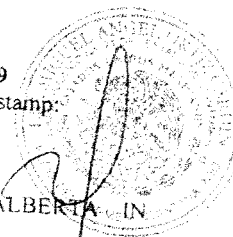


Form 49
Clerk's stamp:



COURT FILE NUMBER: 25-094321

COURT

COURT OF QUEEN'S BENCH OF ALBERTA IN
BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED

IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF IMPACT 2000 INC.

APPLICANT:

IMPACT 2000 INC.

DOCUMENT:

AFFIDAVIT OF MICHAEL WOLOWICH

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

OSLER, HOSKIN & HARCOURT LLP

Barristers & Solicitors

Suite 2500, 450 - 1st Street S.W.

Calgary, AB T2P 5H1

Solicitor: A. Robert Anderson, Q.C./Peter Bychawski
Telephone: (403) 260-7004/7025

Facsimile: (403) 260-7024

Email: randerson@osler.com/pbychawski@osler.com

File Number: 1139886

AFFIDAVIT OF MICHAEL WOLOWICH
Sworn on April 17, 2013

I, Michael Wolowich, of the Hamlet of De Winton, in the Province of Alberta, make oath
and say that:

1. I am the President of Impact 2000 Inc. ("Impact") and as such have personal knowledge
of the matters herein deposed to, except where stated to be based on information and
belief, in which case I believe the same to be true.

[Faint handwritten notes and signatures at the bottom of the page.]

2. I make this Affidavit in support of an application by Impact for an Order:
- declaring that the time for service of this application is abridged, that this application is properly returnable on April 18, 2013, that service of this application is sufficient, and that service on any other persons of notice of this application is dispensed with;
 - approving the extension, pursuant to s. 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), of the time for Impact 2000 Inc. ("Impact") to file a proposal to on or before May 2, 2013 (the "Stay Extension"); and
 - such further and other relief as this Honourable Court considers to be just and appropriate in the circumstances.
3. This Affidavit provides an update of what has transpired since my Affidavit sworn on April 9, 2013 "My April Affidavit").

Assignment of the Canadian Western Bank's Security

- As discussed in My April Affidavit, on or about April 5, 2013 Full Circle Funding LP ("FCF") made a purchase proposal to the Canadian Western Bank ("CWB"), Impact's senior secured creditor, to acquire all loans and other obligations owed by Impact to CWB and all security held by CWB therefore, such that the loans and security held by CWB would be assigned to FCF or another entity capitalized by FCF for that purpose (the "Security Purchase Proposal").
- On the same day that FCF made the Security Purchase Proposal, counsel for CWB served Impact with applications (the "CWB Applications") returnable on April 8, 2013 for an Order terminating Impact's proposal proceedings and for a Receivership Order against Impact.
- On April 8th and 9th, 2013, CWB consented to this Honourable Court granting extensions of the time for Impact to file a proposal to on or before April 9th and April 18th, 2013, respectively, so that Impact, CWB, FCF, and their respective counsel, could settle the terms upon which the Security Purchase Proposal or a similar agreement would be acceptable to all parties.
- On or about April 15, 2013 Impact, CWB and Takoda Resources Inc. ("Takoda"), a company incorporated and capitalized by FC Takoda Holdings, LLC, a wholly owned

subsidiary of Full Circle Capital Corporation, an affiliate of FCF, reached an agreement (the "Assignment Agreement") whereby all loans and other obligations owed by Impact to CWB and all security held by CWB therefore were assigned to Takoda.

8. Accordingly, Takoda is the assignee of CWB's secured position and CWB is no longer a secured creditor of Impact.
9. My spouse, Patty Wolowich, is a minority shareholder of Takoda and I am now an officer and employee of Takoda.


Work on Proposal

10. Having acquired CWB's position, Takoda has abandoned the CWB Applications. Now shown to be and marked as Exhibit "1" is a letter dated April 16, 2013 from counsel to Takoda advising Pat Gordon of the Alberta Court of Queen's Bench of Takoda's abandonment of the CWB Applications.
11. Takoda intends to assess whether it will sponsor a proposal by Impact to its unsecured creditors.
12. In order to make that assessment, Takoda and Impact have requested that Impact's Proposal Trustee obtain an updated appraisal of Impact's assets and solicit auction bids with respect to its equipment.
13. I am advised by my own and Takoda's counsel, as well as Impact's Proposal Trustee, that there is insufficient time to complete the process of valuing Impact's assets and soliciting auction bids with respect to Impact's equipment prior to the expiry of the April 18, 2013 stay extension period. Accordingly, Impact seeks the Stay Extension so that Takoda can obtain the information it has requested and assess whether it is prepared to sponsor a proposal by Impact to its unsecured creditors.
14. I understand that the ultimate deadline under the BIA for Impact to file a proposal will expire on May 2, 2013. Accordingly, if Takoda decides to sponsor a proposal by Impact to its unsecured creditors, Impact may make an application to continue its proposal proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA") and to apply for a further stay of proceedings under that Act to allow reasonable time for Impact to make a proposal to its unsecured creditors.

15. If Impact becomes bankrupt, it is very unlikely that there will be any recovery for its unsecured creditors. Accordingly, unless this Honourable Court grants the Stay Extension so that Takoda will have an opportunity to determine whether it will sponsor a plan by Impact to its unsecured creditors, there is no reasonable prospect that Impact will be able to make a viable proposal to its unsecured creditors.
16. If Takoda decides against sponsoring a proposal by Impact then, unless Impact is able to find another party willing to sponsor such a proposal, I expect that Impact will have no basis to continue the proposal proceedings under the CCAA.
17. If this Honourable Court grants the Stay Extension, and if based on the value information Takoda receives it determines that it is prepared to sponsor a proposal by Impact to its unsecured creditors, then I believe that Impact would likely be able to make a viable proposal that would be in the best interests of Impact and its stakeholders.
18. If this Honourable Court grants the Stay Extension, Impact expects that it will be able to continue to fund its restructuring proceedings and continued operations from its cash flows. As noted in the Fifth Report of Alvarez & Marsal, in its capacity as Impact's Proposal Trustee in the within proceedings, Impact will, based on its current assumptions, have sufficient funds to meet its business and financial affairs through to the end of the Stay Extension period.
19. I don't believe that any creditor would be materially prejudiced if the Stay Extension were granted.
20. Impact has at all times acted in good faith and due diligence to pursue opportunities that would allow it to make a viable proposal that would be to the benefit of Impact and its stakeholders.

SWORN BEFORE ME at the City of Playa del Carmen,)
in Quintana Roo, Mexico,)
this 17 day of April, 2013.)

A Notary Public in and for)
Notario Público No 21 del Edo. de Quintana Roo.


MICHAEL WOLOWICH



LEGAL_CAL:10828753.1



SIN TEXTO



montreal • ottawa • toronto • hamilton • waterloo region • calgary • vancouver • beijing • moscow • london

April 16, 2013

VIA FACSIMILE: 403-297-2752

Court of Queen's Bench of Alberta, Commercial List
Calgary Courts Centre
601 - 5th Street SW
Calgary, Alberta T2P 5P7

THIS IS EXHIBIT " 1
referred to in the Affidavit of
Michael Wolowich
Sworn before me this 17th
day of April A.D. 2013

Jeffrey Oliver
Direct 403-298-1818
Direct Fax 403-695-3558
jeffrey.oliver@gowlings.com
File No. A131510

Attention: Pat Gordon

Dear Madam:

Re: Applications by Canadian Western Bank, a Creditor of Impact 2000 Inc. for a Receivership Order and to Terminate the Proposal Proceedings of Impact 2000 Inc.
Court File No.: 25-094321

We are counsel for Takoda Resources Inc. ("Takoda").

We understand the above-noted application by Canadian Western Bank ("CWB") is scheduled to proceed on April 18, 2013 at 10:30 a.m. We can advise that the security held by CWB against the assets of Impact 2000 Inc. ("Impact"), which security forms the basis for CWB's applications for a Receivership Order against Impact and an Order terminating the Proposal proceedings of Impact, has been assigned to Takoda, effective today.

As assignee of the CWB debt and security, Takoda is abandoning the two applications filed by CWB and confirms that it will not be pursuing the relief sought therein. This is without prejudice to the rights of Takoda to pursue such relief or any other relief in the future, upon its own application. As you will note, we have provided a copy of this letter to counsel for CWB, as well as other interested parties.

Should you or Justice Horner require anything further from us, please do not hesitate to contact the writer.

Sincerely,

GOWLING LAFLEUR HENDERSON LLP


Jeffrey Oliver
JLO:rc

cc: Susan L. Robinson-Burns, Q.C., counsel for CWB
sburns@milesdavison.com
A. Robert Anderson, Q.C., counsel for Impact
randerson@osler.com
Kyle Kashuba, counsel for Alvarez & Marsal, Proposal Trustee
kyle.kashuba@nortonrose.com
Orest Konowalchuk, Alvarez & Marsal
okonowalchuk@alvarezandmarsal.com

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