

D. Yaretz #10
January 9, 2012

NO. S115028
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND

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

AND

IN THE MATTER OF PAKIT INC.

AFFIDAVIT

I, DWAYNE YARETZ, Businessman, of 2250 – 1050 West Pender Street, Vancouver, British Columbia, SWEAR THAT:

1. I am the President of the Petitioner, and as such I have direct knowledge of the facts and matters hereinafter deposed to, except where stated to be on information and belief, and where so stated I verily believe them to be true.
2. The Petitioner has continued to make progress with its customer towards finalising the Pakit100 machine that the Petitioner is building for the customer.
3. Last week, I was in Sweden meeting with representatives of the customer to review the progress of the construction to date. The customer was satisfied with the progress that the Petitioner has made in that regard and on that basis has indicated its willingness to finance the imminent expenses that the Petitioner must incur in order to complete construction of the machine.
4. Attached and marked as Exhibit "A" to this my affidavit is a true copy of a letter received today from the customer which sets out the terms under which the customer is willing to provide a letter of credit to the Petitioner so that the Petitioner can have the necessary funding to advance the preparation of the machine. The Petitioner intends to draw on the proposed letter of credit only as contemplated in this letter and is prepared to accept these

5. If the Petitioner did not need to incur the expenses to continue to build the machine for the customer, it would have sufficient cash available to sustain its operations through to the end of January. In particular, the following are the current cash balances by entity:

- SWORN BEFORE ME at the City of
Vancouver, in the Province of British
Columbia, this 9th day of January, 2012.

~~DWAYNE YARETZ~~