 2007

REGISTERED OFFICE INFORMATION

Mailing Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
DeVries, Richard W.

Mailing Address:	**Delivery Address:**
900 - 925 WEST GEORGIA STREET VANCOUVER BC V6C 3L2 CANADA	900 - 925 WEST GEORGIA STREET VANCOUVER BC V6C 3L2 CANADA

Last Name, First Name, Middle Name:
El-Hamamsy, Sayed-Amr

Mailing Address:	**Delivery Address:**
107 SCENIC RIDGE COURT NW CALGARY AB T3L 1V2 CANADA	107 SCENIC RIDGE COURT NW CALGARY AB T3L 1V2 CANADA

Last Name, First Name, Middle Name:
Reynolds, John D.

Mailing Address:	**Delivery Address:**
1230 ST. ANDREWS RD GIBSONS BC V0N 1V1 CANADA	1230 ST. ANDREWS RD GIBSONS, BC BC V0N 1V1 CANADA

Last Name, First Name, Middle Name:
Schneider, Gil

Mailing Address:	**Delivery Address:**
13564 CRESTVIEW DRIVE SURREY BC V3R 6T2 CANADA	13564 CRESTVIEW DRIVE SURREY BC V3R 6T2 CANADA

Last Name, First Name, Middle Name:
Van Betuw, Leonard

Mailing Address:	**Delivery Address:**
83 DISCOVERY RIDGE MOUNT SW CALGARY AB T3H 5G2 CANADA	83 DISCOVERY RIDGE MOUNT SW CALGARY AB T3H 5G2 CANADA

OFFICER INFORMATION AS AT February 10, 2010

Last Name, First Name, Middle Name:
ASHAUER, ROBERT D

Office(s) Held: (CFO, Secretary)

Mailing Address:	**Delivery Address:**
11 TUSCANY HILLS TERRACE NW CALGARY AB T3L 2G7 CANADA	11 TUSCANY HILLS TERRACE NW CALGARY AB T3L 2G7 CANADA

Last Name, First Name, Middle Name:
SCHNEIDER, GILBERT G.
Office(s) Held: (CEO, President)

Mailing Address:
13564 CRESTVIEW DRIVE
SURREY BC V3R 6T2
CANADA

Delivery Address:
13564 CRESTVIEW DRIVE
SURREY BC V3R 6T2
CANADA

B

HSBC

June 29, 2010

This is Exhibit ...B... referred to in the
affidavit of ...Karla McCarthy...
made before me on this ...2nd...
day of ...December... 2010.
....
A Commissioner for taking
Affidavits for British Columbia

Kinetex Multi-Component Services Inc.
515 – 70th Avenue SW
Calgary, AB
T2V 0P5

Attention: Mr. Gilbert G. Schneider
Mr. Leonard Van Betuw

Dear Sirs:

HSBC Bank Canada (the "Bank") is pleased to renew and amend the credit facilities (the "Loan(s)") for Kinetex Multi-Component Services Inc. (the "Borrower") on the terms and conditions set out below. The terms and conditions contained in the Schedule are incorporated by reference into and form an integral part of this Facility Letter.

Borrower

Kinetex Multi-Component Services Inc. (the "Borrower").

Guarantor

Kinetex Resources Corporation (the "Guarantor")

1. **Operating Loan**

1.1 Amount:

$4,000,000 demand revolving loan (the "Operating Loan") – **temporarily increased to $5,000,000 until September 30, 2010.**

1.2 Purpose:

To assist in financing the day-to-day operating requirements of the Borrower.

1.3 Availability:

Available by way of account overdraft following satisfaction of the Conditions Precedent. A portion of the Operating Loan shall also be available by U.S. dollar advances up to US $2,700,000. The Borrower shall ensure that the amount advanced and outstanding under the Operating Loan shall at no time exceed the Margin Requirement as calculated by the Bank described below.

HSBC Bank Canada
6168 No. 3 Road, Richmond, B.C. V6Y 2B3
Tel: (604) 276-8700 Fax: (604) 659-5776

1.4 Repayment:

All amounts outstanding under the Operating Loan shall be repaid on demand by the Bank and, unless and until otherwise demanded, interest shall be paid at the rates set out below and in the manner provided in the attached Schedule.

1.5 Interest:

Interest shall be paid at the Bank's Prime Rate plus 2.25% per annum for Canadian Dollar advances and the Bank's U.S. Base Rate plus 2.25% per annum for US Dollar advances.

1.6 Fees:

The Borrower shall pay to the Bank:

(a) on the last day of each month, an administration fee of $350;

(b) upon acceptance of the terms of this Facility letter:

   (i) a renewal fee of $10,000;

   (ii) a breach of covenant fee of $2,000;

   (iii) a late reporting fee of $2,000 for late fiscal year financial statements; and

   (iv) an application fee of $15,000 for the temporary increase of the Operating Loan authorized with this letter.

2. <u>**Capital Loan**</u>

2.1 Amount:

$2,697,266 demand non-revolving loan (the "Capital Loan").

2.2 Purpose:

To consolidate three demand non-revolving loans of the Borrower with the Bank.

2.3 Availability:

The funds available to the Borrower under the Capital Loan have been fully advanced by way of three loans, which will be consolidated no later than September 30, 2010.

2.4 Repayment:

All amounts outstanding under the Capital Loan shall be repaid on demand by the Bank and, unless and until otherwise demanded, in equal monthly instalments of principal and interest based on the interest rate selected below and an amortization period of 36 months on the last day of each month following the month in which the consolidation outlined above occurs. The Capital Loan shall, in any event, be repaid in full by September 30, 2013.

2.5 Interest:

At the Borrower's option, exercisable by the giving of the Required Notice, at:

(a) the Bank's Prime Rate plus 2.25% per annum;

(b) the Bank's Fixed Rate per annum, subject to availability.

3. Letter of Credit Facility

3.1 Amount:

$3,000,000 demand revolving line (the "L/C Facility") – **increased from $1,500,000.**

3.2 Purpose:

To assist with the issuance of bank guarantees, letters of credit or other documentary credits for the business of the Borrower.

3.3 Availability:

Available following satisfaction of the Conditions Precedent.

3.4 Repayment:

All amounts paid by the Bank under the bank guarantees, letters of credit and documentary credits shall be repaid and all liabilities of the Bank under the bank guarantees, letters of credit and documentary credits shall be satisfied by the Borrower on demand by the Bank and, unless and until otherwise demanded, drawings under the bank guarantees, letters of credit and documentary credits shall be paid by the Borrower as they become due.

3.5 Interest and Fees:

At the time of issuance of each bank guarantee, a fee equal to 2.25% per annum, calculated against the face amount and over the term of the bank guarantee will be paid to the Bank.

Fees for collections and for documentary credits shall initially be payable as set out in the attached Schedule, but shall vary as stipulated by the Bank following its periodic review of the L/C Facility.

Interest on any amount drawn under the bank guarantees, letters of credit and documentary credits in Canadian dollars or U.S. dollars shall be payable at the rate and in the manner set out in paragraph 1.5, under the "Interest" section above relating to the Operating Loan. Any amounts drawn under bank guarantees, letters of credit and documentary credits in any other currency shall be converted to Canadian dollars and interest shall be payable at the rate and in the manner set out in the said paragraph 1.5.

4. Expense MasterCard facility

4.1 Amount:

$250,000 expense MasterCard credit card facility (the "MasterCard facility")

4.2 Purpose:

To assist the Borrower with corporate expenses.

4.3 Availability:

As per MasterCard terms and conditions. Available by way of multiple expense MasterCard credit cards.

4.4 Repayment:

As per MasterCard terms and conditions.

4.5 Interest and fees:

As per MasterCard terms and conditions.

5. Margin Requirement

In addition to ensuring that no Loan exceeds its loan amount, as set out in this Facility Letter, the Borrower shall ensure that the aggregate Canadian Dollar Equivalent of:

(a) the amount advanced and outstanding under the Operating Loan; less

(b) amounts held on deposit by the Borrower or the Guarantor with the Bank and pledged and assigned to the Bank pursuant to the security over cash, credit balances and deposit instruments granted by each of the Borrower and the Guarantor, to a maximum aggregate amount of $1,000,000;

shall at no time exceed the Margin Requirement, being the aggregate of:

(c) 75% of Acceptable Receivables; plus

(d) 90% of Insured Receivables; plus

(e) 100% of acceptable standby letters of credit approved by the Bank; less

(f) priority claims.

6. Security

6.1 Security Documents:

The liability, indebtedness and obligations of the Borrower under the Loan(s) and this Facility Letter shall be evidenced, governed and secured, as the case may be, by the following documents (the "Security Documents") completed in form and manner satisfactory to the Bank's or its solicitors:

On Hand:

(a) general security agreement creating a first priority security interest in all present and after acquired personal property of the Borrower and a floating charge over all of the Borrower's present and after acquired real property;

(b) general assignment of book debts creating a first priority assignment of all the Borrower's debts and accounts;

(c) Section 427 Bank Act security including all supporting and ancillary forms of the Bank creating a first priority charge on the Borrower's assets;

(d) unlimited guarantee of the indebtedness of the Borrower to the Bank, executed by the Guarantor;

(e) security agreement over cash, credit balances and deposit instruments executed by the Borrower;

(f) security agreement over cash, credit balances and deposit instruments executed by the Guarantor;

(g) assignment/endorsements by the Borrower to the Bank of all risk insurance (including extended coverage endorsement) in amounts and from an insurer acceptable to the Bank, on all of the Borrower's real and personal property including, without limitation, lands, buildings, equipment and inventory owned by the Borrower, showing the Bank as first loss payee by way of standard mortgage endorsement, such policy to include business interruption and public liability insurance;

(h) the Bank's standard documentation in connection with its issuance of documentary credits including a trade financing general agreement, executed by the Borrower;

(i) hypothecation and pledge by Guarantor of all of the issued and outstanding shares of the Borrower;

(j) assignment and postponement by the Guarantor of all present and future amounts outstanding to them by the Borrower;

(k) the Bank's standard application and indemnity agreement with respect to the issuance of letters of credit, executed by the Borrower;

(l) line of credit by way of current account overdraft agreement executed by the Borrower (the Operating Loan);

(m) MasterCard Cardholder Agreement executed by the Borrower;

(n) all supporting certificates and opinions as the Bank may reasonably require; and

(o) such other documents as the Bank may reasonably request in order to register or otherwise perfect the documents listed above.

Registration:

The Security Documents will be registered in all jurisdictions and at all registries or public office as the Bank may determine necessary or beneficial to perfect or protect its interest under the Security Documents. The Security Documents shall rank in priority to all other mortgages, charges, liens, encumbrances and security interests unless otherwise specifically agreed to in writing by the Bank.

7. Conditions Precedent

The conditions precedent to the Bank's obligation to the advance of the Loan(s) and to the continued availability of the Loan(s) are set out below and in Section IV of the attached Schedule to this Facility Letter (collectively the "Conditions Precedent"). The Borrower shall deliver or cause to be delivered the following in form and content satisfactory to the Bank or its solicitor:

For the L/C Facility:

(a) the Bank shall have received in form and substance satisfactory to the Bank and its solicitors guarantee(s) provided by Export Development Canada or other financial institution or insurance provider in support of any advances under the L/C facility; and

(b) assignment of deposits by the Borrower with the Bank to supplement the face value of the above mentioned guarantee(s), such that any advances under the L/C facility is less than or equal to the combined total of said guarantee(s) and the deposits.

Other:

(c) audited financial statements for the Guarantor and review engagement financial statements for the Borrower for the fiscal year ended December 31, 2009 are to be provided to the Bank by no later than July 31, 2010;

(d) in-house financial statements for the Borrower for the month ends from January 31, 2010 to May 31, 2010 are to be provided to the Bank by no later than July 31, 2010;

8. Borrower's Covenants and Conditions

The Borrower covenants and agrees with the Bank that, so long as any portion of the Loan(s) or any indebtedness or liabilities of the Borrower under this Facility Letter remain outstanding, it shall not, without the prior written consent of the Bank:

(a) permit its ratio of debt to tangible net worth to at any time exceed 1.50 to 1.

Loans assigned and postponed to the Bank will be deducted from debt and added to tangible net worth. Intangible assets and goodwill will be deducted from tangible net worth.

(b) permit its ratio of current assets to current liabilities to at any time to be less than 1.50 to 1.

Based on the information provided, this ratio was less than 1.50 to 1 at December 31, 2009 and March 31, 2010, and considered to be in breach of this covenant.

While the Bank has agreed to forbear this breach, this shall be without prejudice to our right to, at any time in the future, demand rectification if further breaches occur. Furthermore, our failure to, at any time, demand rectification of this breach of covenant shall not operate or be construed as a waiver by the Bank of any of our rights.

For the period ending September 30, 2010, this ratio will be permitted to be as low as 1.25 to 1.

(c) permit its ratio of cash flow to debt service requirement to be less than 1.25 to 1.

Cash flow includes net income, amortization, depreciation and interest expenses for the Borrower and Guarantor. Debt service requirement is the aggregate of principal loan payments, interest payments and other fees paid by the Borrower and Guarantor with respect to loans and leases with the Bank and all other debtors plus $300,000 attributed to on-going capital expenditures.

(d) make capital expenditures aggregating in any one year in excess of $500,000, which amount shall not be cumulative from year to year;

(e) make any investments including the acquisition of capital stock, loans or advances, directly or indirectly, to any third party companies by the Borrower or the Guarantor;

(f) pay remuneration of any kind, including management fees and bonuses to shareholders (and their affiliates) of the Borrower or Guarantor, where such payment would cause the Borrower to default on its loan payments or breach its covenants;

The Borrower agrees that the foregoing financial tests shall be calculated by the Bank using financial statements of the Borrower or with such other statements as the Bank may agree to use from time to time.

9. **Financial Statements and Reports**

The Borrower shall deliver to the Bank the following:

(a) Monthly, within 25 days of each calendar month end:

- (i) aged list of accounts receivable of the Borrower;
- (ii) aged list of accounts payable of the Borrower;
- (iii) declaration of priority claims of the Borrower;
- (iv) internally-prepared profit and loss statements and balance sheet for the Borrower;

(b) Annually, within 120 days of the Borrower's fiscal year end:

- (i) review engagement financial statements for the Borrower;
- (ii) pro forma financial statements, cash flow statement and budget for the following fiscal year of the Borrower;
- (iii) audited financial statements for the Guarantor;
- (iv) auditor's management letter for the Guarantor;

(c) Such additional financial statements and information as and when requested by the Bank.

10. Periodic Review and Cancellation

Without limiting the Bank's right to demand repayment of the Loan(s) at any time, the Loan(s) shall be subject to periodic review by the Bank as and when determined by the Bank in its discretion. Any unadvanced portion of the Loan(s) shall be cancelled upon demand being made by the Bank for repayment of the amount outstanding under the Loan(s).

11. Acceptance

The terms and conditions of this Facility Letter may be accepted by signing, dating and returning the enclosed duplicate copy of this Facility Letter signed by each Borrower and Guarantor to the Bank by 5:00 p.m. on July 9, 2010. Failing such acceptance, this offer shall be of no further force or effect.

Yours truly,
HSBC BANK CANADA

Gary Katayama
Senior Account Manager
Commercial Banking

Todd Nadon
Assistant Vice President
Commercial Banking

The undersigned hereby acknowledges and agrees to the terms and conditions of this Facility Letter this 30 day of JUNE, 2010.

THE BORROWER:

KINETEX MULTI-COMPONENT SERVICES INC.

Per: ______________________

THE GUARANTOR:

KINETEX RESOURCES CORPORATION

Per: ______________________

SCHEDULE TO FACILITY LETTER
FROM HSBC BANK CANADA
TO KINETEX MULTI-COMPONENT SERVICES INC.
DATED JUNE 29, 2010

This Schedule shall form part of the Facility Letter and the Loan(s) as described in the Facility Letter shall also be subject to the following terms and conditions:

I. Definitions

For the purpose of the Facility Letter, the following terms shall have the meanings indicated below:

"Acceptable Inventory" means the value, determined by the Bank from its review of the most recent financial statements and inventory declaration provided by the Borrower, based on the lower of cost and fair market value of all materials owned by the Borrower for resale or for production of goods for resale, excluding work in progress, and over which the Bank holds a first mortgage, first ranking transfer or first security interest, subject only to Priority Claims;

"Acceptable Receivables" means the aggregate of accounts receivable of the Borrower, determined by the Bank from the most recent financial statements and aged list of accounts receivable of the Borrower, over which the Bank holds a first assignment or first security interest, subject only to Priority Claims, from customers approved by the Bank and which have been outstanding for not more than 91 days, from which shall be excluded accounts receivable from affiliated corporations and accounts which are disputed by the Borrower's customers or are subject to set-off;

"Bank's Fixed Rate" means the annual fixed rate of interest offered by the Bank and accepted by the Borrower for the requested funds for a period of 30, 60, 90, or 180 days or 1, 2, 3, 4 or 5 years, as selected by the Borrower (but maturing not later than the final date for payment of the subject Loan(s), in any event;

"Bank's Prime Rate" means the variable annual rate of interest established and adjusted by the Bank from time to time as a reference rate for purposes of determining rates of interest it will charge on loans denominated in Canadian dollars and which was 2.50% on June 29, 2010;

"Bank's U.S. Base Rate" means the variable annual rate of interest established and adjusted by the Bank from time to time as a reference rate for purposes of determining rates of interest it will charge on loans denominated in United States dollars in Canada based on a year of 360 days, and which was 3.75% on June 29, 2010;

"Business Day" means a day upon which the Bank is open for business in the branch first above written;

"Canadian Dollar Equivalent" means at any time on any date in relation to any amount in a currency other than Canadian dollars, the amount of Canadian dollars required for the Borrower to purchase that amount of such other currency at the rate of exchange quoted by the Bank at or about 8:00 a.m. Pacific time on such date, including all premiums and costs of exchange;

"Compensating Amount" means an amount determined by the Bank to be the net cost, if any, incurred by the Bank as a direct result of the repayment of all or a portion of a Loan accruing interest at the Bank's Fixed Rate or based on LIBOR, on a date other than the expiration of the selected interest period or LIBOR Period, respectively, including, without limitation, the loss or expense sustained or incurred by the Bank relating to such payment based on the rate at which the Bank can lend the amount prepaid into the wholesale market for balance of the said interest period or LIBOR Period. A certificate of a manager or account manager of the Bank shall, absent manifest error, be conclusive evidence of the Compensating Amount from time to time;

"Facility Letter" means the letter from the Bank to the Borrower to which this Schedule is attached, together with this Schedule, and includes all amendments and replacements thereof;

"Governmental Authority" means any governmental, legislative, or regulatory authority, agency, commission, board or court, tribunal or other law, regulation or rule making entity having or purporting to have jurisdiction on behalf of any nation, province, or city;

"Guarantor(s)" means the party or parties who have or are to execute a guarantee or guarantees of the indebtedness of the Borrower under or in connection with this Facility Letter and the Security Documents;

"Insured Receivables" means those accounts receivable of the Borrower insured for payment by Export Development Canada or similar insurer approved by the Bank;

"Legal Requirement" means all laws, statutes, codes, ordinances, orders, awards, judgments, decrees, injunctions, rules, regulations, authorizations, consents, approvals, orders, permits, franchises, licences, directions and requirements of any Governmental Authority or otherwise;

"LIBOR" means with respect to a particular LIBOR Period, the rate of interest (rounded upwards if necessary to the nearest full multiple of one-sixteenth of one percent) at which the Bank, in accordance with its normal practice, would be prepared to offer to leading banks on the London prime inter-bank market for delivery on the first day of the applicable LIBOR Period approved by the Bank and for a period equal to such LIBOR Period based on the number of days comprised therein, a deposit of a comparable amount of United States dollars to be outstanding during such LIBOR Period, at or about 11:00 a.m. London, England local time, two Business Days prior to the commencement of the LIBOR Period;

"LIBOR Period" means a period of one, two, three, four, five or six months or 360 days but expiring not later than the final date for payment of the subject Loan;

"Off-Balance Sheet Arrangements" means any transaction, agreement or other contractual arrangement between the Borrower and an entity that is not consolidated on the Borrower's financial statements, under which the Borrower may have: (i) any obligation under a direct or indirect guarantee or similar arrangement; (ii) a retained or contingent interest in assets transferred to an unconsolidated entity, (iii) derivatives, to the extent that the financial statements do not fully reflect fair value thereof as a liability or asset; or (iv) any obligation or liability, including a contingent obligation or liability, to the extent that it is not fully reflected in the Borrower's financial statements;

"Required Notice" means a notice in form and content approved by the Bank given to the branch of the Bank referred to above not later than 10:30 a.m. local time three Business Days immediately preceding the date on which:

(a) an advance is to be made;

(b) a rollover is to be made from one interest option to another;

(c) a banker's acceptance is to be issued for acceptance by the Bank; or

(d) a letter of credit is to be issued by the Bank;

as the case may be, stating the date, amount and term of the requested advance or rollover, or particulars of the banker's acceptance or letter of credit.

With respect to the foregoing, a certificate of a manager or account manager of the Bank shall be prima facie evidence of the Bank's Fixed Rate, the Bank's Prime Rate, the Bank's U.S. Base Rate and LIBOR, from time to time.

"Priority Claims" means any lien, claim, charge, security interest, trust claim, right or encumbrance of any Governmental Authority or other party (whether arising under any statute, law, contract or otherwise) having priority over the Security Documents and the mortgage, charge and security interest of the Bank in any of the inventory or accounts receivable of the Borrower.

II. Representations and Warranties

If a corporation, the Borrower and each Guarantor represents and warrants, as at the time of drawing under or other utilization of the Loan(s), that:

(a) it has been duly incorporated and organized, is properly constituted, is in good standing and is entitled to conduct its business in all jurisdictions in which it carries on business or has assets;

(b) the execution of the Facility Letter and the Security Documents and the incurring of liability and indebtedness to the Bank does not and will not contravene:

   (i) any Legal Requirement applicable to the Borrower and each Guarantor, respectively; or

   (ii) any provision contained in any other loan or credit agreement or borrowing instrument or contract to which the Borrower and each Guarantor, respectively, is a party;

(c) the Facility Letter and the Security Documents to which it is a party have been duly authorized, executed and delivered by the Borrower and each Guarantor, and constitute valid and binding obligations of the Borrower and each Guarantor, as the case may be, and are enforceable in accordance with their respective terms;

(d) all necessary Legal Requirements have been met and all other authorizations, approvals, consents and orders have been obtained with respect to the Loan(s) and the execution and delivery of the Security Documents.

Each of the Borrower and the Guarantor(s) also represents and warrants to the Bank that all financial and other information provided to the Bank in connection with the Loan(s) is true and accurate, and acknowledges that the offer of credit contained in the Facility Letter is made in reliance on the truth and accuracy of this information and the above representations and warranties.

III. Interest, Fees Payment and Rights

(a) Interest on the daily balance of the principal amount advanced under the Loan(s) and remaining unpaid from time to time shall be payable by the Borrower as set out in the Facility Letter both before and after demand, maturity, default and judgment;

(b) In the case of interest at the Bank's Fixed Rate, based on the Bank's Prime Rate and the Bank's U.S. Base Rate, interest shall be compounded and payable on the last day of each month;

(c) In the case of interest based on LIBOR, interest shall be payable on the expiration of the LIBOR Period selected by the Borrower or every 3 months, whichever is earlier;

(d) If the Borrower repays any portion of the Loan(s) accruing interest at the Bank's Fixed Rate or based on LIBOR on a date other than the expiration of the selected interest period or LIBOR Period, as the case may be, whether as a result of a demand for repayment by the Bank or otherwise, it shall also concurrently pay to the Bank the greater of:

  (i) three months' interest on the portion prepaid at the Bank's Fixed Rate or based on the applicable rate above LIBOR, as the case may be; and,

  (ii) the applicable Compensating Amount;

(e) Interest based on the Bank's U.S. Base Rate and on LIBOR shall be computed on the basis of a year of 360 days and for actual days that the amounts are outstanding under the Loan(s) on this basis. For the purpose of the Interest Act, the annual rate of interest to which interest computed on the basis of a year of 360 days is equivalent is the rate of interest as provided in the Facility Letter multiplied by the number of days in such year and divided by 360;

(f) Loan(s) made available at the Bank's Fixed Rate or based on LIBOR, and banker's acceptances, shall be drawn in the minimum amount of $500,000 and integral multiples of $100,000 for periods of one, two, three, four, five or six months in the case of banker's acceptances;

(g) Upon the expiration of a LIBOR Period, the term during which interest is accruing at the Bank's Fixed Rate, or on payment by the Bank on the maturity of a banker's acceptance, unless another interest rate option is selected by the Borrower, interest shall accrue at the applicable rate in the Facility Letter based on the Bank's Prime Rate or the Bank's U.S. Base Rate, as the case may be, depending on whether the funds are outstanding in Canadian or United States dollars;

(h) The fees collected by the Bank shall be its property as consideration for the time, effort and expense incurred by it in the review and administration of documents and financial statements, and the Borrower acknowledges and agrees that the determination of these costs is not feasible and that the fees set out in the Facility Letter represent a reasonable estimate of such costs;

(i) Any amounts which become payable to the Bank under the Facility Letter or the Security Documents and which are not paid when due shall accrue interest and be payable from the due date at the Bank's Prime Rate plus 3% per annum, compounded monthly and payable on the last day of each month, both before and after demand, maturity, default and judgment, if no other interest rate is expressed for such amounts;

(j) All payments by the Borrower to the Bank shall be made at the address of the branch of the Bank set out on the first page of the Facility Letter or at such other place as the Bank may specify in writing from time to time. Any payment delivered or made to the Bank by 1:00 p.m. local time at the place where such payment is to be made shall be credited as of that day, but if made afterwards shall be credited as of the next day on which the said branch is open for business;

(k) Notwithstanding anything to the contrary contained in the Facility Letter, the Bank may, in its discretion, make an advance under the Loan(s) to pay any unpaid interest or fees which have become due under the terms of the Facility Letter;

(l) The Borrower acknowledges that the actual recording of the amount of any advance or repayment thereof under the Loan(s), and interest, fees and other amounts due in connection with the

Loan(s), in an account of the Borrower maintained by the Bank shall constitute prima facie evidence of the Borrower's indebtedness and liability from time to time under the Loan(s); provided that the obligation of the Borrower to pay or repay any indebtedness and liability in accordance with the terms and conditions of the Loan(s) shall not be affected by the failure of the Bank to make such recording. The Borrower also acknowledges being indebted to the Bank for principal amounts shown as outstanding from time to time in the Bank's account records, and all accrued and unpaid interest in respect of such amounts, in accordance with the terms and conditions of this Facility Letter;

(m) The obligation of the Borrower to make all payments under the Facility Letter and the Security Documents shall be absolute and unconditional and shall not be limited or affected by any circumstance, including, without limitation:

 (i) any set-off, compensation, counterclaim, recoupment, defence or other right which the Borrower may have against the Bank or anyone else for any reason whatsoever; or

 (ii) any insolvency, bankruptcy, reorganization or similar proceedings by or against the Borrower;

(n) In addition to and not in limitation of any rights now or hereafter available to the Bank whether applicable law or arising in the Security Documents, the Bank is authorized, at any time and from time to time, upon delivery of written notice to the Borrower to set-off and appropriate and to apply any and all deposits (general and special) and any other indebtedness at any time held by or owing by the Bank to or for the credit of the Borrower against and on account of the obligations and liabilities of the Borrower to the Bank under this Facility Letter. The Bank agrees to provide written notice of the exercise of any of the rights under this section immediately after the exercise of such rights;

(o) The remedies, rights and powers of the Bank under this Facility Letter, the Security Documents and at law and in equity are cumulative and not alternative and are not in substitution for any other remedies, rights or powers of the Bank and no delay or omission in exercise of such remedy, right, or power shall exhaust such remedies, rights or powers or be construed as a waiver of any of them.

IV. Conditions Precedent

In addition to the Conditions Precedent previously set out, it shall also be a condition precedent to the initial advance and continued availability of the Loan(s) that the Bank shall have received:

(a) The Security Documents completed and, where necessary, registered in form and manner satisfactory to the Bank's solicitors;

(b) Satisfactory banker's and/or other agency reports on the financial position of the Borrower, the Guarantor(s) and such customers of the Borrower as the Bank may specify from time to time;

(c) Verification of insurance arranged by the Borrower conforming to the Bank's requirements;

(d) confirmation that the Borrower is in compliance with each of the terms and conditions of the Facility Letter.

V. Borrower's Covenants and Conditions

In addition to the conditions previously set out, the following conditions shall apply until the Loan(s) are repaid in full and cancelled:

(a) The Borrower shall not, without the prior written consent of the Bank:

(i) grant or allow any lien, charge, security interest, privilege, hypothec or other encumbrance, whether fixed or floating, to be registered against or exist on any of its assets and in particular, without limiting the generality of the foregoing, shall not grant a trust deed or other instrument in favour of a trustee;

(ii) become guarantor or endorser or otherwise become liable upon any note or other obligation other than in the normal course of business of the Borrower;

(iii) declare or pay dividends on any class or kind of its shares, repurchase or redeem any of its shares or reduce its capital in any way whatsoever or repay any shareholders' advances;

(iv) amalgamate with or permit all or substantially all of its assets to be acquired by any other person, firm or corporation or permit any reorganization or change of control of the Borrower;

(v) permit any property taxes or strata fees to be past due at any time.

(b) The Bank shall have the right to waive the delivery of any Security Documents or the performance of any term or condition of the Facility Letter, and may advance all or any portion of the Loan(s) prior to satisfaction of any of the Conditions Precedent, but waiver by the Bank of any obligation or condition shall not constitute a waiver of performance of such obligation or condition in the future;

(c) All financial terms and covenants shall be determined in accordance with generally accepted accounting principles, applied consistently;

(d) If the amount outstanding under any Loan in Canadian dollars plus the Canadian Dollar Equivalent of the amount outstanding under any Loan in a currency other than Canadian dollars at any time exceeds the amount authorized under that Loan, the Bank may, from time to time, in its sole discretion:

(i) limit the further utilization of that Loan;

(ii) convert all or part of the amount outstanding under that Loan to Canadian Dollars in which event, interest shall accrue and be paid on such converted amounts at the rate set out in the Facility Letter for Canadian dollar advances accruing interest with reference to the Bank's Prime Rate. If no such rate is set out in the Facility Letter, interest shall accrue on the amount so converted at the Bank's Prime Rate plus 3.00% per annum, compounded monthly and payable on the last day of each month, both before and after demand, maturity, default and judgment, until paid;

(iii) require the Borrower to pay off the excess;

(e) The Borrower shall indemnify the Bank against any loss incurred by it as a result of any judgment or order being given or made for the payment of any amount due under the Facility Letter or the Security Documents, where:

(i) such judgment or order is expressed and paid in a currency (the "Judgment Currency") other than the currency of an outstanding loan (the "Loan Currency"); and

(ii) there is a variation between:

(A) the rate of exchange at which the Loan Currency amount is converted into the Judgment Currency for the purposes of such judgment or order, and

(B) the rate of exchange at which the Bank is able to purchase the Loan Currency with the amount of the Judgment Currency when actually received by the Bank.

The foregoing indemnity shall constitute a separate and independent obligation of the Borrower and shall apply irrespective of any indulgence granted to the Borrower from time to time, and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

VI. Environmental Matters

(a) To the best of the Borrower's knowledge after due and diligent inquiry, no regulated, hazardous or toxic substances are being stored on any of the Borrower's lands, facilities or premises (the "Premises") or any adjacent property, nor have any such substances been stored or used on the Premises or in the Borrower's business or any adjacent property prior to the Borrower's ownership, possession or control of the Premises. The Borrower agrees to provide written notice to the Bank immediately upon the Borrower becoming aware that the Premises or any adjacent property are being or have been contaminated with regulated, hazardous or toxic substances. The Borrower shall not permit any activities on the Premises which directly or indirectly could result in the Premises or any other property being contaminated with regulated, hazardous or toxic substances. For the purposes of the Facility Letter, the term "regulated, hazardous or toxic substances" means any substance, defined or designated as hazardous or toxic wastes, hazardous or toxic material, a hazardous, toxic or radioactive substance or other similar term, by any applicable federal, provincial or local statute, regulation or ordinance now or in the future in effect, or any substance or materials, the use or disposition of which is regulated by any such statute, regulation or ordinance;

(b) The Borrower shall promptly comply with all statutes, regulations and ordinances, and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction, relating to the use, collection, storage, treatment, control, removal or cleanup of regulated, hazardous or toxic substances in the Borrower's business or in, on, or under the Premises or in, on or under any adjacent property that becomes contaminated with regulated, hazardous or toxic substances as a result of construction, operations or other activities on, or the contamination of, the Premises, or incorporated in any improvements thereon. The Bank may, but shall not be obligated to, enter upon the Premises and take such actions and incur such costs and expenses to effect such compliance as it deems advisable and the Borrower shall reimburse the Bank on demand for the full amount of all costs and expenses incurred by the Bank in connection with such compliance activities;

(c) The assets of the Borrower which are now or in the future encumbered by the Security Documents are hereby further mortgaged and charged to the Bank, and the Bank shall have a security interest in such assets, as security for the repayment of such costs and expenses and interest thereon, as if such costs and expenses had originally formed part of the Loan(s).

VII. Bank Visits

Representatives of the Bank shall be entitled to attend at the Borrower's business premises and to view all financial records of the Borrower at any time, on reasonable notice.

VIII. Legal and Other Expenses

The Borrower shall pay all reasonable legal fees and disbursements (on a solicitor and own client basis) in respect of the Loan(s), the preparation, issue and registration of the Security Documents, the enforcement and preservation of the Bank's rights and remedies under this Facility Letter and the Security Documents, and all reasonable fees and costs relating to appraisals, insurance consultation, credit reporting and responding to demands of any government or any agency or department thereof, whether or not the documentation is completed or any funds are advanced under the Loan(s).

IX. Syndication

The Bank shall have the right to syndicate all or any portion of the Loan(s).

X. Non-Merger and Non-Assignment

This Facility Letter shall, on execution by the Borrower and each Guarantor, replace all previous facility letters from the Bank to the Borrower with respect to the Loan(s). Any existing loan to the Borrower shall be modified, not refinanced, without novation of the Borrower's existing facilities or obligations, by virtue of the Facility Letter unless otherwise provided in the Facility Letter. The terms and conditions of the Facility Letter shall not be merged by and shall survive the execution of the Security Documents. In the event of a conflict between the terms of this Facility Letter and the terms of the Security Documents, the terms of this Facility Letter shall prevail to the extent of such conflict.

The benefits conferred by this Facility Letter shall enure to the benefit of the Bank and its successors and assigns and shall be binding on the Borrower and Guarantor and their successors and permitted assigns.

Neither the Borrower nor the Guarantor shall assign all or any of its rights, benefits or obligations under this Facility Letter without the prior written consent of the Bank.

XI. Waiver or Variation

No term or condition of the Facility Letter or any of the Security Documents may be waived or varied verbally or by any course of conduct of any officer, employee or agent of the Bank. All waivers must be in writing and signed by the waiving party.

Any amendment to the Facility Letter or the Security Documents must be in writing and signed by a duly authorized officer of the Bank.

XII. Consent and Acknowledgement to Collection, Use and Disclosure of Information

When it is necessary for providing products and services to the Borrower or any Guarantor, **the Borrower and each Guarantor consents to the Bank obtaining from any credit-reporting agency or**

from any person any information (including personal information) that the Bank may require at any time. The Borrower and each Guarantor also consent to the disclosure at any time by the Bank any information concerning the Borrower and any Guarantor to any credit grantor, to any credit reporting agency, or to the Bank's subsidiaries and affiliates. If applicable, the Borrower also authorizes the Bank to release the information contemplated by any builder's lien or similar legislation to all persons claiming a right to such information under such legislation. The Borrower and each Guarantor may refuse or withdraw these consents; however this may result in the Bank cancelling or withholding products or services for which these consents are necessary. Unless each Guarantor advises the Bank otherwise, the Bank may use the each Guarantor's social insurance number to help ensure accurate credit enquiries.

XIII. Time of Essence

Time shall be of the essence of the Facility Letter.

XIV. Governing Law

This Facility Letter and, unless otherwise specified therein, all other documents or instruments delivered in accordance with this Facility Letter shall be governed by and interpreted in accordance with the laws of the Province of British Columbia (the "Governing Jurisdiction") and the laws of Canada applicable therein. The Borrower and Guarantor irrevocably submit to the exclusive jurisdiction of the courts in the Governing Jurisdiction.

FEES FOR COLLECTIONS AND DOCUMENTARY CREDITS

Note:
1. Out-of-pocket expenses are in addition to the charges outlined.
2. All fees are to be assessed in the currency of the transaction for USD, CAD or EUR transaction. For any other currency, CAD equivalent shall apply.
3. Standard pricing will apply on all other charges not itemized here

IMPORT DOCUMENTARY CREDITS

A. OPENING COMMISSION

(i)	Irrevocable D/C's with sight draft	0.35% for first 60 days or part thereof. 0.10% for each additional 30 days Minimum $125.
(ii)	Irrevocable D/C's with Usance Draft	irrevocable D/C opening commission during the pre-acceptance period as in A.(i); PLUS 0.15%,for each 30 days, minimum $125. Usance period fee to be collected when payment is effected.
(iii)	Back to Back D/C	same as in A.(i) and (ii), except minimum $200.
(iv)	Revolving D/C	0.50% for first 30 days or part thereof; 0.10% for each additional 30 days or part thereof, minimum $125.

All opening commission, together with full cable charges of $50 are payable in full at the time of issuance of D/C.

B. AMENDMENTS

(i) $75 per amendment.

(ii) For increased amounts, extension of validity or changes in usance A.(i)/(ii) shall apply, minimum $75.

All amendment fees, together with cable charges of $50 are payable in full at the time of amendment except when same is payable by Beneficiary.

C.	DRAWING COMMISSION	0.1%, minimum $50 per drawing.
D.	SHIPPING GUARANTEES	$100 the first 30 days; $50 each additional 30 days.
E.	OUT-OF-POCKET EXPENSES	To be reimbursed as applicable.

EXPORT DOCUMENTARY CREDIT

A.	ADVISING FEE	$75 flat
B.	AMENDMENT COMMISSION	$75 flat
C.	TRANSFER	
	Issuing Fee	0.20% flat, minimum $250.
	Amendment	$100 For increased amount, additional issuing fee, minimum $75 shall apply.

All transfer issuing and amendment fees, together with cable charges of $50 are payable in full at the time of issuance and amendment.

D. NEGOTIATION FEE — 0.125% on face value of D/C, minimum $150.

E. CONFIRMATION FEE

Subject to country risk and Bank availability and premiums at the discretion of the Bank, minimum 0.125% per month (1.5% per annum), minimum $250.

F. ACCEPTANCE COMMISSION

Subject to country risk and Bank availability and premiums at the discretion of the Bank, minimum 0.125% per month, minimum $250.

G. DISCREPANT DOCUMENTS

$75 flat for documents requiring re-checking after first presentation.

H. ASSIGNMENT OF PROCEEDS (Letter of Direction)

0.10% on assigned value, minimum $200.

I. DC NON-UTILIZATION FEE — $75 flat (payable at expiry).

J. OUT-OF-POCKET EXPENSES — To be reimbursed as applicable.

DOCUMENTARY COLLECTION (under provisions of ICC Publication 522).

A. INWARD DOCUMENTARY COLLECTION

Documentary either D/P or D/A: 0.25%, minimum $100.

Cable: $40 per cable.

B. OUTWARD DOCUMENTARY COLLECTION

Documentary either D/P or D/A: 0.25%, minimum $100.

Cable: $40 per cable.

C. ENDORSEMENT FEE

$100 flat for adding endorsement to transport documents to facilitate the release of shipment.

D. AVALIZE / GUARANTEE PAYMENT FEE

0.175% every 30 days, minimum $150 per quarter.

E. CLEAN COLLECTIONS

0.10%, Min. $25, when paid plus Out-of-Pocket expenses.

F. OUT-OF-POCKET EXPENSES

To be reimbursed as applicable.

C

This is **Exhibit "C"** referred to in the Affidavit of Karla McCarthy made before me at Vancouver, British Columbia, on this 2nd day of December, 2010.

____

A Commissioner for taking Affidavits for British Columbia

THIS GENERAL SECURITY AGREEMENT dated for reference 28th day of March, 2007 is made:

BY:

KINETEX INC., (AB Corporate Access Number 205696222) having an office at 515 - 70th Avenue, Calgary, Alberta, T2V 0P5
S.W.

(the "**Debtor**")

IN FAVOUR OF:

HSBC BANK CANADA a Canadian chartered bank, having a branch office at 6168 No. 3 Road, Richmond, British Columbia, V6Y 2B3

(the "**Bank**")

1. **SECURITY**

1.1. For value received, the Debtor grants and creates the security constituted by this General Security Agreement and agrees to the terms, covenants, agreements, conditions, provisos and other matters set out in this General Security Agreement.

1.2. As general and continuing security for the Obligations, but subject to the exception contained in clause 1.5, the Debtor:

1.2.1. hereby grants to the Bank, by way of mortgage, charge, assignment and transfer, a security interest in all presently owned and hereafter acquired personal property of the Debtor of whatsoever nature and kind and wheresoever situate and all Proceeds thereof and therefrom, renewals thereof, Accessions thereto and substitutions therefor (collectively, the "Personal Property Collateral"), including, without limiting the generality of the foregoing, all the presently owned or held and hereafter acquired right, title and interest of the Debtor in and to all Goods (including all accessories, attachments, additions and Accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Licences, Money, Securities, and all:

(a) Inventory of whatsoever nature and kind and wheresoever situate;

(b) Equipment (other than Inventory) of whatsoever nature and kind and wheresoever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature and kind;

(c) book accounts and book debts and generally all Accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit, letters of guarantee and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor (all of which are herein collectively called the "Debts");

(d) deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;

(e) contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property;

(f) monies other than trust monies lawfully belonging to others; and

(g) personal property described in any schedule now or hereafter annexed hereto; and

1.2.2. hereby charges as and by way of a floating charge in favour of the Bank all the presently owned or held and hereafter acquired property, assets, effects and undertakings of the Debtor of whatsoever nature and kind and wheresoever situate, other than such of the property, assets, effects and undertakings of the Debtor as are validly and effectively subjected to the security interest granted to the Bank pursuant to clause 1.2.1, (all of which property, assets, effects and undertakings so charged by this clause 1.2.2 are herein collectively called the "Other Collateral") including, without limiting the generality of the foregoing, all presently owned or held and hereafter acquired:

(a) right, title and interest of the Debtor in and to real and immovable and leasehold property and rights whether in fee or of any lesser estate and all interest in and rights relating to lands and all easements, rights of way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held and all structures, buildings, plant, machinery, fixtures, apparatus and fixed assets; and

(b) businesses, goodwill and uncalled capital of the Debtor;

provided that the Debtor shall not have power without the prior written consent of the Bank to:

(c) create or permit to exist any Encumbrance against any of the Other Collateral which ranks or could in any event rank in priority to or pari passu with the security constituted by this General Security Agreement save for Permitted Encumbrances; or

(d) grant, sell, exchange, transfer, assign, lease or otherwise dispose of the Other Collateral.

1.3. In this General Security Agreement:

1.3.1. the Personal Property Collateral and the Other Collateral are herein together called the "Collateral";

1.3.2. "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof";

1.3.3. "Debtor" and the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more corporations and, if more than one Debtor executes this General Security Agreement, this General Security Agreement shall apply and be binding upon each of them jointly and severally and all obligations hereunder shall be joint and several;

1.3.4. "Encumbrance" means any mortgage, charge, assignment, hypothecation, security interest or other encumbrance;

1.3.5. "Facility Letter" means the facility letter from the Bank to the Debtor dated on or about February 7, 2007 and any modifications, supplements or replacements thereof;

1.3.6. "General Security Agreement" shall, unless the context otherwise requires, be deemed a reference to this General Security Agreement as amended from time to time by written agreement, together with any schedules now or hereafter attached hereto;

1.3.7. "PPSA" means the *Personal Property Security Act* (Province of Alberta) as amended from time to time, including any amendments thereto and any Act substituted therefor and amendments thereto;

1.3.8. "Permitted Encumbrances" means the Encumbrances described in any schedule of Permitted Encumbrance attached to this General Security Agreement, and any Encumbrances consented to in writing by the Bank;

1.3.9. the terms "Goods", "Chattel Paper", "Documents of Title", "Equipment", "Accounts" "Consumer Goods", "Instruments", "Intangibles", "Licences", "Money", "Securities", "Proceeds", "Inventory" and "Accessions" and other words and expressions which have been defined in the PPSA shall be interpreted in accordance with their respective meanings given in the PPSA, unless otherwise defined herein or unless the context otherwise requires.

1.4. The Bank and the Debtor have not agreed to postpone the time for attachment of the security interest granted hereby and the Debtor and the Bank intend that the security interest granted hereby shall attach to presently owned or held Personal Property Collateral forthwith upon execution of this General Security Agreement and shall attach to hereafter acquired Personal Property Collateral forthwith upon acquisition of any right, title and interest of the Debtor in such Collateral.

1.5. The last 10 days of the term created by any lease of real property or agreement therefor are hereby excepted out of the security constituted by this General Security Agreement but the Debtor shall stand possessed of the reversion thereby remaining upon trust to assign and dispose thereof to any third party as the Bank shall direct.

2. OBLIGATIONS SECURED

2.1. The security constituted by this General Security Agreement is general and continuing security for payment, performance and satisfaction of each and every obligation, indebtedness and liability of the Debtor to the Bank (including interest thereon), present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate unpaid balance thereof, including all future advances and re-advances, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Debtor be bound alone or with another or others and whether as principal or surety (all of which obligations, indebtedness and liabilities are herein collectively called the "Obligations").

2.2. This General Security Agreement and the security constituted hereby are in addition to and not in substitution for any other security or securities which the Bank may now or from time to time hold or take from the Debtor or from any other person whomsoever.

3. REPRESENTATIONS AND WARRANTIES OF THE DEBTOR

3.1. The Debtor represents and warrants that, and, so long as this General Security Agreement remains in effect, shall be deemed to continuously represent and warrant that:

3.1.1. this General Security Agreement has been authorized, executed and delivered in accordance with resolutions of the directors (and of the shareholders as applicable) of the Debtor and all other matters and things have been done and performed so as to authorize and make the execution and delivery of this General Security Agreement, the creation of the security constituted hereby and the performance of the Debtor's obligations hereunder, legal, valid and binding;

3.1.2. the Collateral is genuine and is owned by the Debtor free of all Encumbrances save for the security constituted by this General Security Agreement and any Permitted Encumbrances;

3.1.3. the Debtor has good and lawful authority to create the security in the Collateral constituted by this General Security Agreement;

3.1.4. each Debt, Chattel Paper and Instrument included in Collateral is enforceable in accordance with its terms against the party obliged to pay the same (the "Account Debtor"), and the amount represented by the Debtor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defense, set off, claim or counterclaim against the Debtor which can be asserted against the Bank, whether in any proceeding to enforce the Collateral or otherwise.

4. COVENANTS OF THE DEBTOR

4.1. The Debtor covenants and agrees that at all times while this General Security Agreement remains in effect the Debtor will:

4.1.1. defend the Collateral for the benefit of the Bank against the claims and demands of all other persons;

4.1.2. not, without the prior written consent of the Bank:

(a) create or permit to exist any Encumbrance against any of the Personal Property Collateral which ranks or could in any event rank in priority to or pari passu with the security constituted by this General Security Agreement save for any Permitted Encumbrances; or

(b) grant, sell, exchange, transfer, assign, lease or otherwise dispose of the Collateral;

provided that until default, the Debtor may sell or lease Inventory in the ordinary course of the Debtor's business;

4.1.3. fully and effectively maintain and keep maintained valid and effective the security constituted by this General Security Agreement;

4.1.4. notify the Bank promptly of:

(a) any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's name, the Debtor's business or the Collateral;

(b) the details of any significant acquisition of Collateral;

(c) the details of any claims or litigation affecting the Debtor or the Collateral;

(d) any material loss or damage to the Collateral;

(e) any default by any Account Debtor in payment or other performance of obligations of the Account Debtor comprised in the Collateral; and

(f) the return to, or repossession by, any third party of Collateral;

4.1.5. keep the tangible Collateral in good order, condition and repair (in such locations as the Bank may approve in writing and in such jurisdictions in which the Bank has perfected the security interests created hereby) and not use the Collateral in violation of the provisions of this General Security Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral, or any applicable statute, law, by-law, rule, regulation or ordinance;

4.1.6. carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral and, at the Bank's request, mark any and all such records and the Collateral so as to indicate the security constituted by this General Security Agreement;

4.1.7. forthwith pay:

(a) all obligations to its employees and all obligations to others which relate to its employees when due, including, without limitation, all taxes, duties, levies, government fees, claims and dues related to its employees;

(b) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish such security as the Bank may require; and

(c) all Encumbrances which rank or could in any event rank in priority to or pari passu with the security constituted by this General Security Agreement;

4.1.8. prevent the Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this General Security Agreement;

4.1.9. insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Bank shall reasonably direct (but in any event in accordance with prudent business practice and for not less than the full replacement cost thereof) with loss payable to the Bank and the Debtor, as insureds, as their respective interests may appear, and to pay all premiums for such insurance;

4.1.10. deliver to the Bank from time to time promptly upon request:

(a) any Documents of Title, Instruments, Securities and Chattel Paper comprised in or relating to the Collateral;

(b) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;

(c) all financial statements prepared by or for the Debtor regarding the Debtor's business;

(d) all policies and certificates of insurance relating to the Collateral; and

(e) such information concerning the Collateral, the Debtor and Debtor's business and affairs as the Bank may reasonably require;

4.1.11. forthwith pay all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) which may be incurred by the Bank in:

(a) inspecting the Collateral;

(b) negotiating, preparing, perfecting and registering this General Security Agreement and other documents, whether or not relating to this General Security Agreement;

(c) investigating title to the Collateral;

(d) taking, recovering, keeping possession of and insuring the Collateral;

(e) complying with any disclosure requirements under the PPSA; and

(f) taking all other actions and proceedings in connection with the preservation of the Collateral and the confirmation, perfection and enforcement of this General Security Agreement and of any other security held by the Bank as security for the Obligations;

4.1.12. at the Bank's request at any time and from time to time create in favour of the Bank, as security for the Obligations, a fixed charge or charges upon any of the Other Collateral;

4.1.13. at the Bank's request at any time and from time to time execute and deliver such further and other documents and instruments and do all other acts and things as the Bank reasonably requires in order to give effect to this General Security Agreement or to confirm and perfect, and maintain perfection of, the security constituted by this General Security Agreement in favour of the Bank;

4.1.14. permit the Bank and its representatives, at all reasonable times, access to all the Debtor's property, assets and undertakings and to all its books of account and records for the purpose of inspection and render all assistance necessary for such inspection; and

4.1.15. comply with the covenants of the Debtor set out in the Facility Letter.

5. PAYMENTS AND PROCEEDS

5.1. Before or after default under this General Security Agreement, the Bank may notify all or any Account Debtors of the security constituted by this General Security Agreement and may also direct such Account Debtors to make all payments on the Collateral to the Bank.

5.2. The Debtor acknowledges that any payments on or other proceeds of the Collateral received by the Debtor from Account Debtors, whether before or after notification to Account Debtors of the security constituted by this General Security Agreement, and whether before or after default under this General Security Agreement, shall be received and held by the Debtor in trust for the Bank and shall be paid over to the Bank forthwith upon request.

6. **BANK ACTIONS**

6.1. The Debtor hereby authorizes the Bank to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying the Collateral or any Permitted Encumbrances affecting the Collateral or identifying the locations at which the Debtor's business is carried on and the Collateral and records relating thereto are situate) as the Bank may deem appropriate to perfect and continue the security constituted hereby, to protect and preserve the Collateral and to realize upon the security constituted hereby and the Debtor hereby irrevocably constitutes and appoints the Bank the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient by the Bank.

6.2. The Bank may charge for its reasonable costs incurred in connection with any disclosure requirements under the PPSA.

6.3. If the Debtor fails to perform any of its Obligations hereunder, the Bank may, but shall not be obliged to, perform any or all of such Obligations without prejudice to any other rights and remedies of the Bank hereunder, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred in connection therewith shall be payable by the Debtor to the Bank forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall form part of the Obligations and constitute a charge upon the Collateral in favour of the Bank prior to all claims subsequent to this General Security Agreement.

7. **DEFAULT**

7.1. The Debtor shall be in default under this General Security Agreement, unless otherwise agreed in writing by the Bank, upon the occurrence of any of the following events:

7.1.1. the Debtor makes default in payment when due of any of the Obligations which are indebtedness or liabilities or the Debtor fails to perform or satisfy any other of the Obligations; or

7.1.2. the Debtor is in breach of any term, condition, proviso, agreement or covenant to the Bank, or any representation or warranty given by the Debtor to the Bank is untrue, whether or not any such term, condition, proviso, agreement or covenant, representation or warranty is contained in this General Security Agreement; or

7.1.3. the Debtor makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or

7.1.4. there is instituted by or against the Debtor any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against, or winding-up of affairs of, the Debtor; or

7.1.5. the Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets or commits or threatens to commit an act of bankruptcy; or

7.1.6. a receiver, receiver and manager or receiver-manager of all or any part of the Collateral or of any other property, assets or undertakings of the Debtor is appointed; or

7.1.7. any execution, sequestration, extent or other process of any court becomes enforceable against the Debtor or a distress or analogous process is levied upon the Collateral or any part thereof; or

7.1.8. an order is made or an effective resolution is passed for winding-up the Debtor; or

7.1.9. without the prior written consent of the Bank and except for any Permitted Encumbrance, the Debtor creates or permits to exist any Encumbrance against any of the Collateral which ranks or could in any event rank in priority to or pari passu with the security constituted by this General Security Agreement; or

7.1.10. the holder of any Encumbrance against any of the Collateral does anything to enforce or realize on such Encumbrance; or

7.1.11. the Debtor enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other person; or

7.1.12. the Bank in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy; or

7.1.13. any certificate, statement, representation, warranty or audit report at any time furnished by or on behalf of the Debtor to the Bank, whether in connection with this General Security Agreement or otherwise, and whether furnished as an inducement to the Bank to extend any credit to, or to enter into this or any other agreement with, the Debtor:

(a) proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified; or

(b) proves to have omitted any substantial contingent or unliquidated liability or claim against the Debtor;

or there has been a material adverse change in any of the facts disclosed by any such certificate, statement, representation, warranty or audit report, which change was not disclosed to the Bank at or prior to the time of execution of this General Security Agreement; or

7.1.14. a breach of any term, covenant, agreement, condition or proviso contained in, or the occurrence of an event of default which is continuing under the Facility Letter.

7.2. For the purposes of Section 203 of the *Land Title Act* (British Columbia), the floating charge created by this General Security Agreement over land shall become a fixed charge thereon upon the earliest of:

7.2.1. the occurrence of an event described in clauses 7.1.3, 7.1.4, 7.1.5, 7.1.6, 7.1.7 or 7.1.8; or

7.2.2. the Bank taking any action to enforce and realize on the security constituted by this General Security Agreement.

8. ENFORCEMENT

8.1. The Bank may make demand for payment at any time of any or all of the Obligations which are payable upon demand (whether or not there is any default under this General Security Agreement) and, upon any default under this General Security Agreement, the Bank may declare any or all of the Obligations which are not payable on demand to become immediately due and payable.

8.2. Upon default under this General Security Agreement, the security hereby constituted will immediately become enforceable.

8.3. To enforce and realize on the security constituted by this General Security Agreement the Bank may take any action permitted by law or in equity, as it may deem expedient, and in particular, without limiting the generality of the foregoing, the Bank may do any one or more of the following:

8.3.1. appoint by instrument a receiver, receiver and manager or receiver-manager (the person so appointed is herein called the "Receiver") of the Collateral, with or without bond as the Bank may determine, and from time to time in its sole discretion remove such Receiver and appoint another in its stead;

8.3.2. enter upon any premises of the Debtor and take possession of the Collateral with power to exclude the Debtor, its agents and its servants therefrom, without becoming liable as a mortgagee in possession;

8.3.3. preserve, protect and maintain the Collateral and make such replacements thereof and repairs and additions thereto as the Bank may deem advisable;

8.3.4. sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefor and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Bank may seem reasonable, provided that the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received; and

8.3.5. exercise all of the rights and remedies of a secured party under the PPSA.

8.4. A Receiver appointed pursuant to this General Security Agreement shall be the agent of the Debtor and not of the Bank and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of the Bank hereunder, and in addition shall have power to carry on the business of the Debtor and for such purpose from time to time to borrow money either secured or unsecured, and if secured by a security on any of the Collateral, any such security may rank in priority to or pari passu with or behind the security constituted by this General Security Agreement, and if it does not so specify such security shall rank in priority to the security constituted by this General Security Agreement.

8.5. Any costs, charges and expenses (including legal fees and disbursements on a solicitor and his own client basis) incurred by the Bank in connection with or incidental to:

8.5.1. the exercise by the Bank of all or any of the powers granted to it pursuant to this General Security Agreement; and

8.5.2. the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted by the Receiver pursuant to this General Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;

shall be payable by the Debtor to the Bank forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall form part of the Obligations and constitute a charge upon the Collateral in favour of the Bank prior to all claims subsequent to this General Security Agreement.

8.6. Subject to applicable law and the claims, if any, of the creditors of the Debtor ranking in priority to the security constituted by this General Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this General Security Agreement will be applied as the Bank, in its sole discretion, may direct as follows:

FIRSTLY: in or toward payment of all costs, charges and expenses referred to in clauses 6.3 and 8.5, and other obligations owing under this General Security Agreement;

SECONDLY: in or toward payment to the Bank of all principal and other monies (except interest) unpaid in respect of the Obligations;

THIRDLY: in or toward payment to the Bank of all interest remaining unpaid in respect of the Obligations; and

FOURTHLY: any surplus will be paid to the Debtor.

9. **DEFICIENCY**

9.1. If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full to the Bank, the Debtor will immediately pay to the Bank the amount of such deficiency.

10. **RIGHTS CUMULATIVE**

10.1. All rights and remedies of the Bank set out in this General Security Agreement are cumulative and no right or remedy contained herein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or in any existing or future general security agreement or now or hereafter existing at law or in equity or pursuant to any other agreement between the Debtor and the Bank that may be in effect from time to time.

11. **APPOINTMENT OF ATTORNEY**

11.1. The Debtor hereby irrevocably appoints the Bank or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Bank or the Receiver, as the case may be, pursuant to this General Security Agreement.

12. **LIABILITY OF BANK**

12.1. The Bank shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Bank shall manage the Collateral upon entry or manage the business of the Debtor, as herein provided, nor shall the Bank be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss or realization or for any default or omission for which a mortgagee in possession may be liable.

12.2. The Bank shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall the Bank, in the case of Securities, Instruments or Chattel Paper, be obliged to reserve rights against other persons, nor shall the Bank be obliged to keep any of the Collateral identifiable.

12.3. The Bank shall not be obliged to inquire into the right of any person purporting to be entitled under the PPSA to information and materials from the Bank by making a demand upon the Bank for such information and materials and the Bank shall be entitled to comply with such demand and shall not be liable for having complied with such demand notwithstanding that such person may in fact not be entitled to make such demand.

12.4. The Debtor will indemnify the Bank and hold the Bank harmless from and against any and all claims, costs, losses, demands, actions, causes of action, lawsuits, damages, penalties, judgments and liabilities of whatsoever nature and kind in connection with or arising out of any representation or warranty given by the Debtor, being untrue, the breach of any term, condition, proviso, agreement or covenant to the Bank, or the exercise of any of the rights and or remedies of the Bank, or any transaction contemplated in this General Security Agreement.

12.5. The Debtor hereby waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Bank than provided in this General Security Agreement.

13. APPROPRIATION OF PAYMENTS AND OFFSET

13.1. Subject to any applicable provisions of the PPSA, any and all payments made in respect of the Obligations from time to time and monies realized from any security held therefor (including monies collected in accordance with or realized on any enforcement of this General Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank may at all times and from time to time change any appropriation as the Bank may see fit or, at the option of the Bank, such payments and monies may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or to the rights of the Bank hereunder.

13.2. Without limiting any other right of the Bank, whenever any of the Obligations is immediately due and payable or the Bank has the right to declare any of the Obligations to be immediately due and payable (whether or not it has so declared), the Bank may, in its sole discretion, set off against any of the Obligations any and all monies then owed to the Debtor by the Bank in any capacity, whether or not due and to do so even though any charge therefor is made or entered on the Bank's records subsequent thereto, and the Bank shall be deemed to have exercised such right to set off immediately at the time of making its decision.

14. LIABILITY TO ADVANCE, ETC.

14.1. Except to the extent that the Bank:

14.1.1. by accepting bills of exchange drawn on it by the Debtor; or

14.1.2. by issuing letters of credit or letters of guarantee on the application of the Debtor;

is required to advance monies on the maturity of such bills or pursuant to such letters of credit or letters of guarantee, as the case may be, none of the preparation, execution, perfection and registration of this General Security Agreement or the advance of any monies shall bind the Bank to make any advance or loan or further advance or loan, or renew any note or extend any time for payment of any indebtedness or liability of the

Debtor to the Bank or extend any term for performance or satisfaction of any obligation of the Debtor to the Bank.

14.2. Nothing herein contained shall in any way oblige the Bank to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Obligations or any of them.

15. WAIVER

15.1. No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any of the Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy.

15.2. The Bank may from time to time and at any time waive in whole or in part any right, benefit or default under any clause of this General Security Agreement but any such waiver of any right, benefit or default on any occasion shall be deemed not to be a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default, as the case may be.

16. EXTENSIONS

16.1. The Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security, and otherwise deal with the Debtor, Account Debtors of the Debtor, sureties and others and with the Collateral and other security as the Bank may see fit without prejudice to the liability of the Debtor or the Bank's right to hold and realize on the security constituted by this General Security Agreement.

17. ASSIGNMENT

17.1. The Bank may, without further notice to the Debtor, at any time mortgage, charge, assign, transfer or grant a security interest in this General Security Agreement and the security constituted hereby.

17.2. The Debtor covenants and agrees that the assignee, transferee or secured party of the Bank, as the case may be, shall have all of the Bank's rights and remedies under this General Security Agreement and the Debtor will not assert any defence, counterclaim, right of set-off or otherwise any claim which it now has or hereafter acquires against the Bank in any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

18. SATISFACTION AND DISCHARGE

18.1. Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to the Bank, shall be deemed not to be redemption or discharge of the security constituted by this General Security Agreement.

18.2. The Debtor shall be entitled to a release and discharge of the security constituted by this General Security Agreement upon full payment, performance and satisfaction of all Obligations, or the securing of the Obligations to the satisfaction of the Bank, and upon written request by the Debtor and payment to the Bank of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by the Bank in connection with the Obligations and such release and discharge.

19. **NO MERGER**

19.1. This General Security Agreement shall not operate so as to create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security in any form held or which may hereafter be held by the Bank from the Debtor or from any other person whomsoever.

19.2. The taking of a judgment with respect to any of the Obligations will not operate as a merger of any of the terms, conditions, covenants, agreements or provisos contained in this General Security Agreement.

19.3. The release and discharge of the security constituted by this General Security Agreement by the Bank shall not operate as a release or discharge of any right of the Bank to be indemnified and held harmless by the Debtor pursuant to clause 12.4 hereof or of any other right of the Bank against the Debtor arising under this General Security Agreement prior to such release and discharge.

20. **INTERPRETATION**

20.1. In this General Security Agreement:

20.1.1. the invalidity or unenforceability of the whole or any part of any clause shall not affect the validity or enforceability of any other clause or the remainder of such clause;

20.1.2. the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this General Security Agreement; and

20.1.3. when the context so requires, the singular shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

21. **NOTICE**

21.1. Whenever either the Bank or the Debtor is required or entitled to notify or direct the other or to make a demand upon or request of the other relating to the Collateral, this General Security Agreement or the PPSA, such notice, direction, demand or request shall be sufficiently given if given in writing and delivered to the party for whom it is intended:

21.1.1. personally;

21.1.2. by courier; or

21.1.3. by first class prepaid registered mail,

to the address of the applicable party set forth on the first page hereof, or such other address in respect of which either party may notify the other in accordance with the terms of this provision. Any notice given personally or by courier will be deemed to have been received at the time of delivery. Any notice given by first class prepaid registered mail will be deemed to have been given and received on the third day following the day on which it was sent, provided that, in the event of any actual or threatened disruption of postal service, such notice shall be delivered personally or by courier.

21.2. Where reference is made in this General Security Agreement to a number of days prior notice, then the number of days will be clear days and will not include the day on which the notice is sent or the day on which such notice is received. If the day on which such notice is received is a Saturday, Sunday or statutory holiday, then the date of receipt will be deemed to be the next business day following the Saturday, Sunday or statutory holiday.

22. VARIATION

22.1. Save for any schedules which may be hereafter attached hereto, no modification, variation or amendment of this General Security Agreement shall be made except by written agreement executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

23. ENUREMENT

23.1. This General Security Agreement shall enure to the benefit of the Bank and its successors and assigns and shall be binding upon the Debtor and its successors and permitted assigns.

24. COPY OF AGREEMENT AND FINANCING STATEMENT

24.1. The Debtor hereby:

24.1.1. acknowledges receiving a copy of this General Security Agreement; and

24.1.2. waives all rights to receive from the Bank a copy of any financing statement, financing change statement or verification statement filed at any time or from time to time in respect of this General Security Agreement.

25. GOVERNING LAW

25.1. The doctrine of consolidation shall apply to this Security Agreement and to all other mortgages and charges of the Debtor held by the Bank.

25.2. This General Security Agreement shall be governed by and construed in accordance with the laws of Province of Alberta

25.3. For the purpose of legal proceedings this General Security Agreement shall be deemed to have been made in British Columbia and to be performed there and the courts of such Province shall have jurisdiction over all disputes which may arise under this General Security Agreement and the Debtor hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of such courts, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the Debtor in the courts of any other Province, country or jurisdiction.

IN WITNESS WHEREOF the Debtor has executed this General Security Agreement on the day and year first above written.

KINETEX INC.
by its authorized signatory:

Any director or officer

D

This is **Exhibit** "__D__" referred to in the Affidavit of Karla McCarthy made before me at Vancouver, British Columbia, on this 2nd day of __December__, 2010.

A Commissioner for taking Affidavits for British Columbia

BC OnLine: PPRS SEARCH RESULT 2010/12/01
Lterm: XPSP0050 For: PB92177 FASKEN MARTINEAU DUMOULIN LLP 12:04:02

Index: BUSINESS DEBTOR
Search Criteria: KINETEX MULTI-COMPONENT

**************** P P S A S E C U R I T Y A G R E E M E N T ****************

Reg. Date: APR 03, 2007 Reg. Length: 5 YEARS
Reg. Time: 11:23:22 Expiry Date: APR 03, 2012
Base Reg. #: 591111D Control #: B7937145

This registration was selected and included for your protection because of close proximity to your search criteria.

Block#

S0001 Secured Party: HSBC BANK CANADA
FORTUNA HOUSE
6168 NO. 3 ROAD
RICHMOND BC V6Y 2B3

+++ Base Debtor: KINETEX INC
(Business) 515 - 70TH AVENUE
CALGARY AB T2V 0P5

Vehicle Collateral:

Block#	Type	Serial #	Year	Make/Model	MH Reg.#
+++	MV	2FDKF38F9TCA47621	1996	FORD CONVENTIONAL TRUCK	
+++	MV	1FDAF57F3XEB93411	1999	FORD F550	
V0003	MV	1GDL7H1P6MJ518662	1991	GMC F550	
V0004	MV	1GDJ6H1J1SJ512528	1995	GMC TOPKICK	
V0005	MV	2S3TA01C1P6400221	1993	SUZUKI SIDEKICK	
V0006	MV	2CKBJ18V9M6906947	1991	GMC TRACKER	
V0007	MV	1HTSCABM1VH492748	1997	INTERNATIONAL 4700 5 TON	
V0008	MV	1HTSDAAN5XH684510	1999	INTERNATIONAL 4900 5 TON	
V0009	MV	1B7MF36D9VJ540430	1997	DODGE 3500	
V0010	MV	1D7HU18N53J551753	2003	DODGE 1500	
V0011	MV	4VGWDBRH8VN740013	1997	VOLVO WIA 64 TES SEMI	
V0012	MV	3B7MF33C32M298275	2002	DODGE 3500 R/C 4X4	
V0013	MV	3GNFK16R5WG135115	1998	CHEVROLET SUBURBAN	
+++	MV	3GKFK16R7XG502076	1999	GMC SUBURBAN	
V0015	TR	2T9SC21414B166023		TRAILER	
V0016	TR	2S9LN546611028151		SOUTHLAND FLAT DECK	
V0017	TR	5PYAT172961004711		TARNEL USA GOOSENECK	
V0018	MV	2SWUW11A94G219662		SNOWBEAR 400IHD	
V0019	TR	7160		EZ LOADER PONTOON	
V0020	MV	1237-00588		SCANDIC-SKIDOO SNOWMOBILE	
V0021	MV	1237-0528		SCANDIC-SKIDOO SNOWMOBILE	
V0022	MV	8BD-020358		YAMAHA SKIDOO SNOWMOBILE	
V0023	MV	8BD-023337		YAMAHA SKIDOO SNOWMOBILE	
V0024	MV	8BD-019156		YAMAHA SKIDOO SNOWMOBILE	
V0025	MV	39736		BRAVO SNOWMOBILE	
V0026	MV	39755		BRAVO SNOWMOBILE	
V0027	MV	4UF03ATV13T250573	2003	ARCTIC CAT TRV 500	
V0028	MV	4UF03ATV23T209367	2003	ARCTIC CAT 300 TRV	
V0029	MV	4UF03ATV93T249509	2004	ARCTIC CAT 500TRV	
V0030	MV	4XAJD50AX42197999	2004	POLARIS ATP 500	
V0031	MV	4UF04ATV14T204627	2004	ARCTIC CAT 400 TRV	

Continued on Page 2

Vehicle Collateral:

	Type	Serial #	Year	Make/Model	MH Reg.#
V0032	MV	4UF06ATV16T221537	2006	ARCTIC CAT 500 TRV	
V0033	MV	4UF06ATV26T221501	2003	ARCTIC CAT 500 TRV	
V0034	MV	4UF06ATV46T221421	2006	ARCTIC CAT 500 TRV	
V0035	MV	JKBVFHA156B560870	2006	KAWASAKI KVF 360	
V0036	MV	JKBVFHA126B559546	2006	KAWASAKI KVF 360	
V0037	BO	WRSSP813	2006	WEERES SPEC PONTOON BOAT	
V0038	BO	YBVDA185K506	2006	LUND ALUMINUM BOAT	
V0039	MV	WOO6221008437	2002	JOHN DEERE GATOR	
V0040	MV	JYE8BD0017A040879	2007	YAMAHA BRAVO SNOWMOBILE	
V0041	MV	JYE8BD00X7A040895	2007	YAMAHA BRAVO SNOWMOBILE	
V0042	MV	JYE8BD0067A039579	2007	YAMAHA BRAVO SNOWMOBILE	
V0043	MV	1HFTE312264100351	2006	HONDA TRV 500FM6	
V0044	MV	1J8HR58205C669475	2005	JEEP GRAND CHEROKEE	
V0045	MV	1D7HU18N04J141606	2004	DODGE RAM 1500	
V0046	MV	1D7HU18N04J182074	2004	DODGE RAM 1500	
V0047	MV	1D7HU18N44S630357	2004	DODGE RAM 1500	
V0048	MV	1D7HU18N75S150766	2005	DODGE RAM 1500	
V0049	MV	1D7HU18N05S150785	2005	DODGE RAM 1500	
V0050	MV	1D7HU18N75S150752	2005	DODGE RAM 1500	
V0051	MV	3D7MX48C76G128068	2006	DODGE RAM 3500	
V0052	MV	3D7MU46C24G164999	2004	DODGE RAM 3500	
V0053	MV	1D7HU18N35S150828	2005	DODGE RAM 1500	
V0054	MV	1D7HU18N36J166048	2006	DODGE RAM 1500	
V0055	MV	3D7MX48C16G167335	2006	DODGE RAM 3500	
V0056	MV	1D7HU18N35J5860610	2005	DODGE RAM 1500	
V0057	MV	1D7HU18267J582912	2007	DODGE RAM PICKUP	
V0058	MV	4XAJD50AX42197899	2004	POLARIS ATP500	
V0059	MV	467	1995	BUGGY Y2400 FAILINGS	
V0060	MV	485	1995	BUGGY Y2400 FAILINGS	
V0061	MV	486	1995	BUGGY Y2400 FAILINGS	
V0062	MV	487	1995	BUGGY Y2400 FAILINGS	
V0063	MV	488	1995	BUGGY Y2400 FAILINGS	
V0064	MV	3509	2006	TRACK I.V.I DUAL ARRAY	
V0065	MV	513E 647CAC		666B SKIDDER	
V0066	MV	1DD05987	1994	CAT D5H LPG	
V0067	TR	2WZV2839V0006149	1997	GOERTZEN FIFTH WHEEL	
V0068	TR	4P5CF1627P1115745	1999	18 FT BEAVER TAIL	
V0069	TR	1178CW0374	1999	WELDING FIFTH WHEEL	
V0070	TR	4P5CH142532044405	2003	PJ CH142	
V0071	TR	2T9SC21414B165023	2004	UTILITY TRAILER SLED	
V0072	TR	1GBKP37W5G3309802	1986	WINNABAGO	
V0073	TR	2520583	1983	12 X 52 CAMP KITCHEN	
V0074	TR	771045W237KD	1977	10 X 45 KITCHEN/DINER	
V0075	TR	10012		6X8 TILT DECK TRAILER	
V0076	TR	EY3-6		10 X 50FT WASH CAR	
V0077	MV	SV250ST-655	1974	BOMBADIER SKI-DOZER	
V0078	MV	SV3D171D	1975	BOMBADIER 301-D	
V0079	MV	201810955	1991	BOMBADIER ATV	
V0080	MV	203760135	1991	BOMBADIER ATV	

General Collateral:
ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AND AN UNCRYSTALLIZED FLOATING CHARGE ON LAND.

Continued on Page 3

```
         Registering
               Party: LAWSON LUNDELL LLP
                      1600 925 WEST GEORGIA STREET
                      VANCOUVER BC  V6C 3L2

---------------- A M E N D M E N T  /  O T H E R   C H A N G E ----------------

                    Reg. #: 595063D              Reg. Date: APR 04, 2007
                                                 Reg. Time: 15:28:13
                                                 Control #: B7941924
            Base Reg. Type: PPSA SECURITY AGREEMENT
               Base Reg. #: 591111D         Base Reg. Date: APR 03, 2007

        Details Description:
         DEBTOR ADDRESS ENTERED INCORRECTLY
Block#

        ** DELETED **
  +++     Bus. Debtor: KINETEX INC
                       515 - 70TH AVENUE
                       CALGARY AB  T2V 0P5

        *** ADDED ***
  +++     Bus. Debtor: KINETEX INC
                       515 - 70TH AVENUE SW
                       CALGARY AB  T2V 0P5

         Registering
               Party: LAWSON LUNDELL LLP
                      1600 925 WEST GEORGIA STREET
                      VANCOUVER BC  V6C 3L2

--------------------- P A R T I A L   D I S C H A R G E ---------------------

                    Reg. #: 047650E              Reg. Date: NOV 21, 2007
                                                 Reg. Time: 11:27:35
                                                 Control #: B8407355
            Base Reg. Type: PPSA SECURITY AGREEMENT
               Base Reg. #: 591111D         Base Reg. Date: APR 03, 2007

        Vehicle Collateral:
        Type               Serial #     Year       Make/Model         MH Reg.#

        ** DELETED **
  +++     MV          1FDAF57F3XEB93411 1999  FORD F550

         Registering
               Party: CANADIAN SECURITIES REGISTRATION
                      SYSTEMS
                      4126 NORLAND AVENUE
                      BURNABY BC  V5G 3S8
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Continued on Page 4

--------------------- P A R T I A L   D I S C H A R G E ---------------------

Reg. #: 510426E Reg. Date: JUL 30, 2008
Reg. Time: 16:17:38
Control #: B8885335
Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 591111D Base Reg. Date: APR 03, 2007

Vehicle Collateral:

Type	Serial #	Year	Make/Model	MH Reg.#
** DELETED **				
+++ MV	3GKFK16R7XG502076	1999	GMC SUBURBAN	

Registering
Party: CANADIAN SECURITIES REGISTRATION
SYSTEMS
4126 NORLAND AVENUE
BURNABY BC V5G 3S8

--------------------- P A R T I A L   D I S C H A R G E ---------------------

Reg. #: 690614E Reg. Date: NOV 12, 2008
Reg. Time: 14:47:23
Control #: B9070681
Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 591111D Base Reg. Date: APR 03, 2007

Vehicle Collateral:

Type	Serial #	Year	Make/Model	MH Reg.#
** DELETED **				
+++ MV	2FDKF38F9TCA47621	1996	FORD CONVENTIONAL TRUCK	

Registering
Party: CANADIAN SECURITIES REGISTRATION
SYSTEMS
4126 NORLAND AVENUE
BURNABY BC V5G 3S8

--------------- A M E N D M E N T / O T H E R   C H A N G E ---------------

Reg. #: 773435E Reg. Date: JAN 08, 2009
Reg. Time: 09:45:19
Control #: B9153832
Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 591111D Base Reg. Date: APR 03, 2007

Details Description:
DEBTOR NAME CHANGE
Block#

** DELETED **
+++ Bus. Debtor: KINETEX INC
515 - 70TH AVENUE SW
CALGARY AB T2V 0P5

Continued on Page 5

*** ADDED ***

```
=D0003     Bus. Debtor: KINETEX MULTI-COMPONENT SERVICES INC
                        515 - 70TH AVENUE SW
                        CALGARY AB  T2V 0P5

           Registering
                 Party: LAWSON LUNDELL LLP
                        1600 925 WEST GEORGIA STREET
                        VANCOUVER BC  V6C 3L2

**************** P P S A   S E C U R I T Y   A G R E E M E N T ****************

             Reg. Date: AUG 10, 2007          Reg. Length: 5 YEARS
             Reg. Time: 11:17:18              Expiry Date: AUG 10, 2012
           Base Reg. #: 848203D                 Control #: B8202316

       This registration was selected and included for your protection
       because of close proximity to your search criteria.
Block#

 S0001  Secured Party: HSBC BANK CANADA
                       FORTUNA HOUSE
                       6168 NO. 3 ROAD
                       RICHMOND BC  V6Y 2B3

  +++     Base Debtor: KINETEX INC.
           (Business)  515 70TH AVENUE SW
                       CALGARY AB  T2V 0P5

        General Collateral:
         ALL BILLS, DOCUMENTS OF TITLE, CHATTEL PAPER, SECURITIES, INTANGIBLES,
         TRANSPORTATION DOCUMENTS, INSURANCE POLICIES AND OTHER DOCUMENTS OR
         INSTRUMENTS REPRESENTING OR RELATING TO THE PURCHASE, STORAGE,
         PREPARATION, SALE OR SHIPMENTS OF AND OTHER DEALINGS WITH GOODS AND
         THE GOODS REPRESENTED THEREBY AND ANY RIGHTS WHICH THE DEBTOR MAY HAVE
         AS THE UNPAID SELLER OF THE GOODS AND ALL PROCEEDS INCLUDING, WITHOUT
         LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE,
         CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS DEFINED IN THE PERSONAL
         PROPERTY SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY AMENDMENTS
         THERETO).

          Registering
                Party: HSBC BANK CANADA
                       FORTUNA HOUSE
                       6168 NO. 3 ROAD
                       RICHMOND BC  V6Y 2B3

---------------- A M E N D M E N T  /  O T H E R   C H A N G E ----------------

                       Reg. #: 773457E             Reg. Date: JAN 08, 2009
                                                   Reg. Time: 09:47:43
                                                   Control #: B9153864
               Base Reg. Type: PPSA SECURITY AGREEMENT
                  Base Reg. #: 848203D        Base Reg. Date: AUG 10, 2007

        Details Description:
         DEBTOR NAME CHANGE
Block#
```

Continued on Page 6


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        ** DELETED **
 +++     Bus. Debtor: KINETEX INC.
```

515 70TH AVENUE SW
CALGARY AB T2V 0P5

*** ADDED ***
=D0002 Bus. Debtor: KINETEX MULTI-COMPONENT SERVICES INC
515 70TH AVENUE SW
CALGARY AB T2V 0P5

Registering
Party: LAWSON LUNDELL LLP
1600 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

**************** P P S A S E C U R I T Y A G R E E M E N T ****************

Reg. Date: DEC 24, 2007 Reg. Length: 5 YEARS
Reg. Time: 07:36:16 Expiry Date: DEC 24, 2012
Base Reg. #: 104591E Control #: B8466064

This registration was selected and included for your protection because of close proximity to your search criteria.

Block#

S0001 Secured Party: HSBC BANK CANADA
FORTUNA HOUSE
6168 NO. 3 ROAD
RICHMOND BC V6Y 2B3

+++ Base Debtor: KINETEX INC.
(Business) 515 70TH AVENUE SW
CALGARY AB T2V 0P5

General Collateral:
THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO ALL MONIES IN ACCOUNT NUMBER(S) 290-653924-001/002 AT THE BRANCH OF THE SECURED PARTY LOCATED AT 6168 NO 3 ROAD, RICHMOND BC V6Y 2B3 INCLUDING MONIES WHICH THE SECURED PARTY HAS WITHDRAWN OR WITHDRAWS FROM ANY OTHER ACCOUNT OF THE DEBTOR AND DEPOSITED IN SAID ACCOUNT(S). AND ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY AMENDMENTS THERETO).

Registering
Party: HSBC BANK CANADA
FORTUNA HOUSE
6168 NO. 3 ROAD
RICHMOND BC V6Y 2B3

--------------- A M E N D M E N T / O T H E R C H A N G E ---------------

Reg. #: 773466E Reg. Date: JAN 08, 2009
Reg. Time: 09:48:42
Control #: B9153892
Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 104591E Base Reg. Date: DEC 24, 2007

Continued on Page 7

Details Description:
DEBTOR NAME CHANGE

Block#

```
        ** DELETED **
   +++    Bus. Debtor: KINETEX INC.
                       515 70TH AVENUE SW
                       CALGARY AB  T2V 0P5

        *** ADDED ***
 =D0002   Bus. Debtor: KINETEX MULTI-COMPONENT SERVICES INC
                       515 70TH AVENUE SW
                       CALGARY AB  T2V 0P5

          Registering
                Party: LAWSON LUNDELL LLP
                       1600 925 WEST GEORGIA STREET
                       VANCOUVER BC  V6C 3L2

**************** P P S A   S E C U R I T Y   A G R E E M E N T ****************

           Reg. Date: NOV 05, 2010          Reg. Length: 7 YEARS
           Reg. Time: 16:46:51              Expiry Date: NOV 05, 2017
         Base Reg. #: 851822F                 Control #: D0262476

      This registration was selected and included for your protection
      because of close proximity to your search criteria.
Block#

 S0001  Secured Party: WATCH TOWER BIBLE AND TRACT SOCIETY
                       OF PENNSYLVANIA, INC.
                       25 COLUMBIA HEIGHTS
                       BROOKLYN NY  11201-1600

 D0001    Base Debtor: KINETEX RESOURCES CORPORATION
           (Business)  900 - 925 WEST GEORGIA STREET
                       VANCOUVER BC  V6C 3L2

=D0002    Bus. Debtor: KINETEX MULTI-COMPONENT SERVICES INC
                       900 - 925 WEST GEORGIA STREET
                       VANCOUVER BC  V6C 3L2

      General Collateral:
       ALL OF THE DEBTORS PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

        Registering
              Party: LANG MICHENER LLP
                     BOX 11117,1500 1055 W. GEORGIA
                     VANCOUVER BC  V6E 4N7
```

Continued on Page 8

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Some, but not all, tax liens and other Crown claims are registered at the Personal Property Registry (PPR) and if registered, will be displayed on

```
this search result.  HOWEVER, it is possible that a particular chattel is
subject to a Crown claim that is not registered at the PPR.  Please consult
the Miscellaneous Registrations Act, 1992 for more details.  If you are
concerned that a particular chattel may be subject to a Crown claim not
registered at the PPR, please consult the agency administering the type
of Crown claim.

>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>> END OF SEARCH <<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<
```

E

Government
of Alberta ■

Personal Property Registry
Search Results Report

Search ID#: Z02465846

Transmitting Party
ROSEWOOD SERVICES LIMITED PARTNERSHIP

3400, 350 7 AVENUE SW
CALGARY, AB T2P 3N9

Party Code: 50095611
Phone #: 403 261 5350
Reference #: 245056.00240

Search ID #: Z02465846 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:48:53

Business Debtor Search For:

KINETEX MULTI-COMPONENT SERVICES INC.

Both Exact and Inexact Result(s) Found

NOTE:
A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

This is Exhibit ...E... referred to in the
affidavit of ...Karla McCarthy...
made before me on this ...2nd...
day of ...December... 20 10

....
A Commissioner for taking
Affidavits for British Columbia

REGISTRAR OF PERSONAL PROPERTY

Personal Property Registry
Search Results Report

Search ID#: Z02465846

Business Debtor Search For:

KINETEX MULTI-COMPONENT SERVICES INC.

Search ID #: Z02465846 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:48:53

Registration Number: 07040438017 Registration Type: SECURITY AGREEMENT
Registration Date: 2007-Apr-04 Registration Status: Current
Expiry Date: 2012-Apr-04 23:59:59

Exact Match on: Debtor No: 2

Amendments to Registration

07112101667	Amendment	2007-Nov-21
08073036825	Amendment	2008-Jul-30
08111222776	Amendment	2008-Nov-12
09010817955	Amendment	2009-Jan-08

Debtor(s)

Block		Status
1	KINETEX INC. 515-70TH AVENUE SW CALGARY, AB T2V 0P5	Deleted by 09010817955

Block		Status
2	KINETEX MULTI-COMPONENT SERVICES INC. 515 - 70TH AVENUE SW CALGARY, AB T2V OP5	Current by 09010817955

Secured Party / Parties

Block		Status
1	HSBC BANK CANADA 6168 NO. 3 ROAD RICHMOND, BC V6Y 2B3	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status

1	2FDKF38F9TCA47621	1996	FORD CONVENTIONAL TRUCK	MV - Motor Vehicle	Deleted By 08111222776
2	1FDAF57F3XEB93411	1999	FORD F550	MV - Motor Vehicle	Deleted By 07112101667
3	1GDL7H1P6MJ518662	1991	GMC F550	MV - Motor Vehicle	Current
4	1GDJ6H1J1SJ512528	1995	GMC TOPKICK	MV - Motor Vehicle	Current
5	2S3TA01C1P6400221	1993	SUZUKI SIDEKICK	MV - Motor Vehicle	Current
6	2CKBJ18V9M6906947	1991	GMC TRACKER	MV - Motor Vehicle	Current
7	1HTSCABM1VH492748	1997	INTERNATIONAL 4700 5 TON	MV - Motor Vehicle	Current
8	1HTSDAAN5XH684510	1999	INTERNATIONAL 4900 5 TON	MV - Motor Vehicle	Current
9	1B7MF36D9VJ540430	1997	DODGE 3500	MV - Motor Vehicle	Current
10	1D7HU18N53J551753	2003	DODGE 1500	MV - Motor Vehicle	Current
11	4VGWDBRH8VN740013	1997	VOLVO WIA 64 TES SEMI	MV - Motor Vehicle	Current
12	3B7MF33C32M298275	2002	DODGE 3500 R/C 4X4	MV - Motor Vehicle	Current
13	3GNFK16R5WG135115	1998	CHEVROLET SUBURBAN	MV - Motor Vehicle	Current
14	3GKFK16R7XG502076	1999	GMC SUBURBAN	MV - Motor Vehicle	Deleted By 08073036825
15	4UF03ATV13T250573	2003	ARCTIC CAT TRV 500	MV - Motor Vehicle	Current
16	4UF03ATV23T209367	2003	ARCTIC CAT 300 TRV	MV - Motor Vehicle	Current
17	4UF03ATV93T249509	2004	ARCTIC CAT 500TRV	MV - Motor Vehicle	Current
18	4XAJD50AX42197999	2004	POLARIS ATP 500	MV - Motor Vehicle	Current
19	4UF04ATV14T204627	2004	ARCTIC CAT 400 TRV	MV - Motor Vehicle	Current
20	4UF06ATV16T221537	2006	ARCTIC CAT 500 TRV	MV - Motor Vehicle	Current
21	4UF06ATV26T221501	2003	ARCTIC CAT 500 TRV	MV - Motor Vehicle	Current
22	4UF06ATV46T221421	2006	ARCTIC CAT 500 TRV	MV - Motor Vehicle	Current
23	JKBVFHA156B560870	2006	KAWASAKI KVF 360	MV - Motor Vehicle	Current
24	JKBVFHA126B559546	2006	KAWASAKI KVF 360	MV - Motor Vehicle	Current
25	WRSSP813	2006	WEERES SPEC PONTOON BOAT	BO - Boat	Current
26	YBVDA185K506	2006	LUND ALUMINUM BOAT	BO - Boat	Current
27	W006221008437	2002	JOHN DEERE GATOR	MV - Motor Vehicle	Current
28	JYE8BD0017A040879	2007	YAMAHA BRAVO SNOWMOBILE	MV - Motor Vehicle	Current
29	JYE8BD00X7A040895	2007	YAMAHA BRAVO SNOWMOBILE	MV - Motor Vehicle	Current

30	JYE8BD0067A039579	2007	YAMAHA BRAVO SNOWMOBILE	MV - Motor Vehicle	Current
31	1HFTE312264100351	2006	HONDA TRV 500FM6	MV - Motor Vehicle	Current
32	1J8HR58205C669475	2005	JEEP GRAND CHEROKEE	MV - Motor Vehicle	Current
33	1D7HU18N04J141606	2004	DODGE RAM 1500	MV - Motor Vehicle	Current
34	1D7HU18N04J182074	2004	DODGE RAM 1500	MV - Motor Vehicle	Current
35	1D7HU18N44S630357	2004	DODGE RAM 1500	MV - Motor Vehicle	Current
36	1D7HU18N75S150766	2005	DODGE RAM 1500	MV - Motor Vehicle	Current
37	1D7HU18N05S150785	2005	DODGE RAM 1500	MV - Motor Vehicle	Current
38	1D7HU18N75S150752	2005	DODGE RAM 1500	MV - Motor Vehicle	Current
39	3D7MX48C76G128068	2006	DODGE RAM 3500	MV - Motor Vehicle	Current
40	3D7MU46C24G164999	2004	DODGE RAM 3500	MV - Motor Vehicle	Current
41	1D7HU18N35S150828	2005	DODGE RAM 1500	MV - Motor Vehicle	Current
42	1D7HU18N36J166048	2006	DODGE RAM 1500	MV - Motor Vehicle	Current
43	3D7MX48C16G167335	2006	DODGE RAM 3500	MV - Motor Vehicle	Current
44	1D7HU18N35J5860610	2005	DODGE RAM 1500	MV - Motor Vehicle	Current
45	1D7HU18267J582912	2007	DODGE RAM PICKUP	MV - Motor Vehicle	Current
46	4XAJD50AX42197899	2004	POLARIS ATP500	MV - Motor Vehicle	Current
47	467	1995	BUGGY Y2400 FAILINGS	MV - Motor Vehicle	Current
48	485	1995	BUGGY Y2400 FAILINGS	MV - Motor Vehicle	Current
49	486	1995	BUGGY Y2400 FAILINGS	MV - Motor Vehicle	Current
50	487	1995	BUGGY Y2400 FAILINGS	MV - Motor Vehicle	Current
51	488	1995	BUGGY Y2400 FAILINGS	MV - Motor Vehicle	Current
52	3509	2006	TRACK I.V.I DUAL ARRAY	MV - Motor Vehicle	Current
53	1DD05987	1994	CAT D5H LPG	MV - Motor Vehicle	Current
54	2WZV2839V0006149	1997	GOERTZEN FIFTH WHEEL	TR - Trailer	Current
55	4P5CF1627P1115745	1999	18 FT BEAVER TRAIL	TR - Trailer	Current
56	1178CW0374	1999	WELDING FIFTH WHEEL	TR - Trailer	Current
57	4P5CH142532044405	2003	PJ CH142	TR - Trailer	Current
58	2T9SC21414B165023	2004	UTILITY TRAILER SLED	TR - Trailer	Current
59	1GBKP37W5G3309802	1986	WINNABAGO	TR - Trailer	Current
60	2520583	1983	12X52 CAMP KITCHEN	TR - Trailer	Current
61	771045W237KD	1977	10X45 KITCHEN/DINER	TR - Trailer	Current
62	SV250ST655	1974	BOMBADIER SKI-DOZER	MV - Motor Vehicle	Current

63	SV3D171D	1975	BOMBADIER 301-D	MV - Motor Vehicle	Current
64	201810955	1991	BOMBADIER ATV	MV - Motor Vehicle	Current
65	203760135	1991	BOMBADIER ATV	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY.	Current
2	2T9SC21414B166023 TRAILER	Current
3	2S9LN546611028151 SOUTHLAND FLAT DECK	Current
4	5PYAT172961004711 TARNEL USA GOOSENECK TRAILER	Current
5	2SWUW11A94G219662 SNOWBEAR 400IHD	Current
6	7160 EZ LOADER PONTOON	Current
7	1237-00588 SCANDIC-SKIDOO SNOWMOBILES	Current
8	1237-0528 SCANDIC-SKIDOO SNOWMOBILE	Current
9	8BD-020358 YAMAHA SKIDOO SNOWMOBILE	Current
10	8BD-023337 YAMAHA SKIDOO SNOWMOBILE	Current
11	8BD-019156 YAMAHA SKIDOO SNOWMOBILE	Current
12	39736 BRAVO SNOWMOBILE	Current
13	39755 BRAVO SNOWMOBILE	Current
14	513E 647CAC 666B SKIDDER	Current
15	10012 6X8 TILT DECK TRAILER	Current
16	EY3-6 10 X 50FT WASH CAR	Current

Government of Alberta ■

Personal Property Registry
Search Results Report

Search ID#: Z02465846

Business Debtor Search For:

KINETEX MULTI-COMPONENT SERVICES INC.

Search ID #: Z02465846 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:48:53

Registration Number: 07040438025
Registration Date: 2007-Apr-04

Registration Type: LAND CHARGE
Registration Status: Current
Registration Term: Infinity

Exact Match on: Debtor No: 2

Amendments to Registration

09010818258	Amendment	2009-Jan-08

Debtor(s)

Block		Status
1	KINETEX INC. 515-70TH AVENUE CALGARY, AB T2V 0P5	Deleted by 09010818258

Block		Status
2	KINETEX MULTI-COMPONENT SERVICES INC. 515 - 70TH AVENUE CALGARY, AB T2V 0P5	Current by 09010818258

Secured Party / Parties

Block		Status
1	HSBC BANK CANADA 6168 NO. 3 ROAD RICHMOND, BC V6Y 2B3	Current

Personal Property Registry
Search Results Report

Search ID#: Z02465846

Business Debtor Search For:

KINETEX MULTI-COMPONENT SERVICES INC.

Search ID #: Z02465846 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:48:53

Registration Number: 07080723906 Registration Type: SECURITY AGREEMENT
Registration Date: 2007-Aug-07 Registration Status: Current
Expiry Date: 2012-Aug-07 23:59:59

Exact Match on: Debtor No: 2

Amendments to Registration

10060923697	Amendment	2010-Jun-09

Debtor(s)

Block		Status
1	KINETEX INC. 515 - 70 AVENUE SW CALGARY, AB T2V 0P5	Deleted by 10060923697
2	KINETEX MULTI-COMPONENT SERVICES INC. 515 - 70 AVENUE SW CALGARY, AB T2V 0P5	Current by 10060923697

Secured Party / Parties

Block		Status
1	HSBC BANK CANADA LEASING 1500 - 888 DUNSMUIR STREET VANCOUVER, BC V6C 3K4	Current

Collateral: General

Block	Description	Status
1	ONE VRSR-2 ASSEMBLY WITH DYNACON LID AND 1 GB FLASH	Current
2	VARIOUS SEISMIC EQUIPMENT, SVS VECTRONIC SENSOR EQUIPMENT AND	Current
3	ADDITIONAL LIKE EQUIPMENT	Current

4	TOGETHER WITH ALL PARTS, ACCESSORIES AND COLLATERAL NOW OR	Current
5	HEREAFTER ATTACHED TO OR FORMING A PART THEREOF AND ALL PROCEEDS	Current
6	THEREFROM INCLUDING ALL TYPES AND KINDS OF PERSONAL PROPERTY	Current
7	INCLUDING, WITHOUT LIMITATION, TRADE-INS, ACCOUNTS, BUILDING	Current
8	MATERIALS, CHATTEL PAPER, CONTRACTS, CONTRACT RIGHTS, DOCUMENTS	Current
9	OF TITLE, RENTAL PAYMENTS, INSURANCE PAYMENTS, FIXTURES,	Current
10	INSTRUMENTS, MONEY, INVENTORY, LEASES, SECURITIES, COLLATERAL	Current
11	AND ANY OTHER GOODS OR INTANGIBLES RECEIVED AS A RESULT OF THE	Current
12	SAID GOODS, CHATTELS AND MOVABLE PROPERTY BEING SOLD, DEALT WITH	Current
13	OR OTHERWISE DISPOSED OF.	Current

Business Debtor Search For:

KINETEX MULTI-COMPONENT SERVICES INC.

Search ID #: Z02465846 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:48:53

Registration Number: 09052724098 Registration Type: WRIT OF ENFORCEMENT
Registration Date: 2009-May-27 Registration Status: Current
Expiry Date: 2011-May-27 23:59:59

Issued in Calgary Judicial District
Court File Number is 0901-05998
Judgment Date is 2009-May-25
This Writ was issued on 2009-May-25
Type of Judgment is Other

Original Judgment Amount: $66,452.29 Costs Are: $752.50
Post Judgment Interest: $0.00 Current Amount Owing: $67,204.79

Exact Match on: Debtor No: 1

Solicitor / Agent

Robb & Evenson Professional Corporation
506, 933 17th Avenue SW
Calgary, AB T2T 5R6

Phone #: 403 541 1600 Fax #: 403 541 1604 Reference #: 28-9434

Debtor(s)

Block		Status
1	KINETEX MULTI-COMPONENT SERVICES INC. 1000, 400 - 3rd Avenue S.W. Calgary, AB T2P 4H2	Current
2	KINETEX INC. 1000, 400 - 3rd Avenue S.W. Calgary, AB T2P 4H2	Current

Creditor(s)

Block		Status
1	GUTMAN INVESTMENTS LTD. c/o 506, 933 17th Avenue SW Calgary, AB T2T 5R6	Current

Particulars

Block	Additional Information	Status
1	Debtor is KINETEX MULTI-COMPONENT SERVICES INC. (formerly KINETEX INC.)	Current

Personal Property Registry
Search Results Report

Search ID#: Z02465846

Business Debtor Search For:

KINETEX MULTI-COMPONENT SERVICES INC.

Search ID #: Z02465846 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:48:53

Registration Number: 10110134696 Registration Type: REPORT OF SEIZURE
Registration Date: 2010-Nov-01 Registration Status: Current
Registration Term: Infinity

Service Area 2

Property has been seized under Writ of Enforcement Registration Number 09052724098.

Property was seized on 2010-Oct-28

Registration Type	Date	Registration #	Value
Report of Seizure	2010-Oct-28	10110134696	$0.00

Exact Match on: Debtor No: 1

Solicitor / Agent

Robb & Evenson
506, 933 17 AVENUE
CALGARY, AB T2T 5R6

Civil Enforcement Agent

SERV-IT BAILIFF SERVICES INC
10147 115 Street
EDMONTON, AB T5K 1T3

Phone #: 780 424 9020 Fax #: 780 421 9939 Reference #: 130714

Debtor(s)

Block		Status
1	KINETEX MULTI-COMPONENT SERVICES INC. 1000, 400 - 3rd Avenue S.W. Calgary, AB T2P 4H2	Current

Block		Status
2	KINETEX INC. 1000, 400 - 3rd Avenue S.W. Calgary, AB T2P 4H2	Current

Creditor(s)

Block		Status
1	GUTMAN INVESTMENTS LTD. c/o 506, 933 17th Avenue SW Calgary, AB T2T 5R6	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	2NKDL60X7SM937862	1995	KENWORTH	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	ALL ONGOING CONTRACTS, SEISMIC EQUIPMENT INCLUDING CABLES, GEOPHONES, TRUCKS, RECORDERS, VIBRATORS AND DRILLS, AND ALL PROPRIETY SEISMIC DATA	Current

Business Debtor Search For:

KINETEX MULTI-COMPONENT SERVICES INC.

Search ID #: Z02465846 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:48:53

Registration Number: 10021505913
Registration Date: 2010-Feb-15

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2015-Feb-15 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	KINETEX MULTI-COMPONENT SERVICES INC. 125 61 AVE SE CALGARY, AB T2H 0R4	Current

Secured Party / Parties

Block		Status
1	GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED P.O. Box 5300, Station D ETOBICOKE, ON M9A 6T4	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	1D7RV1CT8AS135811	2010	DODGE RAM TRUCK	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	AND ALL PROCEEDS THEREFROM	Current

Personal Property Registry Search Results Report

Search ID#: Z02465846

Business Debtor Search For:

KINETEX MULTI-COMPONENT SERVICES INC.

Search ID #: Z02465846 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:48:53

Registration Number: 10030511799 Registration Type: SECURITY AGREEMENT
Registration Date: 2010-Mar-05 Registration Status: Current
Expiry Date: 2013-Mar-05 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	KINETEX MULTI-COMPONENT SERVICES INC. 125 61 AVE SE CALGARY, AB T2H 0R4	Current

Secured Party / Parties

Block		Status
1	GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED P.O. Box 5300, Station D ETOBICOKE, ON M9A 6T4	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	1D7HU18N36J166048	2006	DODGE RAM TRUCK	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	AND ALL PROCEEDS THEREFROM	Current

Business Debtor Search For:

KINETEX MULTI-COMPONENT SERVICES INC.

Search ID #: Z02465846 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:48:53

Registration Number: 10031005644 Registration Type: SECURITY AGREEMENT
Registration Date: 2010-Mar-10 Registration Status: Current
Expiry Date: 2014-Mar-10 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	KINETEX MULTI-COMPONENT SERVICES INC. 125 61 AVE SE CALGARY, AB T2H 0R4	Current

Secured Party / Parties

Block		Status
1	GENERAL ELECTRIC CANADA EQUIPMENT FINANCE G.P. 5500 NORTH SERVICE ROAD, 8TH FLOOR BURLINGTON, ON L7L 6W6	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	2K9LB35485L052360	2005	K-LINE SD40T-3-FG	TR - Trailer	Current

Collateral: General

Block	Description	Status
1	The goods described herein, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefor, and all rights, receivables and chattel paper derived from or evidencing the lease or rental thereof by the Debtor to third parties, and all proceeds relating thereto. Proceeds: all of the Debtor's present and after-acquired personal property which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities.	Current

Business Debtor Search For:

KINETEX MULTI-COMPONENT SERVICES INC.

Search ID #: Z02465846 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:48:53

Registration Number: 10070620171
Registration Date: 2010-Jul-06

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2012-Jul-06 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	KINETEX MULTI-COMPONENT SERVICES INC. 125 61 AVE SE CALGARY, AB T2H 0R4	Current

Secured Party / Parties

Block		Status
1	GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED P.O. Box 5300, Station D ETOBICOKE, ON M9A 6T4	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	3D7MX48C16G167335	2006	DODGE RAM TRUCK	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	AND ALL PROCEEDS THEREFROM	Current

Business Debtor Search For:

KINETEX MULTI-COMPONENT SERVICES INC.

Search ID #: Z02465846 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:48:53

Registration Number: 10070726330 Registration Type: SECURITY AGREEMENT
Registration Date: 2010-Jul-07 Registration Status: Current
Expiry Date: 2012-Jul-07 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	KINETEX MULTI-COMPONENT SERVICES INC. 125 61 AVE SE CALGARY, AB T2H 0R4	Current

Secured Party / Parties

Block		Status
1	GENERAL MOTORS ACCEPTANCE CORPORATION OF CANADA, LIMITED P.O. Box 5300, Station D ETOBICOKE, ON M9A 6T4	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	3D7MX48C16G167335	2006	DODGE RAM	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	AND ALL PROCEEDS THEREFROM.	Current

Business Debtor Search For:

KINETEX MULTI-COMPONENT SERVICES INC.

Search ID #: Z02465846 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:48:53

Registration Number: 10081129030 Registration Type: WRIT OF ENFORCEMENT
Registration Date: 2010-Aug-11 Registration Status: Current
Expiry Date: 2012-Aug-11 23:59:59

Issued in Calgary Judicial District
Court File Number is 1001-09600
Judgment Date is 2010-Aug-09
This Writ was issued on 2010-Aug-09
Type of Judgment is Other

Original Judgment Amount: $34,835.67 Costs Are: $0.00
Post Judgment Interest: $0.00 Current Amount Owing: $34,835.67

Exact Match on: Debtor No: 1

Solicitor / Agent

Spencer R. Bates Beaumont Church LLP
300 2912 Memorial Drive SE
Calgary, AB T2A 6R1

Phone #: 403 261 8361 Fax #: 403 261 0478 Reference #: 73025

Debtor(s)

Block		Status
1	KINETEX MULTI-COMPONENT SERVICES INC. 125 61 Avenue SE Calgary, AB T2H 0R4	Current

Creditor(s)

Block		Status
1		Current

BLACK GOLD MEDICAL LTD.
300, 2912 Memorial Drive SE
Calgary, AB T2A 6R1

Business Debtor Search For:

KINETEX MULTI-COMPONENT SERVICES INC.

Search ID #: Z02465846 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:48:53

Registration Number: 10082621135 Registration Type: SECURITY AGREEMENT
Registration Date: 2010-Aug-26 Registration Status: Current
Expiry Date: 2013-Aug-26 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	KINETEX MULTI-COMPONENT SERVICES INC. 125 61 AVE SE CALGARY, AB T2H 0R4	Current

Secured Party / Parties

Block		Status
1	ALLY CREDIT CANADA LIMITED P.O. Box 5300, Station D Etobicoke, ON M9A 6T4	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	3D6WH48A57G751828	2007	DODGE RAM TRUCK	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	AND ALL PROCEEDS THEREFROM	Current

Business Debtor Search For:

KINETEX MULTI-COMPONENT SERVICES INC.

Search ID #: Z02465846 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:48:53

Registration Number: 10082715494 Registration Type: SECURITY AGREEMENT
Registration Date: 2010-Aug-27 Registration Status: Current
Expiry Date: 2013-Aug-27 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	KINETEX MULTI-COMPONENT SERVICES INC. 125 61 AVE SE CALGARY, AB T2H 0R4	Current

Secured Party / Parties

Block		Status
1	ALLY CREDIT CANADA LIMITED P.O. Box 5300, Station D Etobicoke, ON M9A 6T4	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	3D6WH48A37G735367	2007	DODGE RAM TRUCK	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	AND ALL PROCEEDS THEREFROM	Current

Business Debtor Search For:

KINETEX MULTI-COMPONENT SERVICES INC.

Search ID #: Z02465846 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:48:53

Registration Number: 10102817704 Registration Type: WORKERS' COMPENSATION BOARD CHARGE

Registration Date: 2010-Oct-28 Registration Status: Current

Registration Term: Infinity

The WCB Charge Amount is $54,386.67

Exact Match on: Debtor No: 1

Amendments to Registration

10111914693	Amendment	2010-Nov-19

Debtor(s)

Block		Status
1	KINETEX MULTI-COMPONENT SERVICES INC. 125 61 AVE SE CALGARY, AB T2H0R4	Current

Secured Party / Parties

Block		Status
1	WORKERS' COMPENSATION BOARD/COLLECTION UNIT 9925 - 107 STREET, 8TH FLOOR EDMONTON, AB T5J 2S5 Phone #: 780 498 3999 Fax #: 780 498 7871	Current

Collateral: Serial Number Goods

Block	Serial Number	Year	Make and Model	Category	Status
1	1D7RV1CT8AS135811	2010	Dodge Ram Truck	MV - Motor Vehicle	Current
2	1D7HU18N36J166048	2006	Dodge Ram Truck	MV - Motor Vehicle	Current

3	2K9LB35485L052360	2005	K-Line SD40T-3-FG Trailer	TR - Trailer	Current
4	3D7MX48C16G167335	2006	Dodge Ram Truck	MV - Motor Vehicle	Current
5	3D6WH48A57G751828	2007	Dodge Ram Truck	MV - Motor Vehicle	Current
6	3D6WH48A37G735367	2007	Dodge Ram Truck	MV - Motor Vehicle	Current
7	1D7KS28C57J512540	2007	Dodge Ram 2500 Quad Truck	MV - Motor Vehicle	Deleted By 10111914693
8	1HTSDAAN5XH684510	1999	International 4000 series	MV - Motor Vehicle	Current

Collateral: General

Block	Description	Status
1	ALL PRESENT AND AFTER-ACQUIRED PROPERTY AND ALL PROPERTY USED IN CONNECTION, PURSUANT TO WCB ACT S129	Current

Particulars

Block	Additional Information	Status
1	ACCOUNT # 3947607	Current

Personal Property Registry
Search Results Report

Search ID#: Z02465846

Note:

The following is a list of matches closely approximating your Search Criteria, which is included for your convenience and protection.

Debtor Name / Address	Reg. #
KINETEX MULTI-COMPONET SERVICES INC. 125 61 AVE SE CALGARY, AB T2H 0R4	10030511782

SECURITY AGREEMENT

Debtor Name / Address	Reg. #
KINETEX MULTI-COMPONET SERVICES INC. 125 61 AVE SE CALGARY, AB T2H 0R4	10030511990

SECURITY AGREEMENT

Debtor Name / Address	Reg. #
KINETEX MULTI-COMPONET SERVICES INC. 125 61 AVE SE CALGARY, AB T2H 0R4	10030818915

SECURITY AGREEMENT

Result Complete

F

This is **Exhibit "__F__"** referred to in the Affidavit of Karla McCarthy made before me at Vancouver, British Columbia, on this 2nd day of December, 2010.

____

A Commissioner for taking Affidavits for British Columbia

HSBC BANK CANADA
GUARANTEE *(For use in all Provinces except Quebec)*

To **HSBC Bank Canada**

In consideration of **HSBC Bank Canada** (herein called the "**Bank**") dealing with **Kinetex Inc.** (herein called the "**Customer**") and one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby jointly and severally unconditionally guarantee(s) payment to the Bank of all present and future debts and liabilities direct or indirect, absolute or contingent, now or at any time and from time to time hereafter due or owing to the Bank from or by the Customer whether as principal or surety, and whether incurred by the Customer alone or jointly with any other Corporation, person or persons, or otherwise howsoever together with all costs, charges and expenses (including legal fees on a solicitor and client basis) incurred by the Bank, the receiver, receiver-manager or agent of the Customer, or the agent of the Bank in the perfection and enforcement of this Guarantee and of any security held by the Bank in respect of such indebtedness, obligations, liabilities, expenses and interest.

And the undersigned and each of them (if more than one) hereby jointly and severally agree(s) with the Bank as follows:

1. The sum collectible by the Bank under this Guarantee shall include interest accruing on the debt owed by the Customer to the Bank at the respective rates of interest applicable to the various obligations of the Customer which constitute the Customer's debts and liabilities to the Bank. Where the Customer is liable to the Bank for interest calculated at more than one rate, then the particular rate of interest charged on a particular obligation shall continue to apply hereunder in respect of such obligation both before and after default and before and after judgment.

2. Every certificate issued under the hand of the Manager or Acting Manager of the Bank at the branch where the Customer's account is kept, purporting to show the amount at any particular time due and payable to the Bank and covered by this Guarantee, shall be received as conclusive evidence as against the undersigned that such amount is at such time due and payable to the Bank and is covered hereby.

3. If this Guarantee is expressed to be made in respect of a Limited Amount and the Limited Amount is less than the obligation or the aggregate of the obligations of the Customer, then a certificate by the Manager or Acting Manager of the branch of the Bank where the Customer's account is kept shall be conclusive as to which of the obligations of the Customer are being allocated for collection under this Guarantee and the rate or rates of interest applicable.

4. If the Customer is a corporation, no change in the name, objects, capital stock or constitution of the Customer shall in any way affect the liability of the undersigned, either with respect to transactions occurring before or after any such change, and this Guarantee shall extend to all debts and liabilities to the Bank of the person or corporation who or which assumes the obligations of the Customer in whole or in part whatsoever manner including, without limitation, by amalgamation with the Customer.

5. The Bank shall not be obliged to inquire into the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and moneys, advances, renewals or credits in fact borrowed or obtained from the Bank in exercise of such powers shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding that such borrowing or obtaining of moneys, advances, renewals or credits is in excess of the powers of the Customer or of its directors or other agents, or is in any way irregular, defective or informal.

6. If the Customer is a partnership, no change in the name of the Customer's firm or in the membership of the Customer's firm through the death, retirement or introduction of one or more partners or otherwise, or by the disposition of the Customer's business in whole or in part, shall in any way affect the liability of the undersigned, either with respect to transactions occurring before or after any such change, and this Guarantee shall extend to all debts and liabilities to the Bank of the person or corporation who or which assumes the obligations of the Customer in whole or in part in whatsoever manner.

7. The Bank, without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from, or from perfecting securities of, may cease or refrain from giving credit or making loans or advances to, may accept compositions from, and may otherwise deal with the Customer and all other persons (including the undersigned and any other guarantor) and securities, as the Bank may see fit, and all dividends, compositions, and moneys received by the Bank from the Customer or from any other persons or estates capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross. No loss of or in respect of the securities received by the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. Until all indebtedness of the Customer to the Bank has been paid in full, the undersigned shall not have any right of subrogation to the Bank or to the securities held by the Bank and this Guarantee shall not be diminished or affected on account of any act or failure to act on the part of the Bank which would prevent subrogation from operating in favour of the undersigned. The Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities; and the undersigned shall have no right to be subrogated to the Bank or to the securities held by the Bank until the Bank has received payment in full of its claim with interest.

8. The Bank, in its sole discretion and as the Bank sees fit, without in any way prejudicing or affecting the rights of the Bank hereunder, may appropriate any moneys received to any portion of the debts and liabilities hereby guaranteed, whether then due or to become due, and may revoke or alter any such appropriation.

9. This shall be a continuing guarantee, and shall cover and secure any ultimate balance owing to the Bank, but the Bank shall not be obliged to enforce its rights against the Customer or other persons or the securities it may hold before being entitled to payment from the undersigned of all and every of the debts and liabilities hereby guaranteed: Provided always that the undersigned may determine his or her or their further liability under this continuing guarantee by 90 days' notice in writing to be given to the Bank, and the liability hereunder of the undersigned shall continue until the expiration of 90 days after the giving of such notice, notwithstanding the death or insanity of the undersigned, and after the expiry of such notice the undersigned shall remain liable under this Guarantee in respect of any sum or sums of money owing to the Bank as aforesaid on the date such notice expired and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date but maturing thereafter, but in the event of the determination of this Guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

10. Notwithstanding the provisions of any statute relating to the rate of interest payable by debtors, this Guarantee shall remain in full force and effect whatever the rate of interest received or demanded by the Bank.

11. The undersigned hereby grants to the Bank the right to set off against any and all accounts, credits or balances maintained by the undersigned with the Bank, the aggregate amount of any and all liabilities of the undersigned hereunder if and when the same shall become due and payable.

12. All debts and liabilities present and future of the Customer to the undersigned are hereby assigned to the Bank and postponed to the present and future debts and liabilities of the Customer to the Bank and all moneys received by the undersigned from the Customer shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank until the Customer's indebtedness to the Bank is fully paid and satisfied; all without prejudice to or without in any way limiting or lessening the liability of the undersigned to the Bank whether this Guarantee is expressed to be made in respect of a Limited Amount or otherwise.

13. The Bank shall not be obliged to give the undersigned notice of default by the Customer, and upon any default by the Customer the undersigned shall be held bound directly to the Bank as principal debtor in respect of the payment of the amounts hereby guaranteed.

14. No suit based on this Guarantee shall be instituted until demand for payment has been made. Any notice, demand or court process may be served by the Bank on the undersigned or his or her or their legal personal representatives either personally or by posting the same by ordinary mail postage prepaid, in an envelope addressed to the address of the party to be served last known to the Bank, and the notice or demand so sent shall be deemed to be served on the day following that on which it is mailed.

15. This Guarantee shall be operative and binding upon every signatory hereof notwithstanding the non-execution hereof by any other proposed signatory or signatories, and the undersigned acknowledges that this Guarantee has been delivered free of any conditions and that no statements, representations, agreements, collateral agreements or promises have been made to or with the undersigned affecting or limiting the liability of the undersigned under this Guarantee or inducing the undersigned to grant this Guarantee except as specifically contained herein in writing, and agrees that this Guarantee is in addition to and not in substitution for any other guarantees held or which may hereafter be held by the Bank.

16. No alteration or waiver of this Guarantee or of any of its terms, provisions or conditions shall be binding on the Bank unless made in writing under the signature of either the President or one of the Vice-Presidents of the Bank.

17. The undersigned shall file all claims against the Customer in any bankruptcy or other proceedings in which the filing of claims is required by law or upon any indebtedness of the Customer to the undersigned and will assign to the Bank all of the undersigned's rights thereunder. In all such cases, whether an administration, bankruptcy, or otherwise, the person or persons authorized to pay such claims shall pay to the Bank the full amount payable on the claim in the proceeding before making any payment to the undersigned; all without in any way limiting or lessening the liability of the undersigned to the Bank whether this Guarantee is expressed to be made in respect of a Limited Amount or otherwise. All moneys received by the undersigned in all such cases shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank until the Customer's indebtedness is fully paid and satisfied. To the fullest extent necessary for the purposes of this paragraph 17 the undersigned hereby assigns to the Bank all the undersigned's rights to any payments or distributions to which the undersigned otherwise would be entitled.

18. In this Guarantee, any word importing the singular number shall include the plural, and without restricting the generality of the foregoing, where there is more than one undersigned any reference to the undersigned refers to each and every one of the undersigned, and any word importing a person shall include a corporation, partnership and any other entity.

19. If this Guarantee is executed by more than one party, the liability of each of the undersigned hereunder shall be joint and several.

20. This Guarantee shall extend to and enure to the benefit of the successors and assigns of the Bank, and shall be binding upon the undersigned and the respective heirs, executors, administrators, successors and assigns of each of the undersigned.

21. No invalidity, irregularity or unenforceability by reason of any bankruptcy or similar law or any law or order of any government or agency thereof purporting to reduce, amend or otherwise affect the liability of the Customer to the Bank or of any security therefor, shall affect, impair or be a defence to this Guarantee. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provisions shall be deemed to be severable and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

22. With respect to any portion of the indebtedness secured hereby which is payable in a currency other than Canadian currency (the "**Foreign Currency Obligation**"), the following provisions shall apply:

(a) Payment hereunder with respect to the Foreign Currency Obligation shall be made in immediately available funds in lawful money of the jurisdiction in the currency of which the Foreign Currency Obligation is payable (the "**Foreign Currency**") in such form as shall be customary at the time of payment for settlement of international payments in Vancouver, British Columbia without set-off, compensation or counterclaim and free and clear of and without deductions for any and all present and future taxes, levies, imposts, deductions, charges and withholdings with respect thereto.

(b) The undersigned shall hold the Bank harmless from any loss incurred by the Bank arising from any change in the value of Canadian currency in relation to the Foreign Currency between the date the Foreign Currency Obligation becomes due and the date of payment thereof.

(c) If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in the Foreign Currency into Canadian funds ("**Canadian dollars**"), the rate of exchange used shall be that at which in accordance with normal banking procedures the Bank could purchase the Foreign Currency with Canadian dollars on the business day preceding that on which final judgment is given.

The obligation of the undersigned in respect of any Foreign Currency Obligation due by it to the Bank hereunder shall, notwithstanding any judgment in Canadian dollars, be discharged only to the extent that on the business day following receipt by the Bank of any sum adjudged to be so due in Canadian dollars the Bank may in accordance with normal banking procedures purchase the Foreign Currency with Canadian dollars; if the amount of the Foreign Currency so purchased is less than the sum originally due to the Bank in the Foreign Currency the undersigned agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Bank against such loss and if the Foreign Currency purchased exceeds the sum originally due to the Bank in the Foreign Currency the Bank agrees to remit such excess to the undersigned to the extent the undersigned is entitled thereto.

23. All the rights, powers and remedies of the Bank hereunder and under any other agreement now or at any time hereafter in force between the Bank and the undersigned shall be cumulative and shall be in addition to and not in substitution for all rights, powers and remedies of the Bank at law or in equity.

24. The undersigned by its signature of this Guarantee on the one hand and the Bank by making this Guarantee available to the undersigned on the other hand acknowledge having expressly required it to be drawn up in the English language. La soussignée par sa signature de ce cautionnement d'une part et la Banque en mettant ledit cautionnement à sa disposition d'autre part reconnaissent avoir expressément exigé qu'il soit redigé en languge anglaise.

25. This Guarantee shall be construed in accordance with the laws of the Province of BritishColumbia and shall be deemed to have been made in such Province and to be performed there, and the courts of such province shall have jurisdiction over all disputes which may arise under this Guarantee, provided that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

If the undersigned becomes resident outside the Province referred to in this paragraph 25 then the undersigned hereby submits to the jurisdiction of the courts of competent jurisdiction of the Province referred to in this paragraph 25 in respect of any proceeding hereon. Service of any process upon the undersigned may be made by ordinary mail in an envelope addressed to the following address:

c/o 515 - 70th Avenue
Calgary, Alberta
T2V 0P5

or in any other manner permitted by law.

In witness whereof the undersigned has executed this Guarantee the 31st day of March, 2007

FIRSTGROWTH CAPITAL INC.
by its authorized signatory

Any director or officer

G

BC OnLine: PPRS SEARCH RESULT 2010/12/01
Lterm: XPSP0050 For: PB92177 FASKEN MARTINEAU DUMOULIN LLP 12:02:52

Index: BUSINESS DEBTOR
Search Criteria: KINETEX RESOURCES

**************** P P S A S E C U R I T Y A G R E E M E N T ****************

Reg. Date: DEC 24, 2007 Reg. Length: 5 YEARS
Reg. Time: 07:36:36 Expiry Date: DEC 24, 2012
Base Reg. #: 104593E Control #: B8466065

This registration was selected and included for your protection because of close proximity to your search criteria.

Block#

S0001 Secured Party: HSBC BANK CANADA
FORTUNA HOUSE
6168 NO. 3 ROAD
RICHMOND BC V6Y 2B3

+++ Base Debtor: FIRST GROWTH EXPLORATION &
(Business) DEVELOPMENT SERVICES CORP.
915 -925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

This is Exhibit ...G... referred to in the affidavit of ...Kayla McCarthy...
made before me on this ...2nd...
day of ...December... 20 10.
....
A Commissioner for taking Affidavits for British Columbia

General Collateral:
THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO ALL MONIES IN ACCOUNT NUMBER(S) 290-885167-001 AT THE BRANCH OF THE SECURED PARTY LOCATED AT 6168 NO. 3 ROAD, RICHMOND BC V6Y 2B3 INCLUDING MONIES WHICH THE SECURED PARTY HAS WITHDRAWN OR WITHDRAWS FROM ANY OTHER ACCOUNT OF THE DEBTOR AND DEPOSITED IN SAID ACCOUNT(S). AND ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY AMENDMENTS THERETO).

Registering
Party: HSBC BANK CANADA
FORTUNA HOUSE
6168 NO. 3 ROAD
RICHMOND BC V6Y 2B3

--------------- A M E N D M E N T / O T H E R C H A N G E ---------------

Reg. #: 773482E Reg. Date: JAN 08, 2009
Reg. Time: 09:51:01
Control #: B9153644
Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 104593E Base Reg. Date: DEC 24, 2007

Details Description:
DEBTOR NAME CHANGE

Block#

Continued on Page 2

```
          ** DELETED **
   +++       Bus. Debtor: FIRST GROWTH EXPLORATION &
                          DEVELOPMENT SERVICES CORP.
                          915 -925 WEST GEORGIA STREET
                          VANCOUVER BC  V6C 3L2

          *** ADDED ***
 =D0002     Bus. Debtor: KINETEX RESOURCES CORPORATION
                          13564 CRESTVIEW DRIVE
                          SURREY BC  V3R 6T2

            Registering
                  Party: LAWSON LUNDELL LLP
                          1600 925 WEST GEORGIA STREET
                          VANCOUVER BC  V6C 3L2
```

**************** P P S A   S E C U R I T Y   A G R E E M E N T ****************

```
            Reg. Date: APR 04, 2007          Reg. Length: 5 YEARS
            Reg. Time: 15:07:37             Expiry Date: APR 04, 2012
          Base Reg. #: 594990D                Control #: B7941797
```

This registration was selected and included for your protection because of close proximity to your search criteria.

```
Block#

 S0001  Secured Party: HSBC BANK CANADA
                       FORTUNA HOUSE
                       6168 NO. 3 ROAD
                       RICHMOND BC  V6Y 2B3

  +++     Base Debtor: FIRSTGROWTH CAPITAL INC
           (Business) 13564 CRESTVIEW DRIVE
                       SURREY BC  V3R 6T2
```

General Collateral:
ALL INDEBTEDNESS, PRESENT AND FUTURE, DIRECT AND INDIRECT, ABSOLUTE AND CONTINGENT OF KINETEX INC. TO THE DEBTOR.
.
PROCEEDS: ANY AND ALL "GOODS", "INTANGIBLES", "CHATTEL PAPER", "DOCUMENTS OF TITLE", "INSTRUMENTS", "MONEY" AND "SECURITIES" (AS SUCH TERMS ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA) AS AMENDED OR REPLACED FROM TIME TO TIME) CONSTITUTING PROCEEDS OF ANY OR ALL OF THE FOREGOING COLLATERAL, INCLUDING PROCEEDS OF PROCEEDS.

```
        Registering
              Party: LAWSON LUNDELL LLP
                     1600 925 WEST GEORGIA STREET
                     VANCOUVER BC  V6C 3L2
```

--------------- A M E N D M E N T / O T H E R   C H A N G E ---------------

```
                  Reg. #: 487127E              Reg. Date: JUL 18, 2008
                                               Reg. Time: 10:54:07
                                               Control #: B8858018
          Base Reg. Type: PPSA SECURITY AGREEMENT
             Base Reg. #: 594990D         Base Reg. Date: APR 04, 2007
```

Continued on Page 3

```
        Details Description:
         DEBTOR NAME CHANGE
Block#

        ** DELETED **
  +++     Bus. Debtor: FIRSTGROWTH CAPITAL INC
                       13564 CRESTVIEW DRIVE
                       SURREY BC  V3R 6T2

        *** ADDED ***
  +++     Bus. Debtor: FIRSTGROWTH EXPLORATION & DEVELOPMENT
                       SERVICES CORP
                       13564 CRESTVIEW DRIVE
                       SURREY BC  V3R 6T2

          Registering
                Party: LAWSON LUNDELL LLP
                       1600 925 WEST GEORGIA STREET
                       VANCOUVER BC  V6C 3L2

---------------- A M E N D M E N T  /  O T H E R   C H A N G E ----------------

                     Reg. #: 773491E              Reg. Date: JAN 08, 2009
                                                  Reg. Time: 09:52:11
                                                  Control #: B9153665
             Base Reg. Type: PPSA SECURITY AGREEMENT
                Base Reg. #: 594990D         Base Reg. Date: APR 04, 2007

        Details Description:
         DEBTOR NAME CHANGE
Block#

        ** DELETED **
  +++     Bus. Debtor: FIRSTGROWTH EXPLORATION & DEVELOPMENT
                       SERVICES CORP
                       13564 CRESTVIEW DRIVE
                       SURREY BC  V3R 6T2

        *** ADDED ***
=D0003    Bus. Debtor: KINETEX RESOURCES CORPORATION
                       13564 CRESTVIEW DRIVE
                       SURREY BC  V3R 6T2

          Registering
                Party: LAWSON LUNDELL LLP
                       1600 925 WEST GEORGIA STREET
                       VANCOUVER BC  V6C 3L2

---------------- A M E N D M E N T  /  O T H E R   C H A N G E ----------------

                     Reg. #: 197153F              Reg. Date: SEP 28, 2009
                                                  Reg. Time: 09:20:21
                                                  Control #: B9586929
             Base Reg. Type: PPSA SECURITY AGREEMENT
                Base Reg. #: 594990D         Base Reg. Date: APR 04, 2007
```

Continued on Page 4

Details Description:
AMENDMENT TO GENERAL COLLATERAL DUE TO CHANGE OF NAME OF KINETEX INC. TO KINETEX MULTI-COMPONENT SERVICES INC.

General Collateral:
** DELETED **
ALL INDEBTEDNESS, PRESENT AND FUTURE, DIRECT OR INDIRECT, ABSOLUTE AND CONTINGENT OF KINETEX INC. TO THE DEBTOR.
*** ADDED ***
ALL INDEBTEDNESS, PRESENT AND FUTURE, DIRECT OR INDIRECT, ABSOLUTE AND CONTINGENT OF KINETEX MULTI-COMPONENT SERVICES INC. TO THE DEBTOR.

Registering
Party: LAWSON LUNDELL LLP
1600 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

**************** P P S A   S E C U R I T Y   A G R E E M E N T ****************

Reg. Date: SEP 28, 2009 Reg. Length: 5 YEARS
Reg. Time: 09:19:18 Expiry Date: SEP 28, 2014
Base Reg. #: 197152F Control #: B9584545

This registration was selected and included for your protection because of close proximity to your search criteria.

Block#

S0001 Secured Party: HSBC BANK CANADA
FORTUNA HOUSE
6168 NO. 3 ROAD
RICHMOND BC V6Y 2B3

=D0001 Base Debtor: KINETEX RESOURCES CORPORATION
(Business) 13564 CRESTVIEW DRIVE
SURREY BC V3R 6T2

General Collateral:
ALL PRESENT AND FUTURE INVESTMENT PROPERTY AND INSTRUMENTS INCLUDING THE SHARES IN THE CAPITAL OF KINETEX MULTI-COMPONENT SERVICES INC. AND ALL RENEWALS THEREOF, SUBSTITUTIONS THEREFOR AND ACCRETIONS THERETO AND ALL DIVIDENDS THEREON OR OTHER INCOME THEREFROM.
.
PROCEEDS: ANY AND ALL "GOODS", "INTANGIBLES", "CHATTEL PAPER", "DOCUMENTS OF TITLE", "INSTRUMENTS", "MONEY" AND "INVESTMENT PROPERTY" (AS SUCH TERMS ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA) AS AMENDED OR REPLACED FROM TIME TO TIME) CONSTITUTING PROCEEDS OF ANY OR ALL OF THE FOREGOING COLLATERAL, INCLUDING PROCEEDS OF PROCEEDS.

Registering
Party: LAWSON LUNDELL LLP
1600 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

Continued on Page 5

**************** P P S A   S E C U R I T Y   A G R E E M E N T ****************

Reg. Date: NOV 05, 2010
Reg. Time: 16:46:51
Base Reg. #: 851822F

Reg. Length: 7 YEARS
Expiry Date: NOV 05, 2017
Control #: D0262476

This registration was selected and included for your protection because of close proximity to your search criteria.

Block#

S0001 Secured Party: WATCH TOWER BIBLE AND TRACT SOCIETY
OF PENNSYLVANIA, INC.
25 COLUMBIA HEIGHTS
BROOKLYN NY 11201-1600

=D0001 Base Debtor: KINETEX RESOURCES CORPORATION
(Business) 900 - 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

D0002 Bus. Debtor: KINETEX MULTI-COMPONENT SERVICES INC
900 - 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

General Collateral:
ALL OF THE DEBTORS PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Registering
Party: LANG MICHENER LLP
BOX 11117,1500 1055 W. GEORGIA
VANCOUVER BC V6E 4N7

****

Some, but not all, tax liens and other Crown claims are registered at the Personal Property Registry (PPR) and if registered, will be displayed on this search result. HOWEVER, it is possible that a particular chattel is subject to a Crown claim that is not registered at the PPR. Please consult the Miscellaneous Registrations Act, 1992 for more details. If you are concerned that a particular chattel may be subject to a Crown claim not registered at the PPR, please consult the agency administering the type of Crown claim.

>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>> END OF SEARCH <<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<

H

Government of Alberta ■

Personal Property Registry
Search Results Report

Search ID#: Z02465857

Transmitting Party
ROSEWOOD SERVICES LIMITED PARTNERSHIP

3400, 350 7 AVENUE SW
CALGARY, AB T2P 3N9

Party Code: 50095611
Phone #: 403 261 5350
Reference #: 245056.0024

Search ID #: Z02465857 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:50:13

Business Debtor Search For:

KINETEX RESOURCES CORPORATION

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

This is Exhibit A referred to in the affidavit of Karla McCarthy made before me on this 2nd day of December 20 10

A Commissioner for taking Affidavits for British Columbia

REGISTRAR OF PERSONAL PROPERTY

Government of Alberta

Personal Property Registry Search Results Report

Search ID#: Z02465857

Business Debtor Search For:

KINETEX RESOURCES CORPORATION

Search ID #: Z02465857 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:50:13

Registration Number: 07040438983 Registration Type: SECURITY AGREEMENT

Registration Date: 2007-Apr-04 Registration Status: Current

Expiry Date: 2012-Apr-04 23:59:59

Exact Match on: Debtor No: 2

Amendments to Registration

09010817638	Amendment	2009-Jan-08
09092804907	Amendment	2009-Sep-28

Debtor(s)

Block		Status
1	FIRSTGROWTH CAPITAL INC 13654 CRESTVIEW DRIVE SURREY, BC V3R 6T2	Deleted by 09010817638

Block		Status
2	KINETEX RESOURCES CORPORATION 13654 CRESTVIEW DRIVE SURREY, BC V3R 6T2	Current by 09010817638

Secured Party / Parties

Block		Status
1	HSBC BANK CANADA 6168 NO. 3 ROAD RICHMOND, BC V6Y 2B3	Current

Collateral: General

Block	Description	Status
1	ALL INDEBTEDNESS, PRESENT AND FUTURE, DIRECT AND INDIRECT,	Deleted By 09092804907

2	ABSOLUTE AND CONTINGENT OF KINETEX INC. TO THE DEBTOR.	Deleted By 09092804907
3	PROCEEDS: ANY AND ALL "GOODS", "INTANGIBLES", "CHATTEL PAPER",	Current
4	"DOCUMENTS OF TITLE", "INSTRUMENTS", "MONEY" AND "SECURITIES"	Current
5	(AS SUCH TERMS ARE DEFINED IN THE PERSONAL PROPERTY SECURITY	Current
6	ACT (ALBERTA) AS AMENDED OR REPLACED FROM TIME TO TIME)	Current
7	CONSTITUTING PROCEEDS OF ANY OR ALL OF THE FOREGOING	Current
8	COLLATERAL, INCLUDING PROCEEDS OF PROCEEDS	Current
9	ALL INDEBTEDNESS, PRESENT AND FUTURE, DIRECT AND INDIRECT, ABSOLUTE AND CONTINGENT OF KINETEX MULTI-COMPONENT SERVICES INC. TO THE DEBTOR.	Current By 09092804907

Personal Property Registry
Search Results Report

Search ID#: Z02465857

Business Debtor Search For:

KINETEX RESOURCES CORPORATION

Search ID #: Z02465857 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:50:13

Registration Number: 09092804833 Registration Type: SECURITY AGREEMENT
Registration Date: 2009-Sep-28 Registration Status: Current
Expiry Date: 2014-Sep-28 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	KINETEX RESOURCES CORPORATION 13564 Crestview Drive Surrey, BC V3R 6T2	Current

Secured Party / Parties

Block		Status
1	HSBC BANK CANADA 6168 No. 3 Road Richmond, BC V6Y 2B3	Current

Collateral: General

Block	Description	Status
1	ALL PRESENT AND FUTURE INVESTMENT PROPERTY AND INSTRUMENTS INCLUDING THE SHARES IN THE CAPITAL OF KINETEX MULTI-COMPONENT SERVICES INC. AND ALL RENEWALS THEREOF, SUBSTITUTIONS THEREFOR AND ACCRETIONS THERETO AND ALL DIVIDENDS THEREON OR OTHER INCOME THEREFROM.	Current
2	PROCEEDS: ANY AND ALL GOODS , INTANGIBLES , CHATTEL PAPER , DOCUMENTS OF TITLE , INSTRUMENTS , MONEY AND INVESTMENT PROPERTY (AS SUCH TERMS ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (ALBERTA) AS AMENDED OR REPLACED FROM TIME TO TIME) CONSTITUTING PROCEEDS OF ANY OR ALL OF THE FOREGOING COLLATERAL, INCLUDING PROCEEDS OF PROCEEDS	Current

Business Debtor Search For:

KINETEX RESOURCES CORPORATION

Search ID #: Z02465857 **Date of Search:** 2010-Dec-01 **Time of Search:** 13:50:13

Registration Number: 10071627802 Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2010-Jul-16 Registration Status: Current

Expiry Date: 2012-Jul-16 23:59:59

Issued in Calgary Judicial District

Court File Number is 1001-09172

Judgment Date is 2010-Jul-02

This Writ was issued on 2010-Jul-13

Type of Judgment is Other

Original Judgment Amount: $66,664.31 Costs Are: $500.00

Post Judgment Interest: $0.00 Current Amount Owing: $67,164.31

Exact Match on: Debtor No: 1

Solicitor / Agent

Machida Shewchuk James, Attention: Matthew X. James
444 - 5 Avenue SW
Calgary, AB T2P 2T8

Phone #: 403 221 0260 Fax #: 403 221 8339 Reference #: 5405 MXJ

Debtor(s)

Block		Status
1	KINETEX RESOURCES CORPORATION 800 - 855 West Georgia Street Vancouver, BC V6C 3H1	Current

Creditor(s)

Block		Status
1		Current

Personal Property Registry
Search Results Report

Search ID#: Z02465857

WHITEWOOD CO-OPERATIVE LIMITED
c/o 2300, 444 - 5 Avenue SW
Calgary, AB T2P 2T8

Result Complete

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This is **Exhibit "__I__"** referred to in the Affidavit of Karla McCarthy made before me at Vancouver, British Columbia, on this 2nd day of December, 2010.

A Commissioner for taking Affidavits for British Columbia

HSBC Bank Canada
E 2006-12

1012018-

HYPOTHECATION OF SECURITIES, MUTUAL FUND UNITS, INVESTMENT INSTRUMENTS AND OTHER INVESTMENT PROPERTY OWNED BY A THIRD PARTY

TO: HSBC Bank Canada 6168 No. 3 Road Richmond British Columbia, V6Y 2B3	DATE: ~~September 24, 2009~~ November 13, 2009

In consideration of advances made or to be made to **Kinetex Multi-Component Services Inc.** (the "**Customer**") by **HSBC Bank Canada** (the "**Bank**"), and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Kinetex Resources Corporation, (the "**Owner**"), the Owner delivers to the Bank the securities, mutual fund units, investment instruments and other investment property described in the schedule to this agreement (which securities, mutual fund units, investment instruments and other investment property, together with such other additional securities, mutual fund units, investment instruments and other investment property as may in the future be delivered to the Bank and subjected to the terms of this agreement, all renewals of, substitutions for, accretions thereto and proceeds thereof are collectively called the "**Securities**") and hereby mortgages, charges, pledges, transfers, assigns and grants a security interest in the Securities and all proceeds thereof in favour of the Bank.

The Owner agrees that:

1. The Securities are delivered as general and continuing collateral security and are hereby mortgaged, charged, pledged, transferred, assigned, and a security interest is granted therein, to the Bank to secure the payment of:

   (a) all and every indebtedness, present and future, direct and indirect, absolute and contingent (the "**Indebtedness**"); and

   (b) all and every liability, present and future, direct and indirect, absolute and contingent (the "**Liabilities**"),

   of the Customer and the Owner, or either of them, to the Bank (collectively the "**Secured Obligations**").

2. For each Security that is a certificated security, an uncertificated security or a security entitlement, the Owner shall, or shall cause the issuer of such Security to, or shall cause the securities intermediary that holds such Security to, take all steps as are necessary to give exclusive control over such Security to the Bank on terms and conditions satisfactory to the Bank. At the request of the Bank, the Owner shall cause a security certificate to be issued for any Security that is in the form of an uncertificated security or a security entitlement, shall deliver such security certificate to the Bank, and shall take all steps necessary to give exclusive control over such certificated security to the Bank.

3. The Bank's responsibility with regard to the Securities shall be limited to exercising the same degree of care which it gives to similar property held by the Bank at the branch where the Securities are held.

4. If:

(a) the Customer or the Owner, as the case may be, fails to pay, fulfil or perform any Secured Obligation or any part thereof when due or when any note representing any Secured Obligation becomes due, or

(b) in the opinion of the Bank, any of the Securities depreciates in value,

then the Bank may, without restricting any other remedies available to it, immediately, without any notice, demand for payment, advertisement, or other formality:

(c) sell any of the Securities on any recognized exchange dealing in such securities or by public or private sale,

(d) exercise all or any of the following powers with respect to all or any of the Securities:

(i) demand, sue for, collect, receive and give acquittance for any and all moneys due or to become due upon or by virtue thereof;

(ii) settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto; and

(iii) extend the time of payment of any or all moneys on account thereof and make any allowance and other adjustments with reference thereto; and

(e) realize upon the Securities as fully and effectually as if the Bank were the absolute owner of the Securities.

5. The Bank shall not be bound under any circumstances to realize upon any of the Securities or allow any of the Securities to be sold, and shall not be responsible for any loss occasioned by any sale of any Securities or by the retention of or refusal to sell any of the Securities.

6. The Bank shall not be obliged to collect or see to the payment of interest or dividends upon any of the Securities, but all such interest or dividends, if any, when received by the Owner, shall be immediately paid to the Bank. Any dividend or other income received by the Bank in respect of the Securities will be applied in reduction of the Secured Obligations or part thereof, as determined by the Bank.

7. The Securities or any excess thereof or proceeds of their sale may be retained as security for or applied upon any Secured Obligations, or part thereof, as determined by the Bank.

8. The Bank or any director, officer, branch manager or acting branch manager of the Bank, as the irrevocable attorney of the Owner may transfer any of the Securities and may fill in

all blanks in any certificate evidencing the Securities or in any power of attorney or other documents in connection therewith. The Bank may delegate these powers (which may be sub-delegated) and exercise them in the name and on behalf of the heirs, devises, executors, administrators or successors of the Owner. These powers shall be coupled with an interest and, subject to any law to the contrary, none of these powers shall be revoked by the death, incapacity or insolvency of the Owner.

9. The Owner hereby represents and warrants to the Bank that:

(a) there are no agreements or restrictions which in any way limit or restrict the right of the Owner to deliver, mortgage, charge, pledge, transfer, assign and grant a security interest in the Securities in favour of the Bank as provided herein and the Owner has full legal right, power and authority to deliver, mortgage, charge, pledge, transfer, assign and grant a security interest in the Securities in favour of the Bank as provided in this agreement free and clear of any security interest, lien, charge, pledge, encumbrance, claim or right; and

(b) the delivery, mortgaging, charging, pledging, transferring and assignment of, and the granting of a security interest in, the Securities by the Owner in favour of the Bank as provided herein does not contravene, breach or result in any default under any indenture, mortgage, lease, agreement, license or permit, or under any article, by-law, statute, regulation, order, judgment, decree or law to which the Owner is a party or is bound.

If publicly traded securities are included in the Securities, then the Owner hereby represents and warrants to the Bank that:

(c) upon enforcement and realization of this agreement by the Bank, the Securities will not be subject to any statutory hold period under the laws of the Province and no document will be required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations of regulatory authorities required to be obtained by the Bank under applicable securities legislation in the Province in connection with the sale of the Securities by the Bank; and

(d) the Securities have been duly issued to the Owner and are fully paid and non-assessable, and the Owner is the sole registered and beneficial owner of the Securities.

10. At the request of the Bank the Owner shall, at the Owner's expense:

(a) execute all transfers and documents as may be reasonably required, with all powers of sale and other necessary powers as may be expedient, for vesting any of the Securities in the Bank or such person as the Bank may appoint;

(b) use its best efforts to do or cause to be done all such other acts and things as may be necessary to make any sale by the Bank pursuant to this agreement of any of the Securities valid and binding and in compliance with the requirements of any and all applicable laws, regulations and orders of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign (collectively, the "Applicable

Requirements") having jurisdiction over any such sale or sales, including without limitation:

(i) furnish to the Bank all such information as the Bank may request in order to identify the Securities which may be sold as exempt transactions under the Applicable Requirements;

(ii) register and file, and cause the issuer of the Securities to register and file, all statements, instruments and documents, including any prospectus, offering memorandum and amendments and supplements thereto, to facilitate the sale of such Securities, all in conformity with the Applicable Requirements,

and the Owner agrees to indemnify and hold harmless the Bank from and against any loss, liability, claim, damage and expense (and legal fees and disbursements incurred in connection therewith) under the Applicable Requirements or otherwise insofar as such loss, liability, claim, damage or expense arises out of or is based upon:

(iii) any untrue statement or alleged untrue statement of a material fact contained in any registration, filing, prospectus or offering memorandum or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated or necessary to make the statements therein not misleading; or

(iv) any failure to comply with the provisions of any Applicable Requirement, if such failure is attributable to a breach by the Owner of its covenants and agreements in this agreement.

11. All costs and charges incurred by the Bank in connection with the Securities or their realization (including all legal costs on a solicitor-and-client or full indemnity basis, as applicable in the Province, court costs and expenses of taking possession of, protecting and realizing upon any Securities) shall be added to the Secured Obligations and shall be a first charge upon any moneys received pursuant to the terms of this agreement.

12. The Bank shall not be required to surrender any of the Securities by reason of any partial payment on account of the Secured Obligations made by the Customer or the Owner or any Secured Obligations ceasing to exist, and the mortgage, charge, pledge, transfer, assignment and grant of security interest contained herein shall be and remain valid security for any subsequent Secured Obligations.

13. Any written notice to the Owner or the Customer shall be sufficiently given if transmitted by ordinary post to the last known address of the Owner or the Customer, as the case may be, as shown by the books of the Bank.

14. The receipt of any person producing a cheque of the Owner or the Customer by way of payment and satisfaction of the Secured Obligations, in whole or in part, shall be sufficient authority for the delivery to such person of any of the Securities as the Bank may see fit to relinquish.

15. The Bank shall have the right but shall not be required to exercise any right which the holder of any of the Securities may at any time have, and any advance made for such purpose shall be added to the Secured Obligations and all the provisions of this agreement shall apply to such advance.

16. The Bank shall be entitled to vote upon any of the Securities at any meeting, whether special or general, at which the holder of any of the Securities is entitled to vote, and may give the authority to vote such Securities to any person.

17. The Bank may sign on behalf of and as agent for the Owner such Income Tax Ownership Certificates as may be required.

18. This shall be a continuing security agreement, and the mortgage, charge, pledge, transfer, assignment of, and grant of a security interest in, the Securities contained herein is in addition to and not in substitution for any other security held by the Bank. This agreement shall not operate as a merger of any debt or suspend the fulfilment of, or affect the rights, remedies and powers of the Bank with respect to any of the Secured Obligations or any of the Securities. The Owner hereby assigns to the Bank all claims, present or future, of the Owner against any person liable upon or for payment of any of the Securities.

19. The Bank shall not be obliged to exhaust its recourse against the Customer, the Owner or any other party or against any other security before realizing on or otherwise dealing with any of the Securities in whatever way the Bank considers desirable.

20. The Bank may:

    (a) grant time, renewals, extensions, indulgences, releases and discharges to,

    (b) take securities from,

    (c) give additional security to,

    (d) abstain from taking additional security from,

    (e) abstain from perfecting securities of,

    (f) accept composition from, and

    (g) otherwise deal with,

    the Customer, the Owner and all other persons and securities (including any of the Securities) as the Bank may see fit, without prejudice to the right of the Bank to hold, deal with and realize on any of the Securities in whatever way the Bank considers desirable.

21. Where the Customer or the Owner is a corporation, this agreement shall not be affected by:

(a) any change whatsoever in its objects, capital structure, or constitution, with respect to transactions occurring before or after such change; or

(b) its amalgamation with any corporation, with respect to transactions occurring before or after such amalgamation;

but shall, notwithstanding the happening of any of these events, continue to apply to all the Secured Obligations whether incurred before or after this agreement, and in this agreement the words "Customer" and "Owner" shall include every corporation which results from the events described in sections (a) and (b) above.

22. If any provision, or part thereof, of this agreement is found to be invalid or unenforceable, such unenforceability shall not affect the validity or enforceability of the balance of such provision or this agreement.

23. The Owner acknowledges that this agreement has been delivered free of any conditions and that no statements, representations, agreements, collateral agreements or promises have been made to or with the Owner affecting or limiting the liability of the Owner under this agreement or inducing the Owner to enter into this agreement except as specifically contained herein in writing.

24. No alteration or waiver of this agreement or any of its terms, provisions or conditions shall be binding on the Bank unless made in writing over the signature of an authorized signatory of the Bank.

25. All rights, powers and remedies of the Bank hereunder and under any other agreement now or at any time hereafter in force between the Bank and the Owner shall be cumulative and shall be in addition to and not in substitution for any rights, powers and remedies of the Bank at law or in equity.

26. All words denoting the singular shall be pluralized throughout this agreement as the context requires and all words denoting gender shall be construed as the context requires.

27. This agreement shall be binding upon the Owner and the heirs, executors, administrators, successors and assigns of the Owner and shall enure to the benefit of the Bank and its successors and assigns.

28. This agreement shall be governed by and construed in accordance with the laws of the Province of Province of British Columbia and shall be deemed to have been made in such Province and to be performed there, and the courts of such Province shall have jurisdiction over all disputes which may arise under this agreement, provided that nothing herein contained shall prevent the Bank from proceeding at its election against the Owner in the courts of any other province or country. If the Owner becomes resident outside the Province referred to in this paragraph 28, then the Owner hereby submits to the jurisdiction of the courts of competent jurisdiction of the Province referred to in this paragraph 28 in respect of any proceeding hereon.

29. The Owner acknowledges having received a copy of this agreement and waives all rights to receive from the Bank copies of any financing statements, financing change

statements, or verification statements filed at any time or from time to time in respect of this agreement or the security interest granted pursuant hereto.

30. "It is the express wish of the parties that this agreement and any related documents be drawn up and executed in English. Les parties ont exprime la volonté expresse que cette convention et tous les documents s'y rapportant soient rédigés en anglais."

Dated the 13 day of ~~September~~ November, 2009.

Where the Owner is a Corporation:

KINETEX RESOURCES CORPORATION
by its authorized signatory:

Any director or officer

SCHEDULE

[Describe the Securities. If any Securities are held in a securities account with a broker or other securities intermediary, include the full name and address of such securities intermediary and the identification number/code for the Owner's securities account. If any Securities are units of a mutual fund (or other uncertificated securities evidenced directly on the books of the issuer), include the full name and address of such mutual fund (or other issuer) and the identification number/code for the Owner's mutual fund account.]

5[illegible]000 Class "C" shares
1,425,000 Class "B" Preferred shares
2[illegible]19,000 Class "A" shares in the capital of Kinetex Multi-Component Services Inc. represented by share certificate no(s) C-8
B-1
NC-43

ASSIGNMENT AND POSTPONEMENT

In consideration of advances made or to be made to **Kinetex Inc.** (the "**Customer**") by **HSBC Bank Canada** (the "**Bank**"), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Undersigned, the Undersigned hereby assigns and transfers all indebtedness, present and future, direct and indirect, absolute and contingent, of the Customer to the Undersigned (collectively, the "**Claims**") unto the Bank by way of security for all and every indebtedness and liability, present and future, direct and indirect, absolute and contingent of the Customer and the Undersigned, or either of them, to the Bank (collectively, the "**Secured Obligations**") and agrees that:

1. The Bank shall not be bound to demand payment of the Claims or any part thereof or take any proceeding to collect any Claim or to enforce any security in respect thereof except as the Bank may at its own discretion deem fit.

2. In the event of the bankruptcy or winding up of the Customer or any distribution of the assets or any of the assets of the Customer or proceeds thereof among its creditors in any manner whatsoever the Bank may prove in respect of the Claims hereby assigned as a debt owing to it by the Customer and the Bank shall be entitled to receive the dividends payable in respect thereof, such dividends to be applied on such part or parts of the Secured Obligations as the Bank shall see fit, until the whole of such Secured Obligations have been paid and satisfied in full and thereafter the Undersigned shall be entitled to such dividends.

3. Upon payment and satisfaction in full of the Secured Obligations and of all bills, notes and other instruments representing the same, and upon the written request of the Undersigned, the Bank will release to the Undersigned the Bank's claim under this agreement in respect of the Claims.

4. All moneys received by the Undersigned from the Customer shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank until the whole of Secured Obligations have been paid in full and satisfied.

5. This shall be a continuing agreement and the transfer and assignment of the Claims contained herein:

    (a) is in addition to and not in substitution for any other security held by the Bank;
    (b) shall not operate as a merger of any debt or suspend the fulfilment of, or affect the rights, remedies and powers of the Bank with respect to any of the Secured Obligations or any other securities; and
    (c) shall not be terminated by reason of any partial payment on account of the Secured Obligations made by the Customer or the Undersigned or any Secured Obligations ceasing to exist, and the transfer and assignment contained herein shall be and remain valid security for any subsequent Secured Obligations.

6. The Bank shall not be obliged to exhaust its recourse against the Customer, the Undersigned or any other party or against any other security before realizing on or otherwise dealing with any of the Claims in whatever way the Bank considers desirable.

7. The Bank may:

    (a) grant time, renewals, extensions, indulgences, releases and discharges to,
    (b) take securities from,
    (c) give additional security to,

(d) abstain from taking additional security from,
(e) abstain from perfecting securities of,
(f) accept composition from, and
(g) otherwise deal with

the Customer, the Undersigned and all other persons and securities, including any of the Claims, as the Bank may see fit, without prejudice to the right of the Bank to hold, deal with and realize on any of the Claims, in whatever way the Bank considers desirable.

8. The Undersigned undertakes and agrees, when requested by the Bank, to execute all sworn statements of claims, assignments and other documents and to do all matters and things which may be necessary or advisable to carry this agreement into effect.

9. Any moneys owing and which may become owing by the Customer to the Undersigned shall not be withdrawn, but remain on the books of the Customer, unless the Bank's written consent to withdrawal is first obtained.

10. Except as provided in this agreement or with the consent in writing of the Bank, the Undersigned will not assign any of the Claims to any other person or ask for or obtain any negotiable paper or other evidence of the Claims.

11. The Customer acknowledges that the Claims are not the subject of nor will any future Claim be made the subject of any set-off or counter-claim by the Customer and the Customer and the Undersigned represent to the Bank that the Undersigned holds no security for the Claims or any part thereof.

12. The Customer and the Undersigned hereby agree with the Bank that no satisfaction, consideration or security will be given to or accepted by the Undersigned for any Claims, without the written consent of the Bank first had and obtained.

13. The Undersigned acknowledges that this agreement has been delivered free of any conditions and that no statements, representations, agreements, collateral agreements or promises have been made to or with the Undersigned affecting or limiting the liability of the Undersigned under this agreement or inducing the Undersigned to enter into this agreement except as specifically contained herein in writing.

14. Where the Customer or the Undersigned is a corporation, this agreement shall not be affected by:

(a) any change whatsoever in its or their objects, capital structure, or constitution with respect to transactions occurring before or after such change; or
(b) its or their amalgamation with any corporation, with respect to transactions occurring before or after such amalgamation;

but shall, notwithstanding the happening of any of these events, continue to apply to all the Secured Obligations whether incurred before or after this agreement and in this agreement the word "Customer" and "Undersigned" shall, if the Customer or the Undersigned, respectively, is a corporation, include every firm and corporation which results from the events described in sections (a) and (b) above.

15. All words denoting the singular shall be pluralized throughout this agreement as the context requires and all words denoting gender shall be construed as the context requires.

16. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision shall be deemed to be severable and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

17. This agreement shall be binding upon and shall enure to the benefit of the executors, administrators, successors and assigns of the respective parties hereto.

18. All rights, powers and remedies of the Bank hereunder and under any other agreement now or at any time hereafter in force between the Bank and the Undersigned shall be cumulative and shall be in addition to and not in substitution for all rights, powers and remedies of the Bank at law or in equity.

19. This agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and shall be deemed to have been made in such Province and to be performed there, and the courts of such Province shall have jurisdiction over all disputes which may arise under this agreement, provided that nothing herein contained shall prevent the Bank from proceeding at its election against the Undersigned in the courts of any other province or country. If the Undersigned becomes resident outside of the Province referred to in this paragraph, then the Undersigned hereby submits to the jurisdiction of the courts of competent jurisdiction of the Province referred to in this paragraph in respect of any proceeding hereon.

20. The Undersigned acknowledges receipt of a copy of this agreement and waives all rights to receive from the Bank a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry at any time or from time to time in respect of this agreement.

21. It is the express wish of the parties that this agreement and any related documents be drawn up and executed in English. Les parties ont exprimé la volonté expresse que cette convention et tous les documents s'y rapportant soient rédigés en anglais.

Dated the 30th day of March, 2007.

Execution by the party making the assignment and postponement (the "Undersigned"):

Where the Undersigned is a Corporation:

FIRSTGROWTH CAPITAL INC.
by its authorized signatory:

Any director or officer

Execution by the Customer:

KINETEX INC.
by its authorized signatory:

Any director or officer

16. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision shall be deemed to be severable and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

17. This agreement shall be binding upon and shall enure to the benefit of the executors, administrators, successors and assigns of the respective parties hereto.

18. All rights, powers and remedies of the Bank hereunder and under any other agreement now or at any time hereafter in force between the Bank and the Undersigned shall be cumulative and shall be in addition to and not in substitution for all rights, powers and remedies of the Bank at law or in equity.

19. This agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and shall be deemed to have been made in such Province and to be performed there, and the courts of such Province shall have jurisdiction over all disputes which may arise under this agreement, provided that nothing herein contained shall prevent the Bank from proceeding at its election against the Undersigned in the courts of any other province or country. If the Undersigned becomes resident outside of the Province referred to in this paragraph, then the Undersigned hereby submits to the jurisdiction of the courts of competent jurisdiction of the Province referred to in this paragraph in respect of any proceeding hereon.

20. The Undersigned acknowledges receipt of a copy of this agreement and waives all rights to receive from the Bank a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry at any time or from time to time in respect of this agreement.

21. It is the express wish of the parties that this agreement and any related documents be drawn up and executed in English. Les parties ont exprimé la volonté expresse que cette convention et tous les documents s'y rapportant soient rédigés en anglais.

Dated the 31st day of March, 2007.

Execution by the party making the assignment and postponement (the "Undersigned"):

Where the Undersigned is a Corporation:

FIRSTGROWTH CAPITAL INC.
by its authorized signatory:

____
Any director or officer

Execution by the Customer:

KINETEX INC.
by its authorized signatory:

____
Any director or officer

HSBC

HSBC Bank Canada

SECURITY OVER CASH, CREDIT BALANCES AND DEPOSIT INSTRUMENTS BY THIRD PARTY

(All Provinces Except Quebec)

To: HSBC Bank Canada

6168 No. 3 Road Richmond B.C. Date: November 20, 2007

Branch Address

Charge

1. In consideration of HSBC Bank Canada (the "Bank") dealing with Kinetix Inc (the "Customer") and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the undersigned), the undersigned hereby lodges and pledges in favour of the Bank and grants to the Bank a fixed mortgage, charge, and security interest in and releases to the Bank and the entire right, title, claim and interest of the undersigned in and to:

Delete (b) and (c) for security over the specific deposit instrument

(a) the principal sum, interest, and all the other monies owing and payable or hereafter owing and payable to the undersigned pursuant to the terms of the instrument or instruments (the "Instrument"), if any, described in the Schedule of Instruments set out below, and the entire right, title and interest of the undersigned in and to the instrument;

Delete (a) and (c) for security over monies in cash collateral

(b) all monies in account number(s) 290-885167-001 at the branch of the Bank set out above, including monies which the Bank has withdrawn or withdraws from any other account of the undersigned and has deposited or deposits in the said account, the Bank being hereby authorized to make such withdrawals and deposits from time to time;

Delete (a) and (b) for security over credit balances

(c) all monies which are now or which may from time to time in the future stand to the credit of the undersigned in any accounts at the branch of the Bank set out the above.

All of which are hereinafter collectively referred to as the "Deposits".

Obligations Secured

2. The mortgage, charge, security interest, release and pledge granted above shall be general and continuing security for payment, performance and satisfaction of each and every obligation, indebtedness and liability of the Customer or the undersigned to the Bank (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate unpaid balance thereof (including interest thereon) including all future advances and re- advances, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the customer or the undersigned be bound alone or with another or others and whether as principal or surety (all of which obligations, indebtness and liabilities are herein collectively called the " Obligations"). The undersigned covenants and agrees to pay and satisfy the Obligations, limited to the amount of the Deposits.

Representations and Warranties

3. The undersigned represents and warrants that:

(a) This Agreement has been duly authorized, executed and delivered by the undersigned to the Bank; and

(b) the deposits are legally and beneficially owned by the undersigned free of all security interests, mortgages, liens, claims, charges and other encumbrances, save for the security constituted by this Agreement and any other security in favour of the Bank.

Dealing with Instruments and Renewals

4. The undersigned irrevocably authorizes and directs the Bank, to receive the principal, interest and other monies represented by the Instrument, if any, described in the schedule of Instruments, and, in the Bank's sole and absolute discretion, to retain or reinvest all or part of such monies in one or more Instruments of the same or similar nature on such terms as are in effect as such maturity and to receive another instrument which shall then stand in the place of and be deemed to be the Instrument; **Provided** that unless otherwise instructed by the undersigned, the Bank shall not be bound to reinvest the monies as provided above and shall not be responsible for any loss occasioned by its failure or neglect to do so. The Bank shall not be responsible for any loss whatsoever occasioned by retention or reinvestment of the monies or acceptance of a replacement certificate as aforesaid.

5. It is understood and agreed in writing by the Bank, the occurrence of any of the following events shall be a default under this Agreement:

Default

6. Unless otherwise agreed in writing by the Bank, the occurrence of any of the following events shall be a default under this Agreement:

(a) the Obligations or any part thereof are not repaid and satisfied when the same become due;

(b) the customer or the undersigned breaches any term, condition, proviso, agreement or covenant with the Bank, or any representation or warranty given by the Customer or the undersigned to the Bank in this agreement, or otherwise, is untrue;

(c) The customer or the undersigned makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the **Bankruptcy Act** (Canada), the Companies Creditors Arrangement Act (Canada) or similar legislation in any jurisdiction, or makes an unauthorized assignment or;

(d) there is instituted by or against the Customer or the undersigned any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against, or winding up of the affairs of, the Customer or the undersigned; or

(e) if the customer or the undersigned is a natural person, the Customer or the undersigned dies or is declared incompetent to manage his or her affairs; or

(f) the Customer or the undersigned ceases or threatens to cease to carry on business or makes or agrees to a bulk sale of assets or commits or threatens to commit an act of bankruptcy; or

(g) a receiver, and manager or receiver-manager of all or any part of the Deposits or of any other property, assets or undertaking of the customer or the undersigned is appointed; or

(h) any execution, sequestration, extent or other process of any court becomes enforceable against the Customer or the undersigned or a distress or analogous process is levied upon the Deposits or any part thereof; or

(i) an order is made or an effective resolution is passed for winding up the Customer or the undersigned; or

(j) without the prior written consent of the Bank, the Customer or the undersigned creates or permits to exist any encumbrance against any of the Deposits other than an encumbrance in favour of the Bank; or

(k) the Customer or the undersigned enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other person; or

(l) the Bank in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of any of the Obligations is impaired or that any of the Deposits are or are about to be placed in jeopardy.

Enforcement

7. Upon default under this Agreement, the security constituted by this Agreement will immediately become enforceable, and to enforce and realize on the security constituted by this Agreement, the Bank may take any action permitted by law or in equity as it may deem expedient, and in Particular, without limiting the generality of the foregoing, the Bank may, subject to applicable law, immediately without notice, demand for payment, or other formality enforce and realize upon the security constituted by this Agreement as fully and effectually as if the Bank were the absolute owner of the Deposits and the Bank may retain or apply all or any portion of the Deposits against payment of the Obligations or any part of it in such amount and in any manner that the Bank , in its absolute discretion sees fit, and the Bank may apply the Deposits against the Obligations without having to seize or otherwise realize upon the Deposits.

Combination and Set-Off

8. The undersigned combine or consolidate any other account of the undersigned, whether or not otherwise subject to notice and set-off the Deposits and any monies standing to the credit of such account against the Obligations or any other or Obligation of the undersigned.

Restriction on Withdrawal

9. Notwithstanding any other agreement to the contrary, the undersigned shall not withdraw, assign, transfer or otherwise deal with the Deposits, and the Bank should not be required to surrender or deliver up the Deposits by reason of any partial payment on account of the Obligations and may retain the Deposits or the proceeds derived from them until the entire Obligations have been satisfied in full.

Continuing Security

10. This Agreement shall:

(a) be in addition to and not in substitution for any other security held by the Bank;

(b) not operate as a merger or a novation of any debt outstanding to the Bank, nor suspend the fulfilment of or affect the rights, remedies and powers of the Bank or any obligations of the undersigned, the Customer or any other person to the Bank;

(c) not be deemed to be redeemed or cancelled pro tanto or otherwise, due to any partial payment made by the Customer or the undersigned on account of the Obligations or any ceasing by the undersigned to be indebted to the Bank, and this Agreement shall remain valid security for any subsequent Obligations.

Non Exclusive Remedies, etc.

11. The remedies and rights given to the Bank in this Agreement are not intended to be exclusive. Each and every remedy and right shall be cumulative and shall be in addition to every other right or remedy given by this Agreement or now or hereafter existing at law, in equity by statute or otherwise. In particular, without limiting the generality of the foregoing, this Agreement does not affect the rights of the Bank to any lien, claim, or interest arising by operation of law. The exercise or commencement of exercise by the Bank of any one or more of such remedies and rights.

12. The Bank shall not be obliged to exercise any remedies which it may have against the undersigned or any other parties or against any other security it may hold before realizing on or otherwise dealing with the Deposits in whatever manner the Bank considers appropriate.

13. The Bank shall not be responsible for any failure to exercise or enforce, or for any delay in the exercise or enforcement of, any powers, rights or discretions of the Bank, or directions to the Bank, and the Bank shall be accountable only for such monies as it shall actually receive.

Dealings

14. The Bank may do all or nothing of the following:

(a) grant time, renewals, extensions, indulgences, releases and discharges to;

(b) take securities from;

(c) abstain from taking additional security from;

(d) abstain from perfecting securities of;

(e) accept compositions from;

(f) obtain judgement against; and

(g) otherwise deal with

all persons and securities as the Bank may see fit without prejudice to the Bank's rights under this Agreement, including without limitation, the Bank's right to hold, deal with and realize on the Deposits in whatever way the Bank considers appropriate.

Severability

15. If any provision of this Agreement should be determined to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

Miscellaneous

16 If the undersigned receives any of the Deposits, the undersigned shall receive the same in trust as depositary for and on behalf of the Bank, and shall deal with the Deposits as the Bank may direct.

17. The records of the Bank shall constitute prima facie evidence of the amount of the Deposits and the amount of the Obligations at any time and of the undersigned being in default or of any demand having been made.

18. The Bank or any manager, acting manager or account manager of the Bank is hereby appointed as the irrevocable attorney of the undersigned with the authority to do such acts, execute all documents necessary to give effect to this Agreement (on behalf of and in the name of the undersigned) and to the realization and enforcement of this Agreement by the Bank.

19. The undersigned shall pay all costs, charges and expenses including solicitors costs, charges and expenses which may be incurred by the Bank in connection with this Agreement and its enforcement.

20. If the customer is a corporation, no change in the name, objects, share capital or constitution of the customer shall in any way affect the liability of the undersigned, either with respect to transactions occurring before or after any such change, and this Agreement shall extend to all debts and liabilities to the Bank of the person or corporation who or which assumes the Obligations of the Customer in or in part in whatsoever manner including, without limitation, by amalgamation with the Customer.

21. If the customer is a partnership, no change in the name of the Customer's or the undersigned's firm through the death, retirement or introduction of one or more partners or otherwise, or by the disposition of either firms business in whole or in part, shall in any way affect the liability of the undersigned, either with respect to transactions occurring before or after any such change, and this Agreement shall extend to all debts and liabilities to the Bank of the person or corporation who or which assumes the Obligations of the Customer in whole or in part in whatsoever manner.

22. The undersigned:
   (a) acknowledges receiving a copy of this Agreement; and
   (b) waves all rights to receive from the Bank a copy of any financing statement, financing change statement or verification statement filed at any time or from time to time in respect of this Agreement.

23. The Bank shall not be obliged to exhaust its recourse against the Customer before realizing or otherwise dealing with the Deposits in such a manner as the Bank considers desirable.

24. The undersigned, if a corporation, certifies that there are reasonable grounds for believing that, or the directors of the undersigned are of the opinion that, the giving of the financial assistance to the Customer by entering into this Agreement is in the best interests of the undersigned and the directors of the undersigned have passed a resolution authorizing the entering into this Agreement.

25. If this Agreement is executed by more than one party, the liability of each of the undersigned shall be joint and several with one another.

26. In this Agreement, any word importing the singular number shall include the plural, and, without restricting the generality of the foregoing, where there is more than one undersigned any reference to the undersigned refers to each and every one of the undersigned. The headings in this Agreement are inserted for convenience only and shall not affect the construction hereof.

27. Any notice, demand or other communication under this Agreement shall be in writing and addressed to the undersigned at the last address shown on the records of the Bank.

28. This Agreement shall be binding upon the undersigned and the heirs, executors, administrators, successors, and assigns of the undersigned, and shall enure to the benefit of the Bank and its successors and assigns.

29. This Agreement shall be governed and construed in accordance with the laws of the jurisdiction where the branch of the Bank indicated above is located, and the undersigned irrevocably submits to the courts of such jurisdiction, but this agreement may be enforced in the courts of any competent jurisdiction.

30. The parties hereto acknowledge that they have expressly required that this Agreement and all deeds, documents or notices relating to this Agreement be drafted in the English language. Les parties aux présentes reconnaissent qu'elles ont exigé expréssement que la présente convention et tous autres contrats, documents ou avis qui y sont afférents soient rédigés en langue anglaise.

IN WITNESS WHEREOF the undersigned has executed this Agreement as of the day and year first above written.

Schedule of Instrument(s)

Date	Cert. No.	Principal Amount

Where the Undersigned is an Individual:
Signed, Sealed and Delivered by
in the presence of:

Signature: ______________________

Name: ______________________

Address: ______________________

Occupation: ______________________

Where the Undersigned is a Corporation:

Firstgrowth Exploration & Development Services Corp.
Name of Corporation

Per: X ______________________

Name: ______________________

Title: ______________________

Per: X ______________________

Name: ______________________

Title: ______________________

c/s

For use in Alberta

THE GUARANTEES ACKNOWLEDGEMENT ACT
CERTIFICATE OF NOTARY PUBLIC

I hereby certify that:

1. ______________________________ of ______________________________, the signatory to the security Over Cash, Credit Balances and Deposit Instruments by the Third Party (the "Security" Agreement) granted to HSBC Bank Canada, which this certificate is noted upon, appeared in person before me and acknowledged that he/she had executed the Security Agreement and had granted the security to guarantee the obligations of the customer therein named;

2. I satisfied myself by examination of him/her that he/she is aware of the contents of the Security Agreement and understands it.

Given at ______________________________, the ______________ day of ________________, ________
under my hand and seal office.

A Notary Public in and for

______________________________ (seal)
Signature of Guarantor

STATEMENT OF GUARANTOR

I am the person named in this certificate

____

Canadian Securities Registration Systems (BCCHK9)

Report Date:December 24, 2007

BCCHK9F209841-1

REGISTERED

REGISTRATION STATEMENT (British Columbia)

REGISTRATION INFORMATION

Registration Number	Registration Date	Registration Time	Expiry Date
104593E	24 DEC 2007	7:36AM	24 DEC 2012

Type of Registration
SECURITY AGREEMENT

Life of Registration
5 Year

SECURED PARTY INFORMATION

Transit 10290 **PPR Code** 43490000

HSBC BANK CANADA
6168 NO 3 ROAD
Richmond, BC Canada V6Y 2B3

DEBTOR INFORMATION

FIRST GROWTH EXPLORATION & DEVELOPMENT SERVICES CORP.
915 -925 WEST GEORGIA STREET
VANCOUVER, BC V6C 3L2

GENERAL COLLATERAL

THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO ALL MONIES IN ACCOUNT NUMBER(S) 290-885167-001 AT THE BRANCH OF THE SECURED PARTY LOCATED AT 6168 NO. 3 ROAD, RICHMOND BC V6Y 2B3 INCLUDING MONIES WHICH THE SECURED PARTY HAS WITHDRAWN OR WITHDRAWS FROM ANY OTHER ACCOUNT OF THE DEBTOR AND DEPOSITED IN SAID ACCOUNT(S). AND ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY AMENDMENTS THERETO).

REGISTERING AGENT

SAME AS SECURED PARTY

Your Reference	653924-026/ALISON	Billed Amount : $46.32
Billed Account	INTERNAL ACCOUNT - 10290 10290 - Richmond (BC)	
Account Manager :	10290	

J

HSBC

This is Exhibit J referred to in the affidavit of Karla McCarthy made before me ~~on this~~ 2nd day of December 2010

A Commissioner ~~for taking~~ Affidavits for British Columbia

October 15, 2010

PRIVATE AND CONFIDENTIAL

Ernst & Young Inc.
1000, 440 – 2nd Avenue SW
Calgary, AB T2P 5E9

Attention: Mr. Neil Narfason

Dear Sirs:

Re: Kinetex Multi-Component Services Inc. (collectively "Kinetex" or the "Company")

The HSBC Bank Canada ("HSBC" or the "Bank") provided certain credit facilities to Kinetex as set out in the credit agreement (the "Credit Agreement ") dated June 29, 2010. The Bank has certain concerns regarding Kinetex's current financial position and its future business prospects. As a result of these concerns, we hereby retain Ernst & Young Inc. ("EYI") as a consultant (the "Consultant") to assist HSBC in assessing its position regarding Kinetex's indebtedness to the Bank. EYI's mandate shall include, but not necessarily be limited to, a review of the following matters with respect to the Company:

1. The Company's outstanding receivables, expected timing of receivable collections, any material collection issues and any insurance in place for foreign receivables;
2. The Company's short term cash flow projections, including the reasonableness of the underlying assumptions;
3. The Company's financial projections for 2011, including the reasonableness of the underlying assumptions;
4. The current working capital position including an analysis of accounts payable and accrued liabilities and the existence of any priority payables;
5. An analysis of the net realizable value of HSBC's security and the Company's assets; and
6. Any other matters which appear to EYI to be relevant to the Company's viability and its relationships with its creditors.

In the conduct of this engagement, EYI should work closely with senior management and legal counsel for the Company.

HSBC Bank Canada
Special Credit Department, 400-888 Dunsmuir Street, Vancouver, B.C. V6C 3K4
Fax: (604) 641-1909

KUB

Staffing

We understand that this engagement will be under the overall direction and supervision of Mr. Neil Narfason will utilize the services of such other partners and managers and professional staff of EYI, as they deem appropriate, in a cost efficient manner.

EYI is authorized to use any of its employees or outside agents, including legal counsel and appraisers, as EYI considers necessary.

Fees and Expenses

The Company agrees to reimburse EYI forthwith upon receipt of its reasonable accounts for its professional fees on the basis of actual time spent at hourly rates normally charged by it for this type of work. In addition, EYI will be reimbursed for such disbursements properly and reasonably incurred by EYI to carry out this engagement. It is understood that EYI will endeavour to minimize time charges with respect to this engagement and to conduct the engagement in as cost-effective a manner as possible. GST as applicable will be charged.

In the event that the Company, for any reason, fails to pay the full amount of any invoice within 30 days of the date of invoice, EYI may cease further work on behalf of the Company until such time as payment is received. If this circumstance occurs while EYI is involved in critical proceedings or steps in the Kinetex restructuring, then EYI shall use its reasonable discretion in ceasing work and in any event shall give Kinitex 3 days written notice of its intention to cease further work.

Other Matters

It is acknowledged that EYI's engagement will be based mainly on information supplied by the Company, supplemented by discussions with senior management and their professional advisors. It is understood that, although information supplied will be reviewed for reasonableness, EYI will not be independently verifying the accuracy or completeness of the information presented to it or conducting an audit or providing any other form of assurance. Therefore, the work of EYI will not necessarily disclose all significant matters about the Company, any errors, misstatements, irregularities or illegal acts, if such exist, on the part of the Company, or its officers or employees or in the underlying information. Such information, records and data are the sole responsibility of the Company. The actual results of operations may vary from the financial projections and EYI's reports and the variances may be material.

EYI, and such other parties as EYI may retain, shall only act as advisors and will not have or take any decision-making responsibility, management responsibility or control relating to the Company or its subsidiaries' operations. All such authority and responsibility shall remain with the Company. EYI will not be held responsible by the Company for any decisions or activities of the Company or its subsidiaries. The Company agrees that it will not at any time prosecute any claim or commence any action against EYI arising from or based directly or indirectly upon

dis

its conducting this engagement except where it is alleged that EYI has acted negligently or in bad faith.

The engagement shall be binding upon the parties hereto and their respective affiliates, successors and permitted assigns.

This letter may be executed in any number of counterparts and by facsimile or electronic transmission, each of which when so executed shall be deemed to be an original and all of which, when taken together, shall constitute one and the same letter.

In addition to the specific terms of engagement outlined in this letter, the terms and conditions contained in Appendix 1 to this letter are incorporated by reference.

Yours sincerely,

HSBC Bank Canada

KARLA McCARTHY
ASSISTANT VICE PRESIDENT
~~SPECIAL~~ CREDIT

BOB ELLIOTT
ASSISTANT VICE PRESIDENT
SPECIAL CREDIT

We hereby concur in the terms of the foregoing engagement.

Ernst & Young Inc.

Neil Narfason
Senior Vice President

In consideration of the Bank entering into a contemporaneous forbearance agreement (the "Forbearance Agreement") with the Company, the Company hereby consents to EYI's engagement upon the terms and conditions set out herein including the terms and conditions attached to this letter. In particular and without limitation to the foregoing, by executing this letter it is acknowledged and agreed by the Company that:

1. EYI and its agents shall have unrestricted access to all of the business, accounting, legal and other books, records, documents, information (howsoever stored), facilities, assets and premises of the Company such access to be exercised upon reasonable notice to the Company and during normal business hours unless the Company otherwise agrees. Information requested by the Consultant will be provided within a reasonable time frame.

2. The Company and its management shall answer all EYI's enquiries fairly, fully and to the best of its ability and shall provide EYI with any information that EYI may reasonably request with respect to the business, assets and affairs of the Company. The Company will use reasonable skill, care and attention to ensure that all information provided to EYI is accurate and complete and to notify EYI if the Company subsequently learns that the information provided is incorrect or inaccurate in any material respect or otherwise should not be relied on.

3. HSBC may disclose to EYI any information HSBC has concerning the Company, its subsidiaries, if any, and affiliates and their respective businesses, assets and affairs.

4. EYI may make copies of any documents and other records of the Company other than documents marked as subject to solicitor and client privilege and provide same to HSBC. The Company does not waive any claim of privilege it has or that it may maintain over any of its documents and other records nor does the Company intend to waive privilege through the inadvertent disclosure or review of any privileged documents or other records by EYI. Although EYI has made no independent inquiry or determination with respect thereto, EYI acknowledges the Company's belief that certain of its documents qualify as communications subject to solicitor-client privilege. To the extent that such privilege is legally available, EYI shall treat these communications as so privileged, subject only to EYI's obligations under applicable law or professional requirements. Notwithstanding the foregoing, nothing in this Agreement shall require EYI to return, discard or destroy documents in contravention of its document retention policy, applicable law or professional requirements.

5. During the course of EYI's engagement, EYI will only be acting as a consultant to HSBC. EYI, as a consultant engaged by HSBC, shall have no decision making responsibilities and will not assume any such responsibilities, will have no management capacity, will not offer advice or direction to, nor exercise any degree of control or influence over, the

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business and affairs of the Company or any of its transactions or its management, and will not be responsible for any decisions or actions of the Company.

6. The Consultant's reasonable professional fees and disbursements and goods and services tax (the "Consultants Costs") incurred during the course of this engagement shall be for the account of the Company. The Company agrees to indemnify HSBC with respect to the fees and expenses of the Consultant in carrying out its engagement and authorizes HSBC to debit the accounts of the Company for such services and acknowledges that the Consultant's fees shall be based upon its regular rates for each person in question. Any such Consultants Costs will be "Obligations" secured in accordance to the Credit Agreement.

7. Subject to paragraph 4 herein, EYI is entitled to disclose and communicate to HSBC and their agents or employees or advisors any information, opinions, views or knowledge, confidential or otherwise, that EYI may acquire in its review and to provide to HSBC copies of any documents which may come into EYI's possession, and EYI will not be required to return or otherwise account to the HSBC for any copies made.

8. The Consultant will, if it considers it necessary, prepare certain written report(s) for submission to HSBC ("Reports"). The Consultant is entitled to provide HSBC and its counsel with such reports and any other information arising out of this engagement. The Consultant is also entitled to report orally to HSBC as it consider necessary on any matters relating to this engagement.

9. The Company agrees that nothing in this agreement or EYI's engagement hereunder shall limit or restrict EYI's ability to be engaged as court-appointed or private appointed receiver of the Company, as Trustee in Bankruptcy of HSBC or as monitor under the Companies Creditors' Arrangement Act, as amended.

10. The Consultant will review drafts of written reports (without subjective comments or strategic recommendations) with the Company for factual correctness and provide sufficient time for the Company to provide its comments.

11. The Company acknowledges and agrees that the terms and conditions contained in Appendix 1 to this letter are incorporated by reference.

Kinetex Multi-Component Services Inc. as borrower under the Credit Agreement

K

ERNST & YOUNG

Ernst & Young Inc.
Ernst & Young Tower
1000, 440 2nd Avenue S.W.
Calgary, Alberta T2P 5E9

Tel: 403 290 4100
Fax: 403 290 4265
ey.com/ca

This is Exhibit ...K... referred to in the affidavit of ...Karla McCarthy... made before me on this ...2nd... day of ...December... 20 10.

A Commissioner for taking Affidavits for British Columbia

VIA E-MAIL AND COURIER

December 1, 2010

HSBC Bank Canada
400-888 Dunsmuir Street
Vancouver, B.C.
V6C 3K4

Attention: Ms. Karla McCarthy

Re. Kinetex Multi-Components Services Inc. ("Kinetex" or the "Company") – Status Update

Overview

Further to our letter of engagement (the "Engagement Letter") dated October 15, 2010 as among Kinetex, Ernst & Young Inc. ("EYI") and HSBC Bank Canada ("HSBC"), we provide the following status update to HSBC with respect to the scope of services as specified in the Engagement Letter.

Leonard Van Betuw, President of Kinetex, ("Mr. Van Betuw") has provided comments on this letter which have been included in the *italicized* sections of the report. Where appropriate EYI has provided responses (which are underlined) to Mr. Van Betuw's comments.

Limitations

The information provided by Kinetex management has not been audited or otherwise verified by us as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles. We are not therefore in a position to, and we do not, express an opinion or any other form of assurance on any financial or other information collected in respect of this letter. This letter was prepared using information available to us as at the date of this letter as provided by the Company or management. The analyses and corresponding comments, observations, and conclusions contained herein may change if additional information becomes available. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants ("CICA" Handbook) has not been performed.

All references to dollars are in Canadian currency unless otherwise noted.

The significant items comprising the status update are outlined below:

GENERAL

It is important to note that EYI has been working on carrying out is mandate under the Engagement Letter for over six weeks and yet significant information which has been requested remains outstanding. In addition, many explanations regarding the status of receivables and payables provided by management to EYI have changed or have been modified. The Engagement Letter requires the Company to cooperate fully and as is noted below, we are concerned that we have not received the full and forthright disclosure we were promised.

The company is short staffed and challenged with being able to make proper adjustments for the yearend that remains open. We have always been available and had a full due diligence package as best as we could prepared within days of the engagement being started. The key booker keeper that was relied on was medical leave for over two weeks and we now have back full-time.

EYI is also concerned that Kinetex has been slow in providing the requested information and explanations to us in an attempt to garner more time to hopefully find a solution to Kinetex's financial difficulties.

In all cases we have attempted to either provide the information or provide observations in attempt to answer the questions to the best of our knowledge and abilities. In most cases our delays were due to the materials being left unfiled awaiting the completion of the audit.

Kinetex has no active contracts in Canada and has effectively been in a quasi-mothballed state given the lack of working capital and the overall slowdown in the seismic market. Kintex in Columbia is finalizing the completion of a large contract in the Llanos region and the Columbian operations have significant future business prospects with the Columbian government and a Brazilian mining company (the "Columbian Prospects").

We have forwarded over 10 pending agreements in Canada for your review

EYI Response: Kinetex provided EYI with bid proposals issued to potential customers during the fall of 2010. Kinetex has not been awarded any of the contracts and does not have sufficient working capital to complete any of the potential contracts.

We have chosen to reduce the debt owing and the uncertainty associated with Colombia pursuing the large contract and have progressed materially with the sale of the operations.

EYI Response: EYI has been provided with no evidence of the due diligence that has been undertaken by Grupo Pegasus to date and the sales agreement does not require the sale of Kintex's Colombian operations until February 15, 2011.

EYI understands that the timing for the awarding of the Columbian Prospects is imminent and EYI is unable to determine if Kinetex's current financial condition will permit them to 'win' on these pursuits.

Kinetex agrees with this observation and due to this issue Kinetex has chosen to sell Colombia and improve its financial condition materially.

General Comments:

As observed by E&Y, the company has reduced its staff to minimum levels in Canada over the past 6 months with only consultants, working towards the completion of the 2009 audit.

This strategy continues to make it difficult to develop the materials that are requested because the remaining staff has been told that the consultants are awaiting the completion of the 2009 audit to incorporate all the yearend adjustments. This problem continues to challenge the staff since the reporting is based on information that is adjusted to reflect the current reporting to the best of our abilities. As continue to review information we are adjusting are reports accordingly to reflect these findings.

BANK ACCOUNTS

- EYI identified, through review of Kinetex's general ledger, that Kinetex held bank accounts with the Royal Bank of Canada ("RBC Account") and BANCOLOMBIA ("Bancolombia Account"), a Colombian based bank, in addition to its bank accounts with HSBC.

These accounts have always been reported as being in existence to Craig Gunning our account manager up to May of 2010 as well as the account managers before him.

- EYI has been provided with Kinetex's RBC Account statement for the month of October 2010 and Bancolombia Account statements for the period of January 1, 2010 to September 30, 2010 however, for reasons unexplained, Kinetex has been unable to provide current account balances.
- Based on EYI's review of Kinetex's general ledger and bank statements, it appears a high volume of operational transactions occurred through both RBC Account and Bancolombia Account during 2010.
- Without access to current account balances EYI is unable to assess whether any receivables have been collected during our engagement. From what we can ascertain, no receivables have been collected during the past six weeks. This cannot be verified, however.

The Company has always disclosed the use of the accounts mentioned above to handle payroll in Canada and operations in Colombia because the HSBC has a very limited network of branches beyond the city of Bogota.

ACCOUNTS RECEIVABLE

- Kinetex provided EYI an aged accounts receivable listing as at September 30, 2010 identifying total outstanding accounts receivable balance of $6.9 million including $2.5 million in accounts receivable balances outstanding less than 90 days and $4.3 million in accounts receivable balances outstanding greater than 90 days.
- Kinetex has been unable to provide EYI with adequate evidence supporting the collectability and timing of collection of the specific accounts receivable balances included within the aged accounts receivable listing as at September 30, 2010. The lack of appropriate documentation in that regard is a matter of concern.
- Without adequate evidence as to the collectability of the outstanding receivables, EYI is unable to ascertain the quantum of the short term future cash flows of the Company. On a conservative basis, we believe that the actual collectability of any receivables, except for the Llanos Contracts (discussed below), in the next two months is less than $250,000.

A significant portion of the receivables over 90 days are being pursued for collection on terms or the payment is conditional on certain deliverables. At this time the working capital deficiency of the Company adds to making it difficult to determine the timing of collection, due to our in ability to aggressively advance these projects to completion.

Significant Accounts Receivable Balances:

Llanos Contracts - US$3.7 million

- Kinetex's accounts receivables balances outstanding less than 90 days as at September 30, 2010 primarily consisted of receivables due from a joint venture in Colombia for work performed under a set of contracts that Kinetex's management refers to as the Llanos contracts (the "Llanos Contracts"). The Llanos Contracts' receivables accounted for total receivables owing to Kinetex of US$3.7 million including US$2.2 million that had been outstanding less than 90 days.
- Review of the collectibility of receivables associated with Llanos Contracts:
  - ➢ Kinetex's management represented throughout EYI's review of accounts receivable that the Llanos Contracts receivables related to work that had been substantially completed. Collection of the Llanos Contracts receivables would require Kinetex to pay outstanding liabilities directly associated with the Llano Contracts of approximately $1.6 million. Kinetex would therefore receive net proceeds of $2.1 million in mid-December 2010.
  - ➢ EYI received a workout plan for Kinetex (the "Workout Plan") on November 24, 2010 from Mr. Van Betuw. The Workout Plan contemplated a sale of Kinetex's Colombian operations on a going concern basis to a Colombian based entity and included the sale of the receivables and liabilities associated with the Llanos Contracts.

➢ In contrast to what Kinetex management had communicated to EYI during its review of Kinetex's accounts receivable balance, the Workout Plan further disclosed that the sale of Kinetex's Colombian operations would result in the elimination of uncertainty associated with the completion of the Llanos Contracts and the associated accounts receivable collection.

➢ Mr. Van Betuw further disclosed through discussions, held after EYI received the Workout Plan, that it was unlikely Kinetex would be able to collect the US$3.7 million in receivables due from work performed under the Llanos Contracts unless Kinetex would be able to receive funding to pay the liabilities associated with the Llanos Contracts and that for reasons we do not understand, these liabilities could not be paid from the receivables associated with the Llanos Contracts.

The challenge of the collection of these accounts are difficult for myself to manage because the delays in discharging the liabilities are causing the liabilities to increase due to penalties and interest. I am trying my best to provide any judgement on the timing of the process by which these contracts, receivables and payables will be discharge. It is this continuing challenge that has caused me to put forward the sale of Colombia due to the limited financial resources that the company has to address the ongoing reporting concerns, related Colombian operations.

Quattro Exploration and Production - $1.4 million

- Kinetex accounts receivable balances outstanding greater than 90 days included a receivable balance of $1.4 million owing from Quattro Exploration and Production ("Quattro").

The amount owing once reconciled is $ 252,000 + $ 550,000 which was pointed out during our review of the receivables listing.

- EYI understands that this receivable balance relates to two contracts including a $252,000 receivable for seismic work provided to Quattro and a $1.15 million asset sale of a 5% non-working interest in a petroleum and natural gas property refer to as Block 34 located in Colombia to Cacique Petroleum Ltd. ("Cacique").

The $ 252,000 is awaiting the issuance of a environmental permit to commence operations in Saskatchewan.

- Mr. Van Betuw is a managing director at Cacique. We do not know, despite our requests, the relationship between Cacique and Kinetex.

Cacique is controlled by a related party and has been disclosed on a number of occasions to HSBC.

- The $1.15 million asset sale consists of $550,000 in cash and $600,000 of shares in Quattro that are to be issued to Kinetex when Quattro issues an initial public offering.

- EYI was further provided a conditional sales agreement between Kinetex and Cacique dated November 1, 2010 to sell 20% of Kinetex's 100% working interest in a Colombian property referred to as Corcel-23 to Cacique in exchange for:

Assignment of Deposit receive for the conditional sale of Block 34	$ 650,000
Additional cash payment upon closing	550,000
Transfer of 2,000,000 Class A shares valued @ $1.20 per share	2,400,000
	$3,600,000

The proposed transaction was presented to management and was completed in September 15, 2010 and was verbally approved and was ratified by the board on November 1. 2010. The net benefit to the company to date for this transaction has been a payment of $ 650,000 cash.

EYI believes Kinetex's sale of a 20% working interest in Corcel-23 to Cacique has replaced Kinetex's sale of a 5% working interest in Block 34 to Cacique, however, further discussion with Management is required to clarify this matter.

This is correct and was summarized in a letter with backup materials provided to E&Y.

EYI has no evidence as to the timing of the closing of this Corcel-23 sale or the ability of the purchasers to complete the transaction.

The deposit of $ 650,000 was made on schedule in July of 2010 for Block 34 and a further payment will be made when due, after evidence has been provided that the exploration license has been issued.

The Geology and Geophysical services were first reported to Craig Gunning as being contemplated and then further on to Gary in April of 2010. We explained the relationships and how the interests were being made available for sale and Kinetex has always been forth right in this regard. The closing of the Cor-23 sale will occur on schedule upon the issuance of the exploration License by ANH of Colombia
(The Ministry of HydroCarbon in Colombia).

Nordic Oil and Gas Ltd. & MPX Energia SA - $402,564

- Management has communicated that the following receivables may be collected in the near term, however, management has been unable to provide evidence of collectability:

    1. Nordic Oil & Gas Ltd. - $174,460
    2. MPX Energia SA - $228,103

Other Receivables - $1.2 million

- All other outstanding receivables total $1.2 million and the majority appear to be uncollectible (greater than 365 days outstanding as at September 30, 2010).

These receivables were reported to be part of the doubtful accounts allocation reported during our credit review in May and June of 2010 with HSBC.

PROPERTY, PLANT & EQUIPMENT

- Kinetex's management disclosed to EYI that Kinetex's equipment had a net book value ("NBV") of approximately $15 million as at September 30, 2010 and was disbursed between the following geographic locations:

Location of Equipment	Net Book Value
Calgary, AB	$ 5,426,622
Trois Rivieres, QC	613,920
LeStock, SK	613,920
Houston, TX	1,112,496
Billenueva, Llanos, Columbia	5,102,385
Customs in Bogota, Columbia	2,145,872
	$ 15,015,214

- Presently, $7.2 million of Kinetex's equipment (approximately half of Kinetex's total NBV of equipment) is located in Colombia. Kinetex's management has communicated that the majority of the $5.1 million balance of Colombian equipment is being stored in bonded warehouses located in Bogota and Santa Marta, Colombia with the remaining $2.1 million of equipment located in customs in Bogota, Colombia waiting to be shipped back to Calgary, Alberta.

- Kinetex has provided EYI with the contact information for the bonded warehouses located in Bogata and Santa Marta, Colombia.

- EYI has received a listing describing the individual pieces of equipment, the location of the equipment and the equipment has been allocated a NBV based upon the NBV for the type of equipment as grouped in the financial records. The equipment listing does not include vehicle identification numbers, the cost of the equipment or depreciation associated with each specific piece of equipment. Therefore, the allocated NBV of the equipment by location is a 'best estimate' of NBV per the financial statements.

The allocation of value that E&Y has provided is within a margin of error appropriate.

The equipment that is bonded storage in Colombia was shipped there only to allow for operational rotation and to allow the company to overcome the deadline of for the 2 year temporary importation that would trigger a nationalization tax to be levied.

PRIORITY PAYABLES

Payroll Source Deductions – Canada Revenue Agency

- Management had reported to HSBC in Kinetex's August 2010 inventory declaration and/or priority payables report (the "Inventory and Priority Payable Report") dated September 28, 2010 that Kinetex had unremitted payroll source deductions of $50,500 owing to Canada Revenue Agency.

- During EYI's review of Kinetex financial position, EYI identified that Kinetex had not been remitting source deductions to Canada Revenue Agency for payroll and presently owed approximately $180,000 to Canada Revenue Agency.

- Based on a phone call between EYI and Mr. Van Betuw on November 26, 2010, Mr. Van Betuw disclosed to EYI that Kinetex's current liability owing to Canada Revenue Agency for unremitted payroll source deductions was greater than $500,000.

- EYI has not received any information to confirm the liability owing from Kinetex to Canada Revenue Agency for unremitted payroll source deductions and given the contradicting information provided by management, EYI is unable to quantify the priority amount owing to Canada Revenue Agency.

As I have earlier reported Kinetex employed a new CFO and new Controller in October of 2009. At this time we had all ready identified some arrears for CRA which were negotiated to be paid on terms of $50,500 per month instalments with the balance being reported as a current liability.

This negotiated arrangement was reported to our HSBC account manager Craig Gunning in August of 2009 and we continued report accordingly. At this point I did from time to time look at the monthly statements to see how this payment plan was being managed and felt we were on track when the statement had noted that we were owing $ 180,000 in September of 2010.

It was only when we started to analyze the accrued liabilities to break out the Colombian Sale in late November that it came to our attention that the liabilities from Colombia were over shadowing the missed remittance in the 2nd quarter of 2010. This is error was due to the controller and CFO being assigned the obligation to manage cash-flow during this period and was not being monitor by myself. When we did in fact become aware of this problem last week it was brought to everyone's attention.

<u>EYI Response: As advised above, EYI has not been provided with sufficient evidence to determine the current balance of payroll source deduction remittances owing to the Canada Revenue Agency.</u>

Worker's Compensation Board of Alberta ("WCB")

- Management had reported in the Inventory and Priority Payable Report that liabilities owing to the WCB totalled $27,800.

- HSBC further received correspondence from the WCB dated October 27, 2010 stating that Kinetex currently owed WCB $54,386.67 and that the correspondence served as notice that WCB may exercise its priority over HSBC's security to satisfy the liability owed by Kinetex to WCB.

Up to Oct 2010, we were on a monthly payment schedule and it was when we not able to meet these payments that the demand was made for full payment.

Payroll Arrears – Colombian Employees

- Management has communicated that there are currently 25 people working with Kinetex in Columbia. These employees have not been paid for October wages and are not expecting to be paid November wages (due December 5, 2010) Management has communicated that the monthly wages are approximately US$60,000 including government remittances.

- As a result, unpaid wages and government remittances in Columbia will be greater than US$120,000 by the end of November.

The completion of the sale of Colombia to Grupo Pegasus eliminates any further liabilities accumulating in regards to Colombian Employees.

<u>EYI Response: The sale of Kinetex's Colombian operations is not required to close prior to February 15, 2011, payroll liabilities owing to the Colombian employees will continue to increase until the Colombian sale is completed or employment with Kinetex is terminated.</u>

CORPORATE STRUCTURE OF KINETEX

- EYI requested access to all of Kinetex's board of director meeting minutes including for that of Kinetex Resources Inc., Kinetex Multi-Component Services Inc. and those for any subsidiaries not disclosed to EYI.

- On November 23, 2010, EYI received an incomplete minute book for Kinetex Resources Inc. which included various corporate documents however did not include minutes of any board of directors' meetings.

- EYI further requested a complete board of directors' minute book for Kinetex Resources Inc. and Kinetex Multi-Component Services Inc. and any subsidiaries of Kinetex not disclosed to EYI.

We are advised by BLG our legal counsel for KMCS that all our corporate structure is based on the strategy of Branch Registrations in Colombia.

- Presently, EYI has not received board of directors' minute books for either Kinetex Resources Inc. or Kinetex Multi-Component Services Inc.

The minute book was provided for both corporations for review.

EYI Response: EYI has not received the board of directors' minute books for Kinetex or its subsidiaries. As described below, EYI was provided with a binder that contain certain corporate documents of Kinetex Resources Corporation however no board of directors' meeting minutes for Kinetex or its subsidiaries.

- Despite our requests, EYI has been unable to obtain evidence to confirm whether Kinetex's Colombian operations are a separate legal entity or an operating branch of Kinetex Multi-Component Services Inc.

- Mr. Van Betuw has verbally confirmed that Kinetex's Colombian operations are an operating branch of Kinetex Multi-Component Services Inc., however, EYI has identified several documents which refer to Kinetex Colombian operations as separate legal entity including the letter of intent with respect to the Columbian Sale (discussed further below) which refers to Kinetex's Colombian branch named as Kinetex Sucursal Colombia Inc. (although if this entity were a Columbian entity it would not use the term 'Inc.')

The minute was not reviewed and when KRCs book was received it was forwarded to E&Y assuming that it was current. It was later reported that the corporate secretary had not updated for sometime since it was with BDO for an extended period of time.

I have been advised by BLG that it is a branch based on the work completed by BLG and in fact the word Sucursal in Spanish means Branch. In fact the Letter of Intent from Pegasus recognizes that a legal re-organization will have to supported by Kinetex for the full separations of the entities upon the completion of the sale.

FINANCIAL REPORTING AND MANAGEMENT

- The most recent Kinetex financial statements EYI has been able to review is Kinetex's September 30, 2009 financial statements.

- Kinetex's auditors, have not completed their audit of Kinetex's financial statements for the 12 months ended December 31, 2009.

- Kinetex management has communicated that the auditors only have three confirmations to receive from Colombian customers before being able to complete the audit. EYI was further advised in a meeting with management that these confirmations have been signed off by the customers.

There is one remaining.

- EYI understands that the auditors are presently owed approximately $250,000. EYI believes that the auditors will not finalize the audit until they are paid their arrears.
- Due to the delays in the 2009 audit, Kinetex parent, Kinetex Resources Inc. has been ceased traded since July/August 2010 and therefore, is severally restricted in its ability to raise any public funds.
- Kinetex has not completed any quarterly financial statements during 2010.

BDO expected to finish in less than 10 business days upon receiving the last confirmation from Colombia.

- Kinetex financial reporting and management responsibilities have been left vacant since the resignation of their Chief Financial Officer on August 30, 2010.

The position is vacant to filled as part of the Workout Plan

- Presently, Kinetex only accounting staff in Canada consists of a part time accountant who has been on medical leave since EYI undertook the business review engagement.

She has now returned and is full-time and is available to overcome any short fall in reporting

- EYI has requested copies of any internal control memorandums completed by Kinetex's previous external accountants; however, Kinetex's management is not aware that any exist.

These materials were delivered to the Vancouver office and were never provided to me.

SHORT TERM CASH FLOW PROJECTIONS

- Kinetex has provided EYI with two short term cash flow projections.
- The first short term cash flow appeared overly optimistic as cash receipts were based upon Kinetex entering into new contracts and the cash flow did not address the fact that Kinetex has no working capital to complete new contracts.
- The second cash flow relies primarily on:

  1. a potential acquisition of majority control of Kinetex for cash proceeds of $7 million to be closed by January 31, 2011 (the "Acquisition"); and
  2. a letter of intent Kinetex entered into to sell its Colombian operations including associated assets and liabilities to a third party for cash proceeds of US$4 million with a closing date of February 15, 2010 at the latest (the "Colombian Sale").

EYI's concerns with the Acquisition and Colombian Sale:

> ➢ The second cash flow addresses Kinetex's lack of working capital, however, it does not adequately address Kinetex's negative cash flow prior to the Acquisition and Colombian Sale closing.

A number of parties are engaged to overcome this short fall

> ➢ Both the Acquisition and Colombian Sale are non-binding and subject to due diligence.

It is reported that this work is aggressively being completed by Grupo Pegasus SA in Bogota, to allow for the completion of a binding agreement.

> ➢ The Acquisition would likely require the audit of Kinetex's financial statements for the 12 months ended December 31, 2009 and the British Columbia Securities Commission to cancel the cease trade order on Kinetex's common shares

This is an asset sale and not the material part of the company's assets, so the board does not believe there would be any significant delays from the Securities Commission or due to the audit.

EYI Response: The Acquisition will involve Kinetex issuing sufficient shares to an investor for the investor to receive a controlling ownership interest in Kinetex. EYI understands that Kinetex will have to file its audited financial statements for the 12 months ending December 31, 2009 prior to the British Colombia Securities Commission consenting to the Acquisition.

It is reported today that the due diligence is advancing aggressively.

EYI Response: EYI has not been provided any evidence as to the due diligence completed by the parties involved in either the Acquisition or the Colombia Sale.

The company has a number of material contracts under development for 2010 – 2011 and we are withholding pacing our execution until the proper working capital injection and Forbearance Arrangements have been provided.

HSBC SECUITY POSITION

- An analysis of the net realizable value of HSBC's security and Kinetex's assets will be sent separately.

- EYI believes that HSBC's security position will continue to deteriorate if Kinetex is unable to obtain an immediate injection of capital as:

  - new seismic contracts will be awarded in early 2011 and therefore the market for Kinetex's equipment will begin to decline;

- priority payables, as described above, will continue to increase if Kinetex does not have access to cash; and

- HSBC will incur further professional fees associated with a forbearance agreement and associated monitoring to allow the parties involved in the Acquisition and Colombia Sale to complete due diligence which may result in both the Acquisition and Colombia Sale not closing.

* * * *

Should you have any questions, or wish further information, please do not hesitate to contact us as we would welcome the opportunity to discuss with you at your convenience.

Thanks in advance and best regards,

ERNST & YOUNG INC.

L

Fasken Martineau DuMoulin LLP *
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Patent and Trade-mark Agents

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COPY

This is Exhibit L referred to in the affidavit of Karla McCarthy made before me on this 2nd day of December 2010

A Commissioner for taking Affidavits for British Columbia

November 15, 2010
File No.: 245056.240/18428

BY COURIER

Kinetex Multi-Component Services Inc.
125 – 61st Avenue SE
Calgary, AB T2H 0R4

Dear Sirs/Mesdames:

Re: HSBC Bank Canada (the "Bank") and Kinetex Multi-Component Services Inc. (the "Borrower")

We are the solicitors for the Bank with respect to this matter.

We are instructed that, as at November 10, 2010, the Borrower was indebted to the Bank as follows:

LOAN	PRINCIPAL AND ACCRUED INTEREST
Overdraft #001	CAD $4,583,505.40
Overdraft #002	CAD $461,540.64
Overdraft #070	USD $198,203.30
Demand Loan #603	CAD $2,657,213.34
Demand Loan $605	CAD $202,664.89
MasterCard Facility	CAD $250,000
Leasing Line	CAD $295,063.00

We hereby make formal demand for payment of the full amount owing by you to the Bank, which as at November 10, 2010 amounted to the sum of CAD $8,449,987.27, plus USD $198,203.30, together with interest thereafter as provided for in the facility letter dated June 29, 2010, agreed to and accepted by the Borrower on June 30, 2010, and the associated security documents. We are instructed that unless the amount demanded is received in our offices immediately, the Bank will take steps to enforce its security held in respect of this indebtedness without further notice to you.

The above amount does not include the Bank's legal costs and other agents' fees for which you are also liable.

The above balances are based on the records available to the Bank at this date. If the true balances are different from the amounts above demanded, the Bank reserves all rights to any additional monies which you may owe to the Bank.

Please contact the writer prior to remitting payment to ascertain the quantum of the Bank's legal costs and the current balance outstanding.

We also enclose with this letter a Form 86 pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* ("BIA") confirming the Bank's intention to enforce its security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you are prepared to consent to the earlier enforcement by the Bank if its security, please execute the endorsement on the bottom of the Form 86 and return the same to the writer by fax or email.

Notwithstanding the foregoing, we also confirm that the Bank specifically reserves its right to make application to the Court to appoint an interim receiver or receiver manager under the *Bankruptcy and Insolvency Act*

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

Frank Dearlove

NOTICE OF INTENTION TO ENFORCE SECURITY

FORM 86
(Rule 124)

TO: **Kinetex Multi-Component Services Inc.**, an insolvent person

TAKE NOTICE THAT:

1. HSBC Bank Canada, a secured creditor, intends to enforce its security on the insolvent person's property described below:

   (a) all present and after acquired personal property of the insolvent person;

   (b) all lands and premises owned by the insolvent person;

2. The security that is to be enforced is in the form of:

   (a) General Security Agreement dated for reference the 28th day of March, 2007, granted by the insolvent person in favour of the Bank, granting a security interest in all of the Borrower's present and after-acquired personal property and a floating charge over all other property.

   (b) security granted by the insolvent person to the Bank pursuant to section 427 of the *Bank Act*, consisting of:

      (i) notice of intention to give security dated March 31, 2007, filed with the Calgary branch of the Bank of Canada on April 5, 2007, under number 01210010;

      (ii) application for credit and promise to give bills of lading, warehouse receipts, or security under all or any of paragraphs 427 (1)(a), (b), (c), (d), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p) of the *Bank Act* dated April 7, 2007;

      (iii) security under section 427 of the *Bank Act* dated April 7, 2007; and

      (iv) agreement as to loans and advances and security therefore dated April 6, 2007.

3. General Assignment of Book Debts dated March 31, 2007, executed by the insolvent person in favour of the Bank.

4. Security Over Cash, Credit Balances and Deposit Instruments by insolvent person dated November 28, 2007, executed by the insolvent person in favour of the Bank.

5. Indemnity Agreement dated November 15, 2007, executed by the insolvent person in favour of the Bank.

6. The total amount of indebtedness secured by the security as at November 12, 2010 is the sum of CAD $8,449,987.27, plus USD $198,203.30 with interest accruing thereafter as provided for in the facility letter dated June 29, 2010, agreed to and accepted by insolvent person on June 30, 2010. Legal costs are also accruing in relation to the indebtedness.

7. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 16th day of November, 2010.

HSBC Bank Canada
Per:

Name: FRANK K. DEARLOVE
Solicitor and agent of the Secured Creditor

Kinetex Multi-Component Services Inc. hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by HSBC Bank Canada of all security above-noted.

Kinetex Multi-Component Services Inc.

Fasken Martineau DuMoulin LLP *
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Patent and Trade-mark Agents

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Frank Dearlove
Direct 403 261 6163
fdearlove@fasken.com

November 15, 2010
File No.: 245056.240/18428

BY COURIER

Kinetex Multi-Component Services Inc.
c/o 1900, 520 – 3rd Avenue S.W.
Calgary, AB T2P 0R3

Dear Sirs/Mesdames:

Re: HSBC Bank Canada (the "Bank") and Kinetex Multi-Component Services Inc. (the "Borrower")

We are the solicitors for the Bank with respect to this matter.

We are instructed that, as at November 10, 2010, the Borrower was indebted to the Bank as follows:

LOAN	PRINCIPAL AND ACCRUED INTEREST
Overdraft #001	CAD $4,583,505.40
Overdraft #002	CAD $461,540.64
Overdraft #070	USD $198,203.30
Demand Loan #603	CAD $2,657,213.34
Demand Loan $605	CAD $202,664.89
MasterCard Facility	CAD $250,000
Leasing Line	CAD $295,063.00

We hereby make formal demand for payment of the full amount owing by you to the Bank, which as at November 10, 2010 amounted to the sum of CAD $8,449,987.27, plus USD $198,203.30, together with interest thereafter as provided for in the facility letter dated June 29, 2010, agreed to and accepted by the Borrower on June 30, 2010, and the associated security documents. We are instructed that unless the amount demanded is received in our offices immediately, the Bank will take steps to enforce its security held in respect of this indebtedness without further notice to you.

The above amount does not include the Bank's legal costs and other agents' fees for which you are also liable.

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The above balances are based on the records available to the Bank at this date. If the true balances are different from the amounts above demanded, the Bank reserves all rights to any additional monies which you may owe to the Bank.

Please contact the writer prior to remitting payment to ascertain the quantum of the Bank's legal costs and the current balance outstanding.

We also enclose with this letter a Form 86 pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* ("BIA") confirming the Bank's intention to enforce its security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you are prepared to consent to the earlier enforcement by the Bank if its security, please execute the endorsement on the bottom of the Form 86 and return the same to the writer by fax or email.

Notwithstanding the foregoing, we also confirm that the Bank specifically reserves its right to make application to the Court to appoint an interim receiver or receiver manager under the *Bankruptcy and Insolvency Act*

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

Frank Dearlove

NOTICE OF INTENTION TO ENFORCE SECURITY

FORM 86
(Rule 124)

TO: **Kinetex Multi-Component Services Inc.**, an insolvent person

TAKE NOTICE THAT:

1. HSBC Bank Canada, a secured creditor, intends to enforce its security on the insolvent person's property described below:

   (a) all present and after acquired personal property of the insolvent person;

   (b) all lands and premises owned by the insolvent person;

2. The security that is to be enforced is in the form of:

   (a) General Security Agreement dated for reference the 28th day of March, 2007, granted by the insolvent person in favour of the Bank, granting a security interest in all of the Borrower's present and after-acquired personal property and a floating charge over all other property.

   (b) security granted by the insolvent person to the Bank pursuant to section 427 of the *Bank Act*, consisting of:

      (i) notice of intention to give security dated March 31, 2007, filed with the Calgary branch of the Bank of Canada on April 5, 2007, under number 01210010;

      (ii) application for credit and promise to give bills of lading, warehouse receipts, or security under all or any of paragraphs 427 (1)(a), (b), (c), (d), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p) of the *Bank Act* dated April 7, 2007;

      (iii) security under section 427 of the *Bank Act* dated April 7, 2007; and

      (iv) agreement as to loans and advances and security therefore dated April 6, 2007.

3. General Assignment of Book Debts dated March 31, 2007, executed by the insolvent person in favour of the Bank.

4. Security Over Cash, Credit Balances and Deposit Instruments by insolvent person dated November 28, 2007, executed by the insolvent person in favour of the Bank.

5. Indemnity Agreement dated November 15, 2007, executed by the insolvent person in favour of the Bank.

6. The total amount of indebtedness secured by the security as at November 12, 2010 is the sum of CAD $8,449,987.27, plus USD $198,203.30 with interest accruing thereafter as provided for in the facility letter dated June 29, 2010, agreed to and accepted by insolvent person on June 30, 2010. Legal costs are also accruing in relation to the indebtedness.

7. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 15th day of November, 2010.

HSBC Bank Canada
Per:

Name: FRANK R. DEARLOVE
Solicitor and agent of the Secured Creditor

Kinetex Multi-Component Services Inc. hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by HSBC Bank Canada of all security above-noted.

Kinetex Multi-Component Services Inc.

M

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Patent and Trade-mark Agents

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This is Exhibit M referred to in the affidavit of Karla McCarthy made before me on this 2nd day of December 2010

A Commissioner for taking Affidavits for British Columbia

November 15, 2010
File No.: 245056.240/14484

VIA COURIER

Kinetex Resources Corporation
125 – 61st Avenue SE
Calgary, AB T2H 0R4

Dear Sirs/Mesdames:

Re: HSBC Bank Canada (the "Bank") and the Guarantee of the Indebtedness of Kinetex Multi-Component Services Inc. (the "Company") dated March 31, 2007 (the "Guarantee")

As you are aware, we are the solicitors for the Bank with respect to this matter. We have been instructed to make demand for payment forwith of all amounts owing to the Bank from the Company. In this regard we enclose a copy of our letter of equal date to the Company.

In this regard and in accordance the Guarantee, we hereby make formal demand for payment of the full amount owing by the Debtors to the Bank, which as at November 10, 2010, amounts to the sum of CAD $8,449,987.27, plus USD $198,203.30 together with interest thereafter as provided for in the facility letter dated June 29, 2010, agreed to and accepted by the Borrower and the Guarantor on June 30, 2010. We are instructed that unless the amount demanded is received in our offices immediately, the Bank will take steps to enforce its security held in respect of this indebtedness without further notice to you.

The above noted amount does not include all of the Bank's legal and consulting costs, for which you are also liable.

The above balances are based on the records available to the Bank at this date. If the true balances are different from the amounts above demanded, the Bank reserves all rights to any additional monies which you may owe to the Bank.

Please contact the writer prior to remitting payment to ascertain the quantum of the Bank's legal and consulting costs and the current balance outstanding.

DM_VAN/245056-00240/7842490.1

We also enclose with this letter a Form 86 Notice of Intention to Enforce Security issued pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* confirming the Bank's intention to enforce its security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you wish to provide such a consent, please obtain instructions to endorse the attached notice on behalf of the Debtor and return it to us by fax or e-mail.

Notwithstanding the foregoing, we also confirm that the Bank specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act.*

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

Frank Dearlove

JFG/szw

Cc: The client

NOTICE OF INTENTION TO ENFORCE SECURITY

FORM 86

(Rule 124)

TO: **Kinetex Resources Corporation**, an insolvent person

TAKE NOTICE THAT:

1. HSBC Bank Canada, a secured creditor, intends to enforce its security on the insolvent person's property described below:

   (a) The shares in Kinetex Multi-Compent Services Inc

   (b) All cash and credit balances;

2. The security that is to be enforced is in the form of:

   (a) Security Agreement Over Cash, Credit Balances and Deposit Instruments dated Assignment and Postponement dated March 31, 2007, executed by the insolvent person in favour of the Bank and acknowledged by the insolvent person regarding all amounts owing by the Borrower to the Guarantor.

   (b) Security Over Cash, Credit Balances and Deposit Instruments by Third Party dated November 20, 2007, executed by the insolvent person in favour of the Bank.

   (c) Hypothecation of Securities, Mutual Fund Units, Investment Instruments and Other Investment Property owned by a Third Party dated November 13, 2009, granted by the insolvent person in favour of the Bank regarding shares in the capital of the Borrower.

3. Subordination and Postponement Agreement dated March 31, 2007, executed by the insolvent person in favour of the Bank regarding security held by the insolvent person over the assets of the Borrower and acknowledged by the Borrower.

4. The total amount of indebtedness secured by the security as at November 12, 2010 is the sum of CAD $8,449,987.27, plus USD $198,203.30, with interest accruing thereafter as provided for in the facility letter dated June 29, 2010, agreed to and accepted by Kinetex Multi-Component Services Inc. on June 30, 2010. Legal costs are also accruing in relation to the indebtedness.

5. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 6th day of November, 2010.

HSBC Bank Canada
Per:

Name: FRANK R DEARLOVE
Solicitor and agent of the Secured Creditor

Kinetex Resources Corporation hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by HSBC Bank Canada of all security above-noted.

Kinetex Resources Corporation

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Patent and Trade-mark Agents

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November 15, 2010
File No.: 245056.240/14484

VIA COURIER

Kinetex Resources Corporation
c/o 800 – 885 West Georgia Street
Vancouver, BC V6C 3H1

Dear Sirs/Mesdames:

Re: HSBC Bank Canada (the "Bank") and the Guarantee of the Indebtedness of Kinetex Multi-Component Services Inc. (the "Company") dated March 31, 2007 (the "Guarantee")

As you are aware, we are the solicitors for the Bank with respect to this matter. We have been instructed to make demand for payment forwith of all amounts owing to the Bank from the Company. In this regard we enclose a copy of our letter of equal date to the Company.

In this regard and in accordance the Guarantee, we hereby make formal demand for payment of the full amount owing by the Debtors to the Bank, which as at November 10, 2010, amounts to the sum of CAD $8,449,987.27, plus USD $198,203.30 together with interest thereafter as provided for in the facility letter dated June 29, 2010, agreed to and accepted by the Borrower and the Guarantor on June 30, 2010. We are instructed that unless the amount demanded is received in our offices immediately, the Bank will take steps to enforce its security held in respect of this indebtedness without further notice to you.

The above noted amount does not include all of the Bank's legal and consulting costs, for which you are also liable.

The above balances are based on the records available to the Bank at this date. If the true balances are different from the amounts above demanded, the Bank reserves all rights to any additional monies which you may owe to the Bank.

Please contact the writer prior to remitting payment to ascertain the quantum of the Bank's legal and consulting costs and the current balance outstanding.

We also enclose with this letter a Form 86 Notice of Intention to Enforce Security issued pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* confirming the Bank's intention to enforce its security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you wish to provide such a consent, please obtain instructions to endorse the attached notice on behalf of the Debtor and return it to us by fax or e-mail.

Notwithstanding the foregoing, we also confirm that the Bank specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act.*

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

Frank Dearlove

JFG/szw

Cc: The client

NOTICE OF INTENTION TO ENFORCE SECURITY

FORM 86

(Rule 124)

TO: **Kinetex Resources Corporation,** an insolvent person

TAKE NOTICE THAT:

1. HSBC Bank Canada, a secured creditor, intends to enforce its security on the insolvent person's property described below:

   (a) The shares in Kinetex Multi-Compent Services Inc

   (b) All cash and credit balances;

2. The security that is to be enforced is in the form of:

   (a) Security Agreement Over Cash, Credit Balances and Deposit Instruments dated Assignment and Postponement dated March 31, 2007, executed by the insolvent person in favour of the Bank and acknowledged by the insolvent person regarding all amounts owing by the Borrower to the Guarantor.

   (b) Security Over Cash, Credit Balances and Deposit Instruments by Third Party dated November 20, 2007, executed by the insolvent person in favour of the Bank.

   (c) Hypothecation of Securities, Mutual Fund Units, Investment Instruments and Other Investment Property owned by a Third Party dated November 13, 2009, granted by the insolvent person in favour of the Bank regarding shares in the capital of the Borrower.

3. Subordination and Postponement Agreement dated March 31, 2007, executed by the insolvent person in favour of the Bank regarding security held by the insolvent person over the assets of the Borrower and acknowledged by the Borrower.

4. The total amount of indebtedness secured by the security as at November 12, 2010 is the sum of CAD $8,449,987.27, plus USD $198,203.30, with interest accruing thereafter as provided for in the facility letter dated June 29, 2010, agreed to and accepted by Kinetex Multi-Component Services Inc. on June 30, 2010. Legal costs are also accruing in relation to the indebtedness.

5. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 15th day of November, 2010.

HSBC Bank Canada
Per:

Name: FRANK R DEARLOVE
Solicitor and agent of the Secured Creditor

Kinetex Resources Corporation hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by HSBC Bank Canada of all security above-noted.

Kinetex Resources Corporation