

INTERIM REPORT OF THE RECEIVER AND MANAGER

(Subsection 246(2) of the *Bankruptcy & Insolvency Act*)

In the Matter of the Court Appointed Receivership of the Property of
1050999 Alberta Ltd. (the "Company")

1. Please be advised that on Wednesday, March 12, 2014, Ernst & Young Inc. (the "Receiver") was appointed by an Order (the "Order") of the Court of Queen's Bench of Alberta (the "Court") as Receiver and Manager of the Company. The Receiver was appointed in respect of the property (the "Property") of the Company.
2. To the extent permitted under the Order, the Receiver took possession and control of the Property on March 13, 2014.
3. The Receiver's interim statement of receipts and disbursements is as follows:

1050999 Alberta Ltd. Interim Statement of Receipts and Disbursements March 12, 2014 - September 10, 2014			
Initial transfer of debtor bank account	\$	11,394	
Asset sales		984,960	
Rental income and other receipts		21,955	
Net GST collected		11,659	
Total receipts			\$ 1,029,968
Filing fees paid to Official Receiver		70	
Receiver's fees and costs		102,510	
Legal fees and costs		51,848	
Sales commissions paid		26,425	
Operating costs		9,303	
Total disbursements			190,156
Net receipts			<u>\$ 839,812</u>

4. The property of the Company consisted primarily of 24 condominium units in Canmore, Alberta. The Receiver has sold 8 of these condominium units (the "Remaining Units") in accordance with the Order and has 16 units which remain to be sold.
5. The Receiver is currently negotiating with one party for the sale of the Remaining Units which it anticipates bringing before the Court for approval within the next month. Following the sale of the Remaining Units, the Receiver will apply to the Court for a distribution to the Company's senior secured creditor and its discharge.

6. The Receiver contact is:

Ernst & Young Inc.
Ernst & Young Tower
1000 , 440 - 2nd Avenue SW
Calgary, AB T2P 5E9

Attention: Nick Purich
Telephone: (403) 206-5170
Facsimile: (403) 206-5075
Email: Nick.JB.Purich@ca.ey.com

Website: www.ey.com/ca/1050999

Dated at Calgary, Alberta this 11th day of September, 2014.

ERNST & YOUNG INC.
Court-Appointed Receiver and Manager
of 1050999 Alberta Ltd. and not in its
personal or corporate capacity



Neil Narfason, CA•CIRP, CBV
Senior Vice-President