

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C36, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS*
CORPORATIONS ACT, R.S.C. 1985, c. C-44

AND

IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF PAKIT INC.

ALVAREZ & MARSAL CANADA INC.

PROPOSED MONITOR'S REPORT ON
THE CASH FLOW STATEMENT

1.0 INTRODUCTION

- 1.1 Alvarez & Marsal Canada Inc. ("**A&M**" or the "**Proposed Monitor**") understands that Pakit Inc. ("**Pakit**" or the "**Company**") intends to bring an application before this Honourable Court seeking certain relief under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") granting, inter alia, a stay of proceedings until August 25, 2011 and appointing A&M as Monitor.
- 1.2 In accordance with section 10(2) of the CCAA, Pakit has prepared a 13-week cash flow forecast for its receipts and disbursements, including Pakit International Trading Company Inc. ("**Pakit International**") and Packaging International Technology Sweden AB ("**PIT**"), for the period July 23, 2011 to October 21, 2011 (the "**Cash Flow Statement**"). In preparing the Cash Flow Statement, management of the Company ("**Management**") has used the probable and hypothetical assumptions set out in notes to the Cash Flow Statement.
- 1.3 A copy of the Cash Flow Statement and notes are appended as Exhibit E to the Affidavit of Dwayne Yaretz sworn on July 26, 2011. A copy of the signed letter from the Company to the Proposed Monitor containing the prescribed representations of the Company regarding the preparation of the Cash Flow Statement and a copy of the Cash Flow Statement are attached hereto as Appendix "**A**".
- 1.4 As indicated in the Cash Flow Statement, the Company estimates that Pakit will have total receipts of \$970,000 and disbursements of \$1.1 million (excluding \$110,000 of intercompany transfers to Pakit International). The Cash Flow Statement also indicates that on a consolidated basis that Pakit, Pakit International and PIT (collectively the "**Pakit Group**") will have total receipts of \$6.2 million and disbursements of \$4.2

million (figures exclude intercompany transfers from Pakit to Pakit International of \$110,000 and from Pakit International to PIT of \$1.9 million). As reflected in the Cash Flow Statement, the Company has sufficient funds to satisfy the Pakit Group's projected uses of cash for the next 13 weeks based on various assumptions, including receipt of funding from investors/financiers for approximately \$1.4 million and receipt of payments from its primary customer based in Spain for progress billings of \$4.2 million related to certain milestones in respect of four Pakit machines. The Proposed Monitor understands that a key customer contract for the sale of two machines is in Pakit's name rather than in the name of Pakit International, the company that purchased the machines and holds the related patents. The Company has indicated that the agreement was entered into by Pakit as agent for Pakit International and that the proceeds for these two machines are for the benefit of Pakit International and are assumed to be paid to Pakit International.

2.0 TERMS OF REFERENCE

- 2.1 In preparing this report, A&M has necessarily relied upon unaudited financial and other information supplied, and representations made to us, by certain senior management of Pakit. Although this information has been subject to review, A&M has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information of Pakit. Accordingly, A&M expresses no opinion and does not provide other form of assurance on the accuracy of any information contained in this report, or otherwise used to prepare this report.
- 2.2 Certain of the information referred to in this report consists of financial forecasts and/or projections prepared by Management. An examination or review of financial forecasts and projections and procedures, as outlined by the Canadian Institute of Chartered

Accountants, has not been performed. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

- 2.3 Unless otherwise stated, all monetary amounts contained in this report are expressed in Canadian dollars.

3.0 PROPOSED MONITOR'S REPORT ON THE CASH FLOW STATEMENT

- 3.1 We have reviewed the Cash Flow Statement in our capacity as Proposed Monitor of the Company. The sole purpose of the Proposed Monitor's report is to provide the Court with our findings with respect to our review of the Company's Cash Flow Statement as to its reasonableness in accordance with section 23(1)(b) of the CCAA.
- 3.2 The Cash Flow Statement, attached as Appendix A, of Pakit as of the 26th day of July, 2011, for the period from July 23, 2011 to October 21, 2011, has been prepared by the Management of the Company for the purpose described in the Initial Draft Order, using the probable and hypothetical assumptions set out in notes attached as Appendix A.
- 3.3 Our review consisted of inquiries, analytical procedures and discussions related to information supplied to us by certain of the management and employees of the Company. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. We have also reviewed the support provided by Management of the Company for the probable assumptions, and the preparation and presentation of the Cash Flow Statement.

3.4 Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Statement;
- b) as at the date of this report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the Cash Flow Statement, given the Hypothetical assumptions; or
- c) the Cash Flow Statement does not reflect the Probable and Hypothetical assumptions.

3.5 Since the Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow Statement will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by us in preparing this report.

3.6 The Cash Flow Statement has been prepared solely for the purpose described in the draft Initial Order, and readers are cautioned that it may not be appropriate for other purposes.

All of which is respectfully submitted to this Honorable Court this 28th day of July, 2011.

**Alvarez & Marsal Canada Inc., in its
capacity as Proposed Monitor of Pakit Inc.**



Per: Pam K. Boparai
Vice President



July 26, 2011

Alvarez & Marsal Canada Inc.
Suite 1680, 400 Burrard Street
Commerce Place
Vancouver, BC

Attention: Pam K. Boparai

Dear Sirs

**Re: Proceedings under the *Companies' Creditors Arrangement Act* ("CCAA")
Responsibilities/Obligations and Disclosure with Respect to Cash Flow
Projections**

In connection with the application by Pakit Inc. for the commencement of proceedings under the CCAA in respect of Pakit, the management of Pakit ("**Management**") has prepared the attached Cash-Flow Statements and the assumptions on which the Cash-Flow Statements are based.

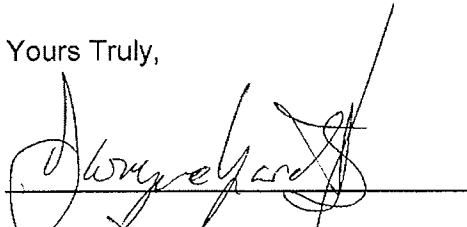
Pakit confirms that:

1. the Cash-Flow Statements and the underlying assumptions are the responsibility of Pakit;
2. all material information relevant to the Cash-Flow Statements and to the underlying assumptions has been made available to Alvarez & Marsal Canada Inc. in its capacity as proposed Monitor or Monitor; and

3. Management has taken all actions that it considers necessary to ensure:

- a. That the individual assumptions underlying the Cash-Flow Statements are appropriate in the circumstances; and
- b. That the individual assumptions underlying the Cash-Flow Statements, taken as a whole, are appropriate in the circumstances.

Yours Truly,

A handwritten signature in dark ink, appearing to read "Dwayne Yaretz", is written over a horizontal line. The signature is stylized with a large initial 'D' and a long, sweeping underline.

Name: DWAYNE YARETZ

Title: PRESIDENT

(authorized director or officer of Pakit Inc.)

Pakit Inc.
Non-Consolidated Weekly Cash Flow Forecast (Note 1)
For the 13-week period ending October 21, 2011
(\$000's)

	July		August		September				October				13 Week Total	Notes	
	Actual 15-Jul	Forecast 22-Jul	Week 3 Forecast 12-Aug	Week 2 Forecast 5-Aug	Week 4 Forecast 19-Aug	Week 5 Forecast 26-Aug	Week 6 Forecast 2-Sep	Week 7 Forecast 9-Sep	Week 8 Forecast 16-Sep	Week 9 Forecast 23-Sep	Week 10 Forecast 30-Sep	Week 11 Forecast 7-Oct			Week 12 Forecast 14-Oct
Receipts															
Customer collections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funding	-	-	-	-	470	500	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	-	-	-	-	470	500	-	-	-	-	-	-	-	-	970
Disbursements															
Payroll, benefits and payroll taxes	31	4	89	-	71	-	71	-	77	-	71	-	71	-	452
Sales and marketing costs	-	-	3	-	-	-	-	-	-	-	-	-	-	-	3
Other general and administrative costs	2	-	33	-	-	-	-	-	-	-	32	-	32	-	130
Rent	-	-	18	-	-	-	-	-	-	-	18	-	-	-	54
Consulting fees	25	5	-	30	-	-	-	-	-	-	30	-	90	-	3
Professional fees	65	26	29	-	75	-	25	25	50	25	-	25	50	-	304
Trade accounts payable	9	-	14	11	-	-	-	-	-	-	-	-	25	-	5
Contingency	-	-	10	-	-	-	10	-	-	-	10	-	-	-	40
Total Disbursements	132	35	145	92	146	-	106	80	25	127	132	55	154	10	1,098
Net Cash Flow	(132)	(35)	(145)	(92)	(324)	500	(106)	(80)	(25)	(127)	(132)	(55)	(154)	(10)	(128)
Intercompany															
Intercompany inflow(outflow) - Pakit International	-	-	(28)	(30)	-	-	-	-	-	(10)	(27)	-	-	(15)	-
Net Cash Flow Post Intercompany	(132)	(35)	(145)	(119)	(254)	500	(106)	(80)	(25)	(137)	(132)	(55)	(169)	(10)	(110)
Cash Position															
Opening Cash Position	887	755	720	575	455	749	1,249	1,143	1,062	1,037	900	848	716	661	493
Closing Cash Position	755	720	575	455	749	1,249	1,143	1,062	1,037	900	848	716	661	493	483

Notes:

- The purpose of this cash flow forecast is to set out the liquidity requirements of Pakit Inc. during the CCAA proceedings. Since projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.
- Two investors have provided Letters of Intent to provide advances to Pakit Inc. for US\$500,000 on or before August 10, 2011 and C\$500,000 on or before August 15, 2011.
- Operating disbursements including rent, payroll and other operating costs have been forecast generally based on the current run-rates of the associated expenses.
- Professional fee disbursements have been forecast based on projected costs by professional services firms relating to the restructuring.
- Preliminary amounts relate to key service providers, suppliers and employees.
- Pakit Inc. intercompany disbursements are assumed to fund operating costs for Pakit International Trading Company ("Pakit International") only. These costs primarily relate to rent and salary for the President of Pakit International who provides corporate finance and accounting support to Pakit Inc. Management has assumed that sufficient funding will be available for the operations of Packaging International Technology Sweden AB ("PIT") as a direct deposit to PIT from investors and/or financiers as well as advances/fees from Pakit International.

PakIt Inc.
CONSOLIDATED Weekly Cash Flow Forecast (Note 1)
For the 13-week period ending October 21, 2011
(\$'000's)

	July		August		September			October			13 Week Total	Notes			
	Actual 15-Jul	Forecast 22-Jul	Week 1 Forecast 29-Jul	Week 2 Forecast 5-Aug	Week 3 Forecast 12-Aug	Week 4 Forecast 19-Aug	Week 5 Forecast 26-Aug	Week 6 Forecast 2-Sep	Week 7 Forecast 9-Sep	Week 8 Forecast 16-Sep	Week 9 Forecast 23-Sep	Week 10 Forecast 30-Sep	Week 11 Forecast 7-Oct	Week 12 Forecast 14-Oct	Week 13 Forecast 21-Oct
Receipts															
Customer collections	-	-	-	-	-	-	641	816	-	-	-	-	-	-	2,956
Funding	-	-	-	-	-	-	500	-	-	-	-	100	-	-	1,440
Other receipts	-	-	85	470	470	500	100	-	107	-	-	-	-	-	392
Total Receipts	-	-	85	470	470	500	741	816	107	-	-	100	-	-	6,245
Disbursements															
Raw materials and production	-	-	-	21	-	-	-	128	-	10	-	16	-	-	218
Payroll, benefits and payroll taxes	31	-	4	109	86	-	293	-	15	289	-	71	-	86	1,289
Sales and marketing costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
Research and development costs	-	-	10	-	-	-	12	18	-	-	12	18	-	-	81
Other general and administrative costs	-	-	5	44	-	-	16	33	-	39	16	33	32	32	16
Rent	-	-	-	116	-	-	-	80	-	-	-	80	-	-	354
Refit	25	-	-	37	-	-	4	33	-	-	4	-	33	-	114
Consulting fees	65	-	29	5	90	-	30	-	25	50	30	-	25	50	5
Professional fees (VAT)	-	-	-	-	-	-	110	-	110	-	-	-	-	-	330
Taxes (Sweden VAT)	-	-	14	11	-	-	-	-	-	-	-	-	-	-	23
Pre-filing liabilities - PakIt Inc.	9	-	18	267	-	-	374	109	53	-	19	-	72	-	98
Other accounts payable (PakIt International and PIT)	-	-	-	-	-	-	10	-	-	-	-	10	-	-	40
CCAA Continuity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	132	35	215	609	176	-	849	401	203	388	90	228	130	169	4,151
Net Cash Flow	(132)	(35)	(130)	(139)	294	500	(108)	(415)	(97)	(388)	(90)	(128)	(130)	(169)	2,094
Intercompany inflow/(outflow)															
PakIt Inc.	-	-	-	(28)	(30)	-	-	-	-	(10)	(27)	-	-	(15)	(110)
PakIt International	-	-	-	28	30	-	(684)	(655)	(92)	10	27	(18)	-	15	(1,839)
PIT	-	-	-	-	-	-	684	655	92	-	-	18	-	-	1,948
Total Intercompany	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow Post Intercompany	(132)	(35)	(130)	(139)	294	500	(108)	(415)	(97)	(388)	(90)	(128)	(130)	(169)	2,094
Cash Position															
Opening Cash Position	893	761	776	596	457	751	1,251	1,143	1,558	1,462	1,074	984	856	726	557
Closing Cash Position	761	726	596	457	751	1,251	1,143	1,558	1,462	1,074	984	856	726	557	2,870

Notes:

- The purpose of these cash flow forecasts is to set out the liquidity requirements of the PakIt Companies during the CCAA proceedings.
- Since projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.
- Customer collection primarily relate to collection from one customer based in Spain. Management has assumed two machines meet the site acceptance test and two additional machines are shipped.
- Management has assumed that payments due upon site acceptance of two units will be made immediately after site acceptance and payments due on the next two units are made immediately prior to shipment.
- Two investors have provided Letters of Intent to provide advances to PakIt Inc. of US\$500,000 on or before August 1, 2011.
- Packaging International Technology Sweden AB ("PIT") on or before August 1, 2011.
- Raw materials and production costs have been forecast based on estimated costs to complete units and prototypes for delivery in the period.
- Operating disbursements including rent, payroll and other operating costs have been forecast generally based on the current run-rates of the associated expenses.
- Professional fee disbursements have been forecast based on projected costs by professional services firms relating to the restructuring.
- Prefiling amounts relate to key service providers, suppliers and employees.
- Other accounts payable amounts owing to key suppliers of PakIt International Trading Company Inc. ("PakIt International") and PIT are assumed to be paid in order to support the ongoing operations of these entities and related receipts. Total accounts payable as at July 12, 2011 for PakIt International and PIT are \$2.1 million and \$2 million, respectively.
- PakIt Inc. intercompany disbursements are assumed to fund operating costs for PakIt International only. These costs primarily relate to rent and salary for the President of PakIt International who provides corporate finance and accounting support to PakIt Inc.

Management has assumed that sufficient funding will be available for the operations of PIT as a direct deposit to PIT from investors and/or financiers as well as advances/fees from PakIt International.

Pakit Inc.
Non-Consolidated Weekly Cash Flow Forecast (Note 1)
For the 13-week period ending October 21, 2011
(\$000's)

	July		August		September				October				13 Week Total	Notes	
	Actual 15-Jul	Week 1 Forecast 22-Jul	Week 2 Forecast 5-Aug	Week 3 Forecast 12-Aug	Week 4 Forecast 19-Aug	Week 5 Forecast 26-Aug	Week 6 Forecast 2-Sep	Week 7 Forecast 9-Sep	Week 8 Forecast 16-Sep	Week 9 Forecast 23-Sep	Week 10 Forecast 30-Sep	Week 11 Forecast 7-Oct			Week 12 Forecast 14-Oct
Receipts															
Customer collections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funding	-	-	-	-	470	-	-	-	-	-	-	-	-	-	970
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	-	-	-	470	500	-	-	-	-	-	-	-	-	-	970
Disbursements															
Payroll, benefits and payroll taxes	31	4	89	-	71	-	-	-	77	-	71	-	-	71	-
Sales and marketing costs	-	-	3	-	-	-	32	-	-	-	32	-	-	32	-
Other general and administrative costs	2	-	18	-	-	-	18	-	-	-	18	-	-	54	-
Rent	-	-	30	-	-	-	30	-	-	-	30	-	-	30	-
Consulting fees	25	5	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	65	26	29	-	75	-	25	-	50	25	-	25	-	50	-
Trade accounts payable	9	-	14	11	-	-	-	-	-	-	-	-	-	-	-
Contingency	-	-	10	-	-	-	-	-	-	-	10	-	-	-	-
Total Disbursements	132	35	145	92	146	-	106	80	25	127	132	55	154	10	1,098
Net Cash Flow	(132)	(35)	(145)	(92)	(324)	500	(106)	(80)	(25)	(127)	(132)	(55)	(154)	(10)	(1,288)
Intercompany															
Intercompany inflow/(outflow) - Pakit International	-	-	-	(28)	(30)	-	-	-	-	(10)	(27)	-	-	(15)	-
Net Cash Flow Post Intercompany	(132)	(35)	(145)	(119)	(294)	500	(106)	(80)	(25)	(137)	(52)	(132)	(55)	(169)	(10)
Cash Position															
Opening Cash Position	887	755	720	575	455	749	1,249	1,143	1,062	1,037	900	848	716	661	493
Closing Cash Position	755	720	575	455	749	1,249	1,143	1,062	1,037	900	848	716	661	493	483

Notes:

- The purpose of this cash flow forecast is to set out the liquidity requirements of Pakit Inc. during the CCAA proceedings. Since projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.
- Two investors have provided Letters of Intent to provide advances to Pakit Inc. for US\$500,000 on or before August 10, 2011 and CA\$500,000 on or before August 15, 2011.
- Operating disbursements including rent, payroll and other operating costs have been forecast generally based on the current run-rates of the associated expenses.
- Professional fee disbursements have been forecast based on projected costs by professional services firms relating to the restructuring.
- Profiling amounts relate to key service providers, suppliers and employees.
- Pakit Inc. intercompany disbursements are assumed to fund operating costs for Pakit International Trading Company ("Pakit International") only. These costs primarily relate to rent and salary for the President of Pakit International who provides corporate finance and accounting support to Pakit Inc. Management has assumed that sufficient funding will be available for the operations of Packaging International Technology Sweden AB ("PIT") as a direct deposit to PIT from investors and/or financiers as well as advances/fees from Pakit International.

Pakit International Trading Company Inc.
 Roll-Up Consolidated Weekly Cash Flow Forecast (Note 1)
 For the 13-week period ending October 21, 2011
 (\$000's)

	July		August		September				October		13 Week Total	Notes					
	Actual 15-Jul	Forecast 22-Jul	Week 1 Forecast 29-Jul	Week 2 Forecast 5-Aug	Week 3 Forecast 12-Aug	Week 4 Forecast 19-Aug	Week 5 Forecast 26-Aug	Week 6 Forecast 2-Sep	Week 7 Forecast 9-Sep	Week 8 Forecast 16-Sep			Week 9 Forecast 23-Sep	Week 10 Forecast 30-Sep	Week 11 Forecast 7-Oct	Week 12 Forecast 14-Oct	Week 13 Forecast 21-Oct
Receipts																	
Customer collections	-	-	-	-	-	-	641	816	-	-	-	-	-	-	-	2,956	
Funding	-	-	-	-	-	-	100	-	107	-	-	100	-	-	-	392	
Other receipts & Prototyping Projects	-	-	85	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Receipts	-	-	85	-	-	-	741	816	107	-	-	100	-	-	-	4,805	
Disbursements																	
Raw materials and production	-	-	-	-	-	-	-	112	-	10	-	-	-	-	203	325	
Payroll, benefits and payroll taxes	-	-	37	-	15	-	10	-	15	-	-	-	-	15	-	102	
Sales and marketing costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Research and development/patent costs	-	-	10	-	-	-	12	-	-	-	12	-	-	-	12	46	
Other general and administrative costs	-	-	5	-	-	-	5	-	-	-	5	-	-	-	5	18	
Rent	-	-	-	1	-	-	-	1	-	-	-	1	-	-	-	8	
Consulting fees	-	-	-	3	-	-	-	3	-	-	-	-	3	-	-	15	
Professional fees	-	-	-	-	15	-	-	-	-	-	-	-	-	-	-	276	
Trade accounts payable	-	-	18	40	-	-	30	40	-	-	-	7	75	15	295	811	
Total Disbursements	-	-	69	49	30	-	57	162	15	10	27	7	75	15	295	811	
Net Cash Flow	-	-	15	(49)	(30)	-	684	655	92	(10)	(27)	93	(75)	(15)	2,661	3,993	
Intercompany																	
Intercompany inflow(outflow) - Pakit Inc.	-	-	-	28	30	-	-	-	-	10	27	-	-	15	-	110	
Intercompany inflow(outflow) - PFI	-	-	-	-	-	-	(684)	(655)	(92)	-	-	(18)	(75)	-	(500)	(1,948)	
Net Cash Flow Post Intercompany	-	-	15	(21)	-	-	-	-	-	-	-	75	(75)	-	2,161	2,155	
Cash Position	6	6	6	6	21	-	-	-	-	-	-	-	75	-	-	6	
Opening Cash Position	6	6	21	-	-	-	-	-	-	-	-	-	-	-	-	2,161	

Notes:

- The purpose of this cash flow forecast is to set out the liquidity requirements of Pakit Inc. during the CCAA proceedings. Since projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.
- Customer collection primarily relate to collection from one customer based in Spain. Management has assumed two machines meet the site acceptance test and two additional machines are shipped.
- Management has assumed that payments due upon site acceptance of two units will be made immediately after site acceptance and payments due on the next two units are made immediately prior to shipment.
- Raw materials and production costs have been forecast based on estimated costs to complete units and prototypes for delivery in the period. Total accounts payable as at July 12, 2011 is approximately \$2.1 million.

Packaging International Technology Sweden AB
Non-Consolidated Weekly Cash Flow Forecast (Note 1)
For the 13-week period ending October 21, 2011
(\$'000's)

	July		August		September				October		13 Week Total	Notes			
	Actual 15-Jul	Week 1 Forecast 29-Jul	Week 2 Forecast 5-Aug	Week 3 Forecast 12-Aug	Week 4 Forecast 19-Aug	Week 5 Forecast 26-Aug	Week 6 Forecast 2-Sep	Week 7 Forecast 9-Sep	Week 8 Forecast 16-Sep	Week 9 Forecast 23-Sep			Week 10 Forecast 30-Sep	Week 11 Forecast 7-Oct	Week 12 Forecast 14-Oct
Expressed in CAD FX Rate (1) 0.155															
Receipts															
Customer collections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

1. The purpose of this cash flow forecast is to set out the liquidity requirements of Pakit Inc. during the CCAA proceedings. Since projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Bank of Canada exchange rate for Swedish krona to Canadian dollars as at July 25, 2011 plus expected spread of \$0.005 per krona. Management has received a Letter of Intent to provide an advance of US\$500,000 on or before August 1, 2011. Arrears outstanding as at July 26, 2011 for payroll is assumed to be paid in the week ending August 5, 2011 and related arrears for taxes are assumed to be paid over the 13 week period ending October 21, 2011. Arrears and utilities are assumed to be paid on a monthly basis. As at July 12, 2011 there is approximately \$390,000 arrears outstanding.
2. Arrears outstanding as at July 26, 2011 and on-going accruals for VAT are assumed to be paid over the 13 week period ending October 21, 2011.
3. Arrears outstanding as at July 26, 2011 and on-going accruals for VAT are assumed to be paid in order to support the ongoing operations of these entities and related receipts. Total accounts payable as at July 12, 2011 is approximately \$2 million.
- 4.
- 5.
- 6.