

NOTICE AND STATEMENT OF THE RECEIVER

(Subsection 245(1) of the Act)

In the matter of the receivership of the property of Black Loon Millworks International Inc.

1. On the 26th day of June, 2012, we, Paddon + Yorke Inc., became the receiver in respect of the property of Black Loon Millworks International Inc., that is described below:

Building and Land – 59 Industrial Park Crescent : Estimated Value	\$3,000,000.00
Machinery – Equipment : Estimated Value	\$1,000,000.00
2010 Weeke-CNC Processor : Estimated Value	\$100,000.00
2008 IMA Klessmann Edgebanding : Estimated Value	\$80,000.00
Inventory : Estimated Value	\$100,000.00
Accounts Receivable : Estimated Value	\$101,000.00

2. We became a receiver by virtue of being appointed by Court Order dated June 26th, 2012, pursuant to the provisions of the Personal Property Security Act (Ontario).
3. The undersigned took possession or control of the property effective June 26th, 2012.
4. The following information related to the Receivership:

(a) Address of debtor : 50 Industrial Park Crescent
Sault Ste. Marie, Ontario P6B 5P3

(b) Principal line of business : Wood Product Manufacturing

(c) Location of business : 50 Industrial Park Crescent
Sault Ste. Marie, Ontario P6B 5P3

(d) Amount owed by debtor to secured creditors :

Business Development Bank of Canada	\$2,600,000.00
Northern Ontario Heritage Fund Corp.	\$1,100,000.00
Community Development Corporation	\$500,000.00
Mike Moore & Sons Construction	\$80,000.00
City of Sault Ste. Marie (Property Taxes)	\$548,399.39

(e) List of other creditors : As per list attached.

(f) The intended plan of action of the receiver during the receivership, to the extent that such a plan has been determined, is as follows:

Sell the assets subject to the security by private treaty, tender, and/or public auction.

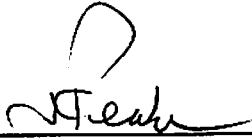
(g) Contact person for receiver:

Ken Peake

Telephone : (705) 472-2640

Facsimile: (705) 472-6241

Dated at North Bay, Ontario, this 29th day of June, 2012.



Receiver

Paddon + Yorke Inc.

222 McIntyre Street West, Suite 204

North bay, Ontario

P1B 2Y8

- Creditor Mailing List -

In the matter of the receivership of
Black Loon Millworks International Inc.
of the City of Sault Ste. Marie, in the District of Algoma, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Deemed Trust Claim	Canada Revenue Agency	Northern Ontario Regional	Source Deductions Collections/Compliance Centre 1050 Notre Dame Ave Sudbury ON P3A 5C1	37,247.62
	Canada Revenue Agency-London Tax		HST Bankruptcy Unit 451 Talbot St., P.O. Box 5548 London ON N6A 4R3 Fax: (519) 645-5397	32,997.35
Secured	Business Development Bank of Canada		153 Great Northern Road Sault Ste. Marie ON P6B 4Y9	
	Community Development Corporation		672 Queen Street East Sault Ste. Marie ON P6A 2A4	
	Mike Moore & Sons Construction		167 Industrial Court B Sault Ste. Marie ON P6B 5Z9	
	Northern Ontario Heritage Fund Corporation		200 - 70 Foster Drive Sault Ste. Marie ON P6A 6V8	
	Northern Ontario Heritage Fund Corporation		200 - 70 Foster Drive Sault Ste. Marie ON P6A 6V8	
	The City of Sault Ste. Marie		Accounting Division PO Box 580 Sault Ste. Marie ON P6A 5N1	
Unsecured	20-20 Technologies Inc.		400 Armand Frappier Blvd., Suite 2020 Laval QC H7V 4B4	2,020.44
	Albert Giomi		Sault Ste. Marie ON	28,674.10
	BDO Dunwoody		747 Queen St. East Sault Ste. Marie ON P6A 5N7	16,255.20
	Bell Canada	Insolvency Group	200 Bouchard Blvd., 3rd Floor Dorval QC H9S 5X5 Fax: (800) 441-0119 insolv@bell.ca	433.22
	Cnetis Tile & Terrazzo Inc.		1260 Kelly Lake Road Sudbury ON P3E 5P4	26,000.00
	Comairco		110 Norfinch Drive Downsview ON M3N 1X1	771.99
	Cutting Edge Sales & Sharpening		90 St. Andrew's Terrace Sault Ste. Marie ON P3C 1B1	1,131.01
	Eternal Monuments		1281 Great Northern Road Sault Ste. Marie ON P6A 5K7	1,000.00
	Fern Moore		646 Old Garden River Road Sault Ste. Marie ON P6A 6J8	1,674.88
	Goodfellow Inc.		9184 Twiss Road Campbellville ON L0P 1B0	9,870.38
	Hollow Metal & Architectural Hardware		15 Sackville Road Sault Ste. Marie ON P6B 4T3	2,685.47
	J E Luzzi Appraisal Services		PO Box 276 Sault Ste. Marie ON P6A 5L8	1,260.00
	L. V. Lomas Limited		99 Summerlea Road Brampton ON L6T 4V2	1,245.28
	Manitoulin Transport		721 Carmen's Way Sault Ste. Marie ON P6C 3L2	11,051.43

- Creditor Mailing List -

In the matter of the receivership of
Black Loon Millworks International Inc.
of the City of Sault Ste. Marie, in the District of Algoma, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Mike Moore & Sons Construction		167 Industrial Court B Sault Ste. Marie ON P6B 5Z9	2,000,000.00
	Ministry of Revenue (RST)		Insolvency Unit 33 King St W, PO Box 627 Oshawa ON L1H 8H5 Fax: (905) 436-4524	1,163.29
	Neos Products		7900 Henri Bourassa Blvd. West St. Laurent QC H4S 1V4	5,428.76
	P.S. Johnson		60 Centurian Drive Markham ON L3R 8T6	11,710.60
	P.U.C. Services Inc.		765 Queen St. East Sault Ste. Marie ON P6A 6P2	23,893.13
	Peter Thomson & Sons		256 Victoria St. West Alliston ON L9R 1T9	21,951.89
	Premoule Inc.		270 Des Grands-Lacs St. Augustin-De-Desmaures QC G3A 2K1	17,761.93
	Rainforest Alliance		285 McLeod Street Ottawa ON K2P 1A1	4,811.22
	Raymond Belkosky		1635 Queen St. east Sault Ste. Marie ON P6A 2G8	38,983.82
	Richelieu Hardware		7900 Henri Bourassa Blvd. West St. Laurent QC H4S 1V4	1,398.90
	Roberts Electric		646 Old Garden River Road Sault Ste. Marie ON P6A 6J8	1,425.00
	Ro-Von Steel Inc.		465 Second Line East Sault Ste. Marie ON P6B 4K2	1,987.59
	Shaw Cable		2400 32nd Avenue NE Calgary AB T2E 9A7 Fax: (403) 536-3953	288.92
	Superior Petroleum		RR 4 Sault Ste. Marie ON P6A 5K9	452.00
	Union Gas Limited		348 Elgin St., P.O. Box 10 Brantford ON N3T 5M4	8,681.06
	Wishart Law Firm LLP		390 Bay Street, Suite 500 Sault Ste. Marie ON P6A 1X2	282.50
	Workplace Safety & Insurance Board		P.O. Box 4115, Station A Toronto ON M5W 2V3	1,769.66