

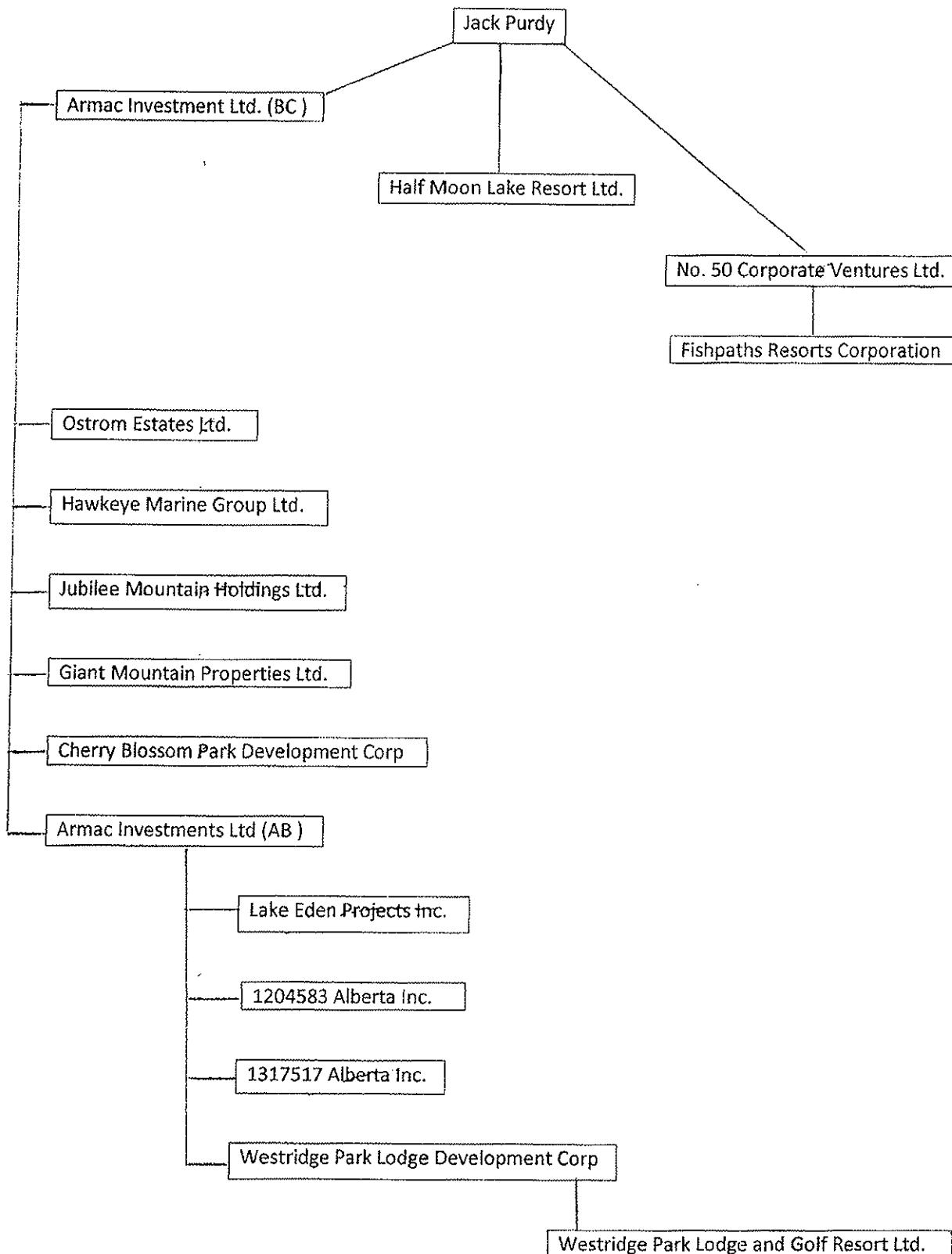
This is exhibit A referred to in the affidavit of JOHN KENNETH PURDY sworn before  
me on November 25, 2011.

  
A Commissioner of Oaths for  
the Province of Alberta

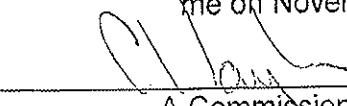
**CONAN J. TAYLOR**

Barrister and Solicitor

**PRINT NAME AND EXPIRY/LAWYER**



This is exhibit B referred to in the affidavit of JOHN KENNETH PURDY sworn before  
me on November 25, 2011.

  
A Commissioner of Oaths for  
the Province of Alberta  
**CONAN J. TAYLOR**  
Barrister and Solicitor

PRINT NAME AND EXPIRY/LAWYER

## RESIDENTIAL APPRAISAL REPORT

## RESIDENTIAL APPRAISAL REPORT - ADDENDUM

<b>CLIENT:</b>	Platinum Industries 1978 Ltd.	<b>APPRaiser:</b>	Garry Doucette, AACI, P. App.
<b>ATTENTION:</b>	John Frank Polesio	<b>COMPANY:</b>	PCAG Property Advisors Inc.
<b>ADDRESS:</b>	9544 118 Avenue Edmonton, AB T5G 0P1	<b>ADDRESS:</b>	3581 Bishop Crescent Port Alberni, BC V9Y 7W1
<b>E-MAIL:</b>	johnfrankpolesio@hotmail.com	<b>E-MAIL:</b>	garry@pcag.net
<b>PHONE:</b>	(780) 471-1934	<b>PHONE:</b>	(250) 723-5099
<b>FAX:</b>		<b>FAX:</b>	(250) 723-9228
<b>HYPOTHETICAL ASSUMPTIONS &amp; LIMITING CONDITIONS</b>			
<p>An <b>advisory assumption</b> is a hypothesis, either supposed or unconfirmed, which, if not true, could alter the appraiser's opinions and conclusions (e.g., an absence of contamination where such contamination is possible, the presence of a masked safety issue where it is not known). An <b>extraordinary finding condition</b> is a extremely modification or exclusion of a Standard Find which must be evaluated and justified by the appraiser (e.g., exclusion of a below valuation approach). The appraiser must disclose before recording the assignment which involves making an Extraordinary Limiting Condition that the scope of the work agreed will result in losses and conclusions which are credible. Both must accompany statements of each option/condition so affected.</p> <p><b>Environmental Issues - IMPORTANT ASSUMPTION</b></p> <p>There is a fuel oil storage tank on the property likely used to fuel vehicles. There is evidence that there has been a spill of oil around the tank. The appraiser is not qualified to test such substances or determine the extent of any possible contamination and therefore AN ENVIRONMENTAL ENQUIRY OF THE SUBJECT PROPERTY HAS NOT BEEN ATTEMPTED and therefore does not form, in any way, a part of this appraisal.</p> <p>This appraisal assumes there is no soil contamination that would adversely affect the property's market value.</p>			
<b>HYPOTHETICAL CONDITIONS</b>			
<p>Hypothetical conditions may be used when they are required for legal defense, for purposes of insurance claims or for purposes of compensation. Common Hypothetical conditions include proposed improvements and prospective scenarios. For every Hypothetical Condition, an Extraordinary Assumption is required (see above). An analysis based on a hypothetical condition must not result in an appraisal report that is misleading or that relies on factors or events that would be illegal or improbable within the context of the assignment. Following is a description of each hypothetical condition referred to in this report, the rationale for its use and its effect on the results of the assignment.</p>			
<b>JURISDICTIONAL EXCEPTION</b>			
<p>The Jurisdictional Exception permits the appraiser to disregard a part or parts of the Standards determined to be contrary to law or public policy in a given jurisdiction and only that part shall be void and no force in effect in that jurisdiction. The following comments identify the part or parts disregarded, if any, and the legal authority justifying these actions.</p>			

CLIENT:	Plamen Industries 1978 Ltd.	APPRAISER:	Gerry Doucette, AACI, P. App
ADDRESS:	9544 118 Avenue	ADDRESS:	3581 Bishop Crescent
EDMONTON, AB T5G 0P1		PORT ALBERNI, BC V9Y 7W1	

PHONE: (780) 471-1934

FAX:

PHONE: (250) 723-5099

FAX: (250) 723-6228

7382 Rincon Road, Port Alberni, BC V9Y 9E9

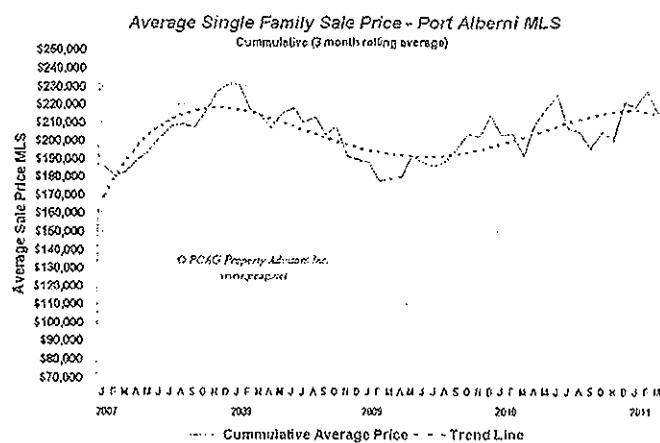
**Intended Use of the Appraisal**

The only party who may rely on the opinions in this report is the above referenced client, even where the report is for financing purposes. This report assumes that only the addressee will rely upon it, and only for the intended use stated herein. No one else may rely on this report without written consent of the appraiser, which we may not provide retroactively. We expressly deny any legal liability for unauthorized reliance on this report and for any other use.

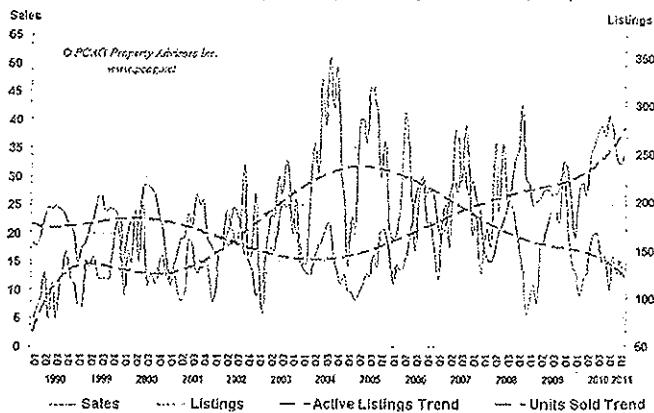
When preparing an appraisal for lending purposes, appraisers do not investigate if the prospective loan and applicant satisfy prudent loan underwriting criteria. Correspondingly, we assume no responsibility for loans made where the borrower lacks the ability and/or motivation to repay the loan, or where the lender has not followed prudent lending practices. When we authorize a lender to rely on this report, we grant such authorization subject to the lender completing a thorough due diligence investigation that reasonably concludes that the borrower has the intention and capacity to repay the loan.

**Market Conditions**

The real estate market over the past several years in the Alberni Valley has been in transition with a higher inventory of listed properties. Sales volumes in the market trended lower to the beginning of 2009. Combined with the increases in available inventory, the average sale price trended lower at the same time. 2009 saw a slight recovery into 2010 with a decline in prices over the past six months with inventory levels remaining fairly high (see charts below).



City of Port Alberni Single Family Inventory/Units Sold (MLS)



REFERENCE:		Supplemental Addendum		FILE NO.: <span style="float: right;">Page #31</span>
CLIENT:	Praamen Industries 1978 Ltd. 9544 118 Avenue Edmonton, AB T5G 0P1 (780) 471-1934	APPRASIER:	Garry Doucette, AACI, P. App 3581 Bishop Crescent Port Alberni, BC V9Y 7W1 (250) 723-5099	FAX: (250) 723-5228

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#### Agricultural Land Reserve

The subject property is located inside the boundaries of the Agricultural Land Reserve and is subject to the regulations of the Land Commission Reserve Act.

#### Site Comments

The size of the subject site was obtained from sources considered reliable; however, no legal survey was provided or available. Accordingly, a legal survey should be obtained to confirm the site size. For the purposes of this appraisal, the site size is assumed correct and the value estimate could be subject to change if found otherwise. The subject improvements are assumed to be constructed well within the boundaries of the subject site. A legal survey should be obtained to confirm the location of same. Should any of the improvements not be fully located within the confines of the subject site, the value estimate could be subject to change.

#### Improvement Description

Building A - This is a wood frame storage garage in fair condition. It is approximately 800 square feet and has an unfinished interior.

Building B - This is a wood frame storage garage in fair condition. It is approximately 800 square feet and has an unfinished interior.

Building C - This is a wood frame, 720 square foot, 3 bedroom, one bathroom cabin in average but dated condition on a post and pier foundation.

Building D - This is a wood frame, 640 square foot, open plan, one bathroom cabin in fair condition on a post and pier foundation.

Building E - This is a newer wood frame structure, 990 square feet, with a one bedroom suite and utility room on a concrete slab.

#### Time/Date of Sale Comments

Every effort has been made to secure comparable sales which occurred within the six-month period immediately preceding the effective date of this report. Use of earlier sales indicates that more recent sales were unavailable. Comparables, therefore, will reflect the selection of those sales deemed most comparable to the subject property, regardless of the time frame. If the time frame is expanded, this has been done to recite sales which have characteristics most similar to the subject, and to provide the most accurate indicators of value; this being a common and necessary appraisal practice in the area. Lack of more current sales in the neighbourhood does not necessarily mean that adverse locational conditions exist.

#### Adjustment Comments

The best available comparable sales have been selected with respect to date of sale, location, size, age, condition, style and special features of the improvements. However, if adjustments are large, at least one of these factors differs significantly between the subject and the comparable sale. Despite the careful selection of comparable sales data, the heterogeneous nature of the local residential real estate market dictates that such variances are not uncommon, especially when the subject property may be atypical and/or there has been a relatively low volume of recent sales to select from within the subject neighbourhood and adjacent or similar neighbourhoods. While comparables that require no adjustments are actively sought, they are relatively infrequently found. However, the integrity of the comparable sales is maintained by reasonable and appropriate adjustments. If any adjustments are made, the comparable sales still accurately reflect the market value estimate for the subject. An adjustment reflects contributory value of a specific item, or combination of items, and is deemed to be a reasonable and appropriate reflection of the market.

#### Fire, Smoke and Carbon Monoxide Equipment

It is imperative that the reader or any other interested party be aware that the Appraiser did not inspect the premises for the detection of smoke or fire detection systems, or for the presence of carbon monoxide detectors, nor did the Appraiser inspect the condition of such equipment, if present. The Appraiser takes no responsibility whatsoever for the lack of, or condition of detection devices that may be located on the premises, nor does the Appraiser warrant compliance in any manner of such equipment, if present. This would require inspection and written confirmation from the Fire Department or appropriate City or Municipality offices.

#### Digital Signature

This appraisal report may have been signed with a password-protected digital signature. Electronically affixing a signature to a report carries the same level of authenticity and responsibility as an ink signature on a paper copy report. This digital signature can only be affixed to, or removed from, the appraisal report by the signatory herself by means of a confidential password. No other individual has any knowledge of the password or is authorized to affix or delete such digital signature from the appraisal report or any attachments thereto. The appraiser certifies that safeguards for the protection and affixation of the signature dictated by the Canadian Uniform Standards of Professional Appraisal Practice have been observed.

#### Digital Images

Digitized images, such as photographs, maps, exhibits, etc. are unaltered from their original likeness. Digital images may have been modified for formatting, brightness or resolution.

REFERENCE:		Supplemental Addendum		FILED:	
CLIENT:	Pleamen Industries 1978 Ltd.	APPRAISER:	Gerry Doucette, AACI, P. App.		
ADDRESS:	9544 118 Avenue Edmonton, AB T6G 0P1	ADDRESS:	3581 Bishop Crescent Port Alberni, BC V9Y 7W1		
PHONE:	(780) 471-1034	FAX:	(250) 723-5099	PHONE:	(250) 723-6228

7382 Rincon Road, Port Alberni, BC V9Y 9E9

#### Environmental Issues

PCAG Property Advisors Inc. is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the subject property.

REFERENCE:

## Photograph Addendum

Page #10

CLIENT:	OUTLET: Plamen Industries 1978 Ltd.	APPRAISER: Garry Doucette, AACI, P. App.
ADDRESS:	9544 118 Avenue Edmonton, AB T6G 0P1	ADDRESS: 3581 Bishop Crescent Port Alberni, BC V9Y 7W1
PHONE:	(780) 471-1934	PHONE: (250) 723-5059

7382 Rincon Road, Port Alberni, BC V9Y 9E9



Front



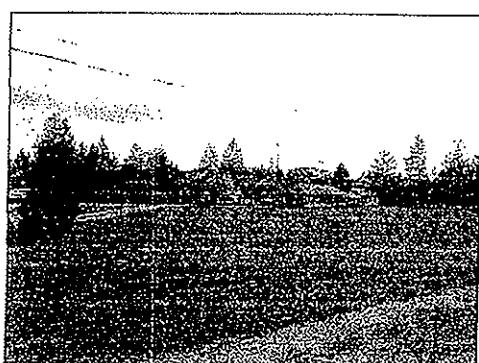
Rear



Front



View



View of Property Facing West



Street Scene

REFERENCE:

## Photograph Addendum

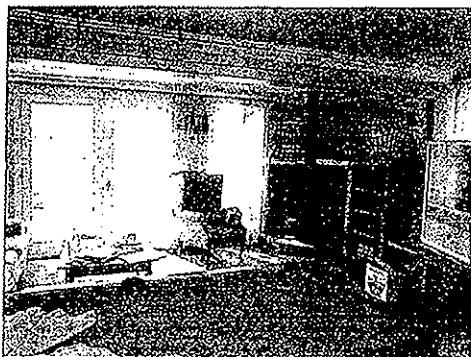
Page 211

CLIENT:	Pleamen Industries 1978 Ltd.
ADDRESS:	9544 118 Avenue Edmonton, AB T5G 0P1
PHONE:	(780) 471-1934
FAX:	

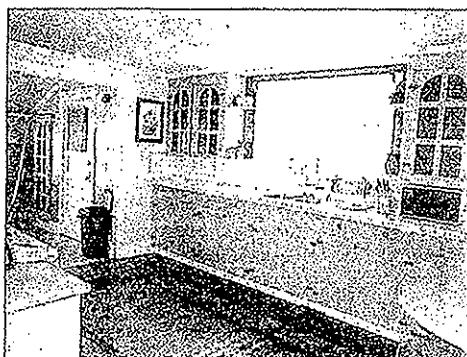
APPRAISER:	Garry Douselle, AACI, P. App.
ADDRESS:	3591 Bishop Crescent Port Alberni, BC V9Y 7W1
PHONE:	(250) 723-5099
FAX:	(250) 723-8228

FILE NO.:

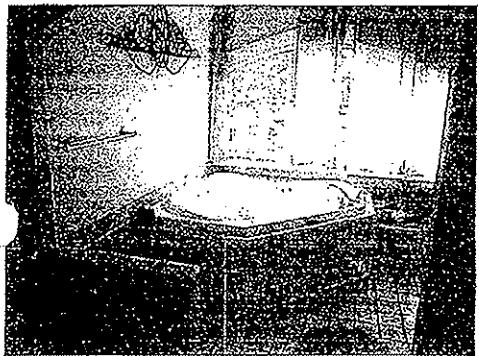
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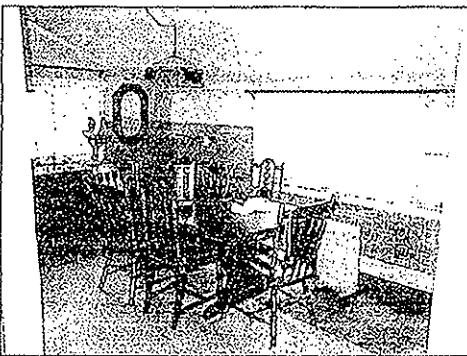
Interior



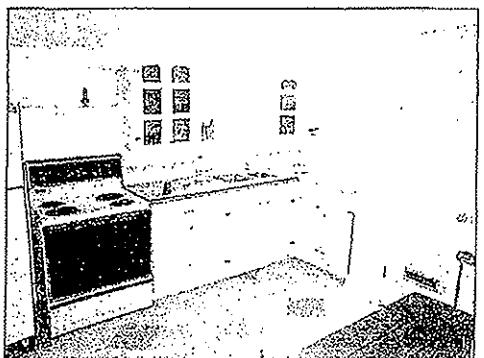
Interior



Interior



Interior



Interior



Interior

REFERENCE:

## Photograph Addendum

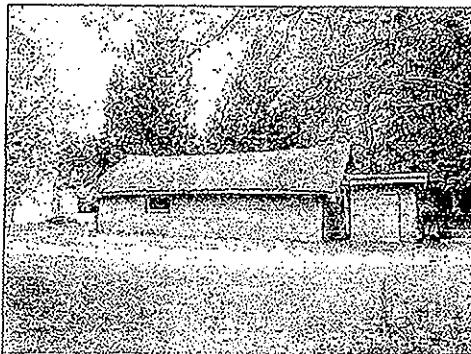
Page #12

CLIENT:	Plaamen Industries 1978 Ltd.	APPRASER:	Garry Doucette, AACI, P. App
ADDRESS:	9544 118 Avenue	ADDRESS:	3581 Bishop Crescent
PHONE:	(780) 471-1934	PHONE:	(250) 723-5099

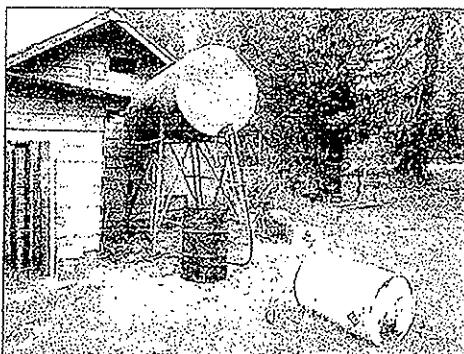
REF ID:

(250) 723-8228

7382 Rincon Road, Port Alberni, BC V9Y 9E9



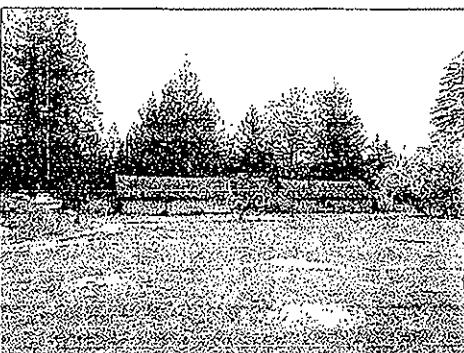
Building A



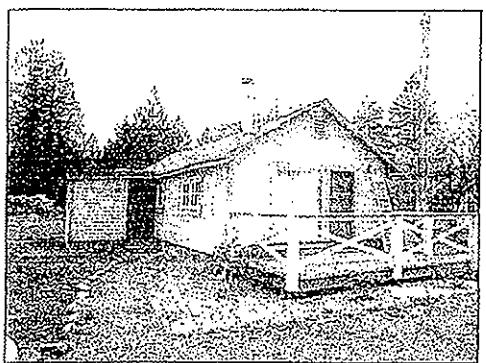
Fuel Oil Tank



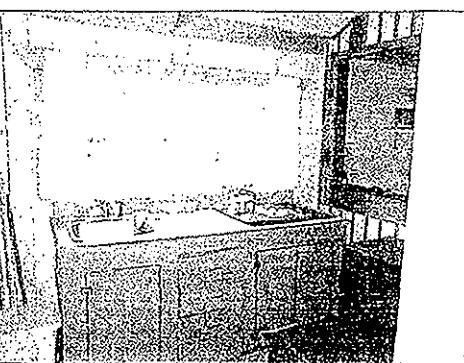
Building B



Buildings A and B



Building C



Building C - Interior

Photograph Addendum		FILE NO:
CLIENT CLIENT: ADDRESS: PHONE:	PLOMEN INDUSTRIES 1978 LTD. 9544 118 AVENUE EDMONTON, AB T5G 0P1 (780) 471-1934	APPRASER: Garry Doucette, AACI, P. App ADDRESS: 3681 Bishop Crescent Port Alberni, BC V0Y 7W1 (250) 723-5099
	FAX:	

7382 Rincon Road, Port Alberni, BC V9Y 9E9



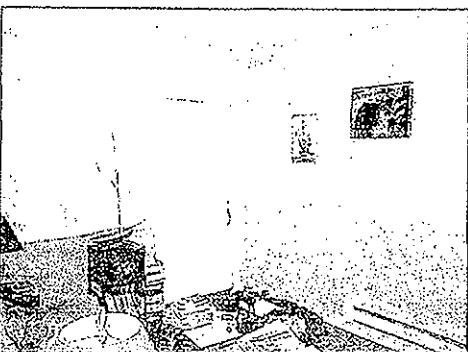
Building D



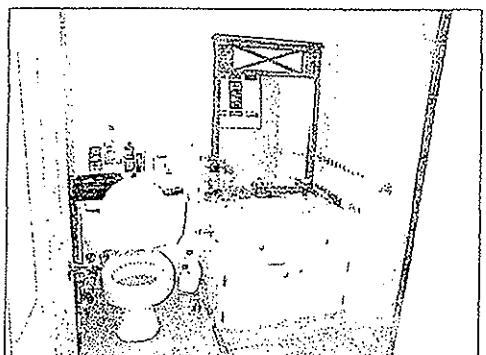
Building D - Interior



Building E



Building E - Interior



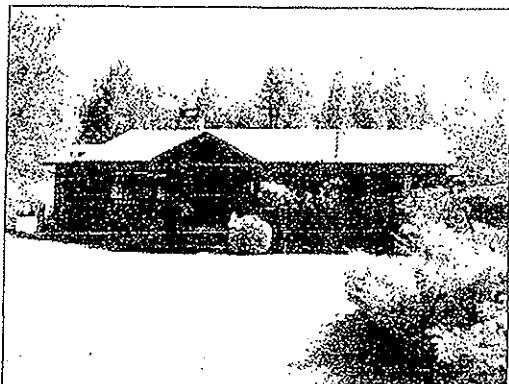
Building E - Interior



Building E - Interior

CLIENT:	Plaquin Industries 1978 Ltd.	APPRISER:	Garry Doucette, AACI, P. App.
ADDRESS:	9544 118 Avenue	ADDRESS:	3501 Bishop Crescent
EDMONTON, AB T5G 0P1		PORT ALBERNI, BC V9Y 7W1	

PHONE: (780) 471-1934

FAX: (250) 723-5099 FAX: (250) 723-6228  
7382 Rincon Road, Port Alberni, BC V9Y 9E9**Comparable 1**

6801 Bigmore Road  
 Sale Price 900,000  
 Livable Floor Area 1,492  
 Total Rooms 11  
 Total Bedrooms 3  
 Total Bathrooms 1  
 Site Size 20  
 Age 34

**Comparable 2**

7000 Swanson Road  
 Sale Price 475,000  
 Livable Floor Area 1,128  
 Total Rooms 7  
 Total Bedrooms 2  
 Total Bathrooms 2  
 Site Size 22.58  
 Age 15

**Comparable 3**

7463 Hector Road  
 Sale Price 387,500  
 Livable Floor Area 1,248  
 Total Rooms 6  
 Total Bedrooms 2  
 Total Bathrooms 2  
 Site Size 9.04  
 Age 34

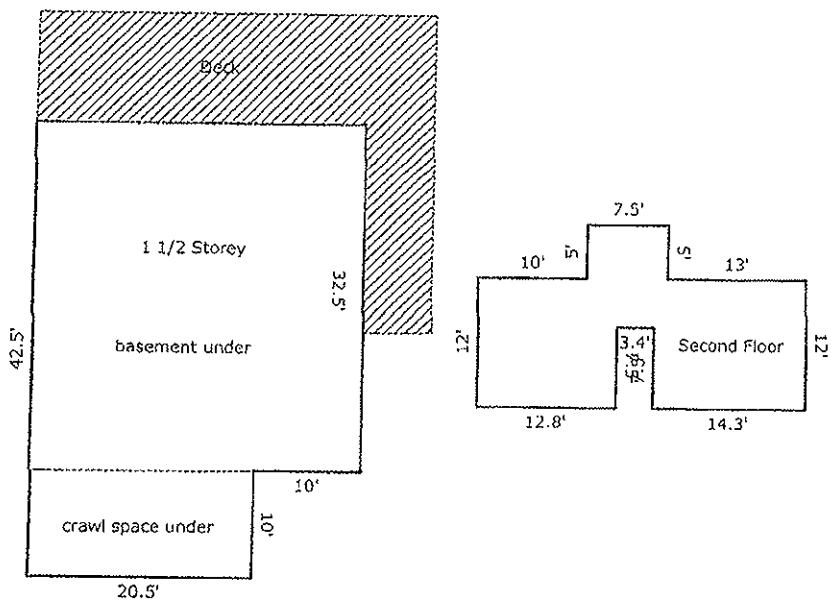
REFERENCE:

## Building Sketch

Page 2 of 15

CLIENT	CUSTOM: Phamen Industries 1976 Ltd. ADDRESS: 9544 118 Avenue Edmonton, AB T5G 0P1 PHONE: (780) 471-1934	APPRaiser: Gerry Doucette, AACI, P. App ADDRESS: 3581 Bishop Crescent Port Alberni, BC V9Y 7W1 PHONE: (250) 723-5098	FILE NO:
	FAX:		FAX: (250) 723-6228

7382 Rincon Road, Port Alberni, BC V9Y 9E9



DRAFTED BY A TRIMARK INC.

## Area Calculations Summary

Living Area	
First Floor	1195.3 Sq ft
Second Floor	378 Sq ft
Total Living Area (rounded):	1574 Sq ft
Non-living Area	
Basement	591.3 Sq ft
Wood Deck	490.8 Sq ft

REFERENCE:

## Building Sketch

Page 7/16

CLIENT	Plammon Industries 1978 Ltd.	APPRaiser	Gerry Doucette, AACI, P. App.
ADDRESS	9544 118 Avenue	ADDRESS	3661 Bishop Crescent
	Edmonton, AB T5G 0P1		Port Alberni, BC V9Y 7W1

PHONE: (780) 471-1934

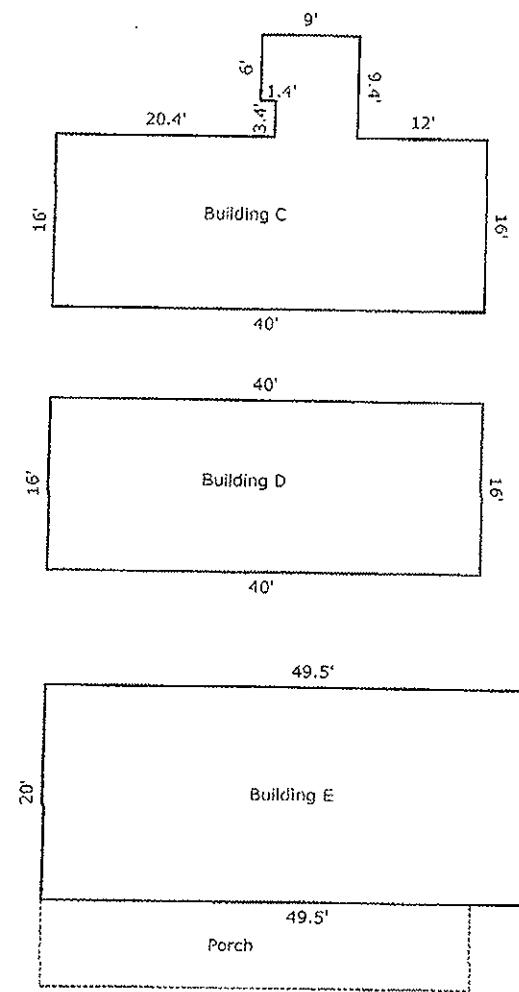
FAX:

APPRIS

SIS

APR

7382 Rincon Road, Port Alberni, BC V9Y 9E9



Drawn by a la mode, inc.

## Area Calculations Summary

## Non-living Area

Building C	719.8 Sq ft
Building D	640 Sq ft
Building E	990 Sq ft

REFERENCE:

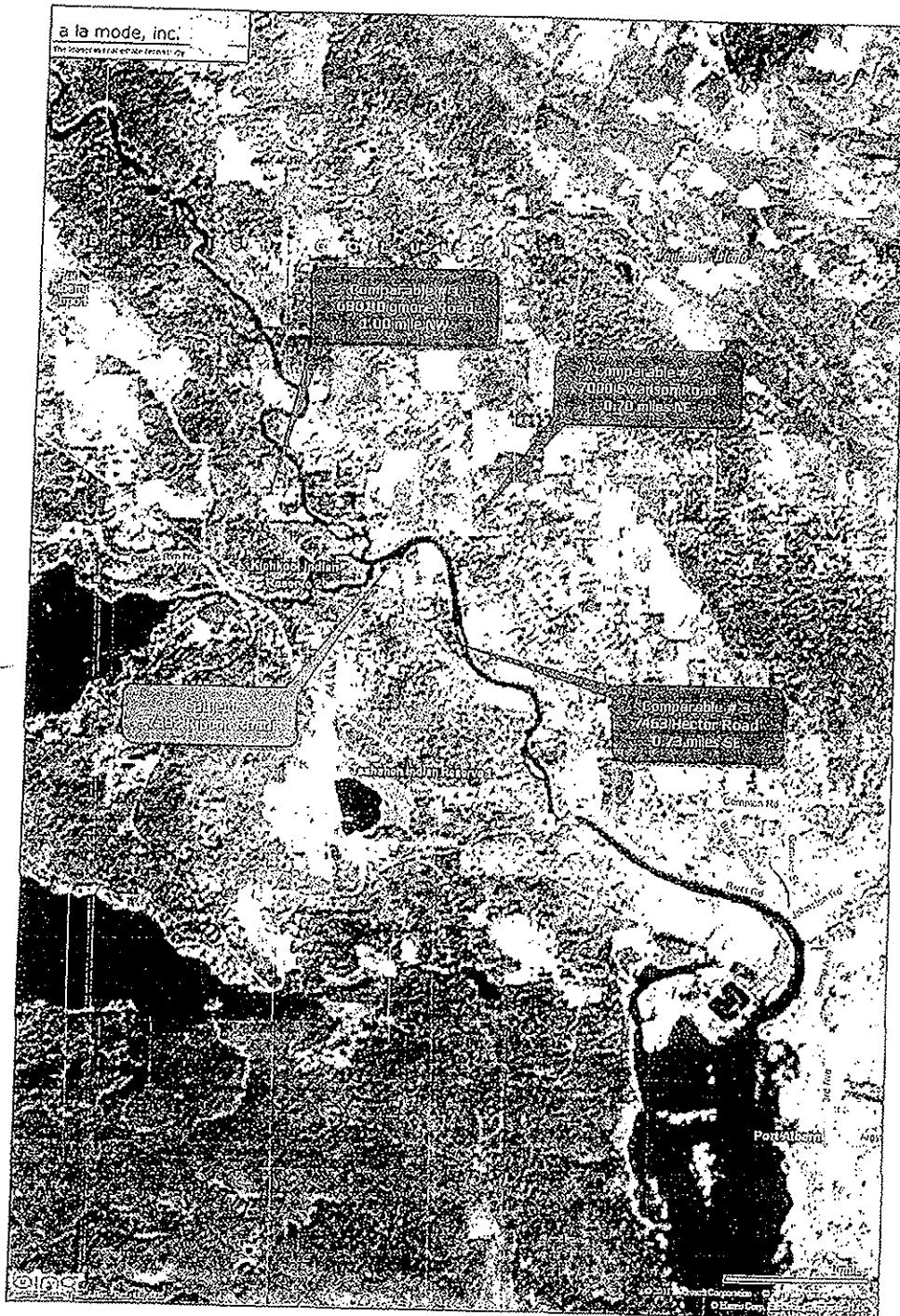
## Location Map

Page #17

CLIENT:	Pionmen Industries 1978 Ltd.	APPRASER:	Garry Doucette, AACI, P. App.
ADDRESS:	9544 118 Avenue Edmonton, AB T5G 0P1	ADDRESS:	3581 Bishop Crescent Port Alberni, BC V9Y 7W1
PHONE:	(780) 471-1934	PHONE:	(250) 723-5099

FAX: (250) 723-8228

7382 Rincon Road, Port Alberni, BC V9Y 9E9

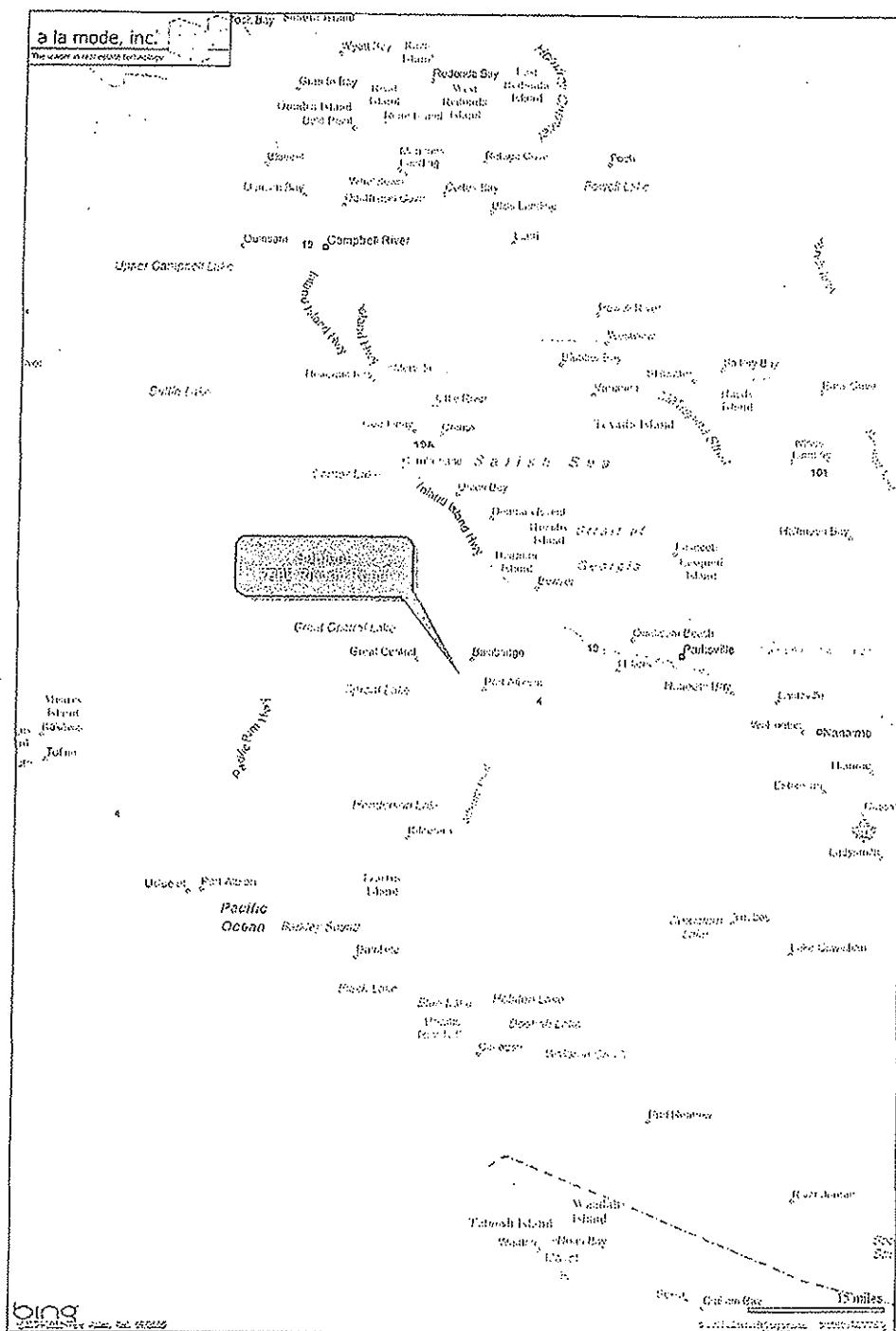


REFERENCE: .....  
CLIENT: Plaamen Industries 1978 Ltd.  
ADDRESS: 9544 118 Avenue .....  
EDMONTON, AB T5G 0P1 .....  
PHONE: (780) 471-1934 FAX: .....

## Location Map

Page 18

7382 Rincon Road, Port Alberni, BC V9Y 9E9



## QUALIFICATIONS OF GARRY R. DOUCETTE

### Experience

#### *1995 - present*

- Independent Fee Appraiser, PCAG Property Advisors Inc. formerly Pacific Coastal Appraisal Group Inc.
- Completed commercial and industrial valuations for purchases, sales, mortgages, insurance, assessments and litigation.

#### Clients include:

City of Port Alberni	B.C. Buildings Corporation	ICBC
School District 70 Alberni	CIBC Mortgage Corporation	Telus
Regional District of Alberni/Clayoquot	TD Canada Trust	Timberwest Forest Corp.
Port Alberni Harbour Commission	Scotia Mortgage Corporation	Public Trustee
Ministry of Transportation and Highways	Royal Bank of Canada	Mortgage Brokers
Beaver Creek Improvement District	Coastal Community Credit Union	Lawyers
Tseshaht First Nation	Bank of Montreal	Accountants
Hupacasath First Nation	HSBC Bank Canada	Private Individuals

#### *1991 - present*

- Residential Fee Appraiser, Pacific Coastal Appraisal Group Inc.
- Completed over five thousand residential valuations.

#### Clients include:

Bank of Montreal	Finance Companies	ReMax Relocation Company
Canadian Imperial Bank of Commerce	Mortgage Brokers	HSBC Bank Canada
Bank of Nova Scotia	C.M.I.C.	Public Trustee
Royal Bank of Canada	MacMillan Bloedel Ltd.	Trust Companies
Coastal Community Credit Union	PHH Home Equity Ltd.	Lawyers
TD Canada Trust	Royal LePage Relocation Service	Accountants
Royal Canadian Mounted Police	Canada Trust Relocation	Private Individuals

#### *1987 - 1991*

- Realtor, NRS Mid-Island Realty Ltd., Downtown Branch
- Sold residential and commercial real estate.
- Achieved recognition for highest sales commission volume in 1991
- Served on the Legislative and Government Liaison Committee of the Vancouver Island Real Estate Board.

### Education

- Completed the Real Property Appraisal and Assessment Program, St. Francis Xavier University.
- Completed the Appraisal Institute of Canada's Residential Appraisal Program.
- Completed courses and attained an Agents License under section 9.15 of the Real Estate Act of B.C.
- Completed the Salesman's and Sub-Mortgage Brokers program and attained salesman's license under the Real Estate Act of B.C.
- Diploma in Forest Resources Technology, Malaspina College, Nanaimo, B.C.
- Completed second year of the Certified General Accountants Program.
- Grade 12 Alberni District Senior Secondary School, Port Alberni, B.C.
- Competent Toastmaster Certificate from the Somass Toastmasters Club 1303

### Professional Designations

July 29, 1993   Appraisal Institute of Canada, Canadian Residential Appraiser - CRA  
 May 2, 2003   Appraisal Institute of Canada, Accredited Appraiser Canadian Institute,  
                   Professional Appraiser - AACI