

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
SUPERINTENDENT NO: 41-2371312
COURT NO: 500-11-054498-189

SUPERIOR COURT
"COMMERCIAL DIVISION"

In the matter of the proposal of:

9220-0112 QUEBEC INC.
(PROPOLIS-ETC)
Society legally constituted having its principal
place of business at 7677, rue Louis-Daveau
Montreal (Quebec) H1E 7L4

Insolvent debtor

Notice of Proposal to Creditors
(Section 51 of the Act - Form 92)

Take notice that 9220-0112 QUEBEC INC. (PROPOLIS-ETC) has lodged with me, on the 14th day of June 2018, a proposal under the *Bankruptcy and Insolvency Act*.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.

A general meeting of the creditors will be held at Montreal on the 5th day of July, 2018 at the hour of 11 h 00 o'clock, at the Trustee Office, 1800 McGill College avenue, suite 600, Montreal (Quebec) H3A 3J6.

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The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the Court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with me prior thereto.

Dated at Montreal, this 18th day of June, 2018.

DEMERS BEAULNE INC.

André Hébert, CPA, CA, CIRP, LIT
Administrator

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

Court File No.: 500-11-054498-189

Estate No.: 41-2371312

SUPERIOR COURT

Commercial Division

IN THE MATTER OF THE PROPOSAL OF

9220-0112 Québec inc.

Debtor

-and-

Demers Beaulne inc.

Licensed insolvency Trustee

PROPOSAL

We, 9220-0112 Québec inc. (hereafter "PROPOLIS" or "Company"), the above-named debtor, hereby submit the following Proposal:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

For all purposes relating to the present Proposal, the following terms shall have the following meanings:

- a) **"BIA"** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
- b) **"Business Day"** means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Montreal, Québec.
- c) **"Claim"** means any right of any Person against PROPOLIS relating to any indebtedness, liability or obligation, including claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by subrogation or otherwise incurred and whether or not such a right is executory in nature.

- d) **"Court"** means the Superior Court of Quebec (Commercial Division).
- e) **"Creditors' Meeting"** means the meeting of Unsecured Creditors to be held for considering and voting upon this Proposal, and any adjournment of such meeting.
- f) **"Crown"** means Her Majesty in right of Canada or a province of Canada.
- g) **"Crown Claims"** means all Claims of the Crown described in section 60(1.1) of the BIA, that were outstanding on the date of this Proposal, as accepted by the Trustee or approved by the Court.
- h) **"Disputed Claim"** means any Claim which has been received by the Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven or which is being disputed in whole or in part by the Trustee, or any other person entitled to do so and has not been resolved by agreement or by Order of the Court.
- i) **"Disputed Creditor"** means a Person holding a Disputed Claim to the extent of its Disputed Claim.
- j) **"Effective Date"** has the meaning ascribed to it in Section 5.3 hereof.
- k) **"Employees' Claims"** means Claims of the employees of PROPOLIS to be paid under Section 60(1.3) of the BIA.
- l) **"Excluded Claims"** means any and all Claims from any parties against the debtor pertaining to debts or any other liabilities incurred after the filing of the notice of intent to file a proposal and all accrued interest pertaining to those claim, including any obligation of the debtor to a creditor concerning service provided or to be provided, public services, goods or materials after the date of the notice of intent to file a proposal.
- m) **"Landlord"** means a landlord to any real property lease to which PROPOLIS was a party.
- n) **"Landlord Claims"** means any Claim of any Landlord arising from a disclaimer or resiliation of the Landlord's lease by PROPOLIS, which shall be calculated in accordance with Section 3.3 hereof.
- o) **"Official Receiver"** means the officer appointed pursuant to Section 12(2) of the BIA.
- p) **"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives or an individual in such capacity.

- q) **"Preferred Claims"** means any Claim, including any Employee Claim, as described in Section 136(1)(a) through 136(1)(j) of the BIA, being such Claim directed by the BIA to be paid in priority to all Unsecured Claims in the distribution of the property of PROPOLIS.
- r) **"Preferred Creditor"** means a Person holding a Preferred Claim, to the extent of its Preferred Claim.
- s) **"Professional Fees"** means all proper fees, expenses, liabilities and obligations of the Trustee and legal fees, accounting fees and consulting fees on and incidental to the proceedings arising out of the Proposal, including, without limitation, advice relating to the Proposal.
- t) **"Proof of Claim"** means the form delivered by the Trustee to creditors of PROPOLIS in accordance with the BIA.
- u) **"Proposal"** means this Proposal, as varied, amended, modified or supplemented in accordance with the provisions hereof and the BIA.
- v) **"Proposal Approval Order"** means an order from the Court, in form and substance satisfactory to the Trustee approving and sanctioning this Proposal in accordance with the provisions hereof and the BIA.
- w) **"Proven Unsecured Claim"** means the amount or any portion of the amount of the Unsecured Claim of an Unsecured Creditor as accepted by the Trustee or finally determined for distribution purposes in accordance with the provisions of the BIA or any applicable orders from the Court.
- x) **"Related Persons"** has the meaning ascribed to it in Section 4(2) of the BIA.
- y) **"Required Majority"** means a majority in number and two-thirds in value of all Claims of creditors entitled to vote and who are present and voting at the Creditors' Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA. The creditors entitled to vote at the Creditors' Meeting shall be the Unsecured Creditors.
- z) **"Restructuring Claims"** means any Claim resulting from the disclaimer or repudiation of any contract by PROPOLIS or the Trustee, including the Landlord Claims as well as the portion of the Claims of employees whose employment was terminated which exceed the Employee Claims.

- aa) **"Secured Claims"** means the Claims of the Secured Creditors, to the extent of the value of the security held by the Secured Creditors, as accepted by the Trustee or approved by the Court.
- bb) **"Secured Creditors"** has the meaning ascribed to it in Section 2 of the BIA, inasmuch as the security is opposable as of the date of PROPOLIS proposal. Secured Creditors include the holders or charges created and ordered by the Court in the context of PROPOLIS proposal proceedings under the BIA.
- cc) **"Trustee"** means Demers Beaulne Inc., in its capacity as trustee to this Proposal and not in its personal capacity.
- dd) **"Trustee's Certificate"** has the meaning ascribed to it in Section 5.3 hereof.
- ee) **"Unsecured Claims"** means all Claims other than Secured Claims, Crown Claims, and Preferred Claims. For greater certainty, Excluded Claims shall not be considered as unsecured Claims.
- ff) **"Unsecured Creditor"** means a Person holding an Unsecured Claim, to the extent of its Unsecured Claim.
- gg) **"Unsecured Creditors Class"** means all Unsecured Creditors who are grouped together for the purposes of considering and voting on this Proposal in accordance with the provisions of this Proposal and the BIA.

1.2 Date of Any Action

If any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, the action shall be required to be taken on the next proceeding day which is a Business Day.

1.3 Time

All times expressed in this Proposal are local time Montreal, Quebec, Canada, unless stipulated otherwise. Time is of the essence in this Proposal.

1.4 Statutory References

Any reference in this Proposal to a statute includes all regulations made thereunder and all amendments to such statutes or regulations in force from time to time.

1.5 Monetary References

All references to currency and to "\$" are to Canadian dollars, unless otherwise indicated.

1.6 Gender and Number

Any reference in this Proposal to gender includes all genders. Word importing only the singular number include the plural and vice versa.

ARTICLE 2 PROPOSAL

2.1 Basket Amount

PROPOLIS shall remit to the Trustee an amount of \$200,000, (here after The Basket amount), which will come from a contracted loan from a director in the context of the reorganization and restructuring of the debtor business. That amount will be remitted to the Trustee prior to filing such Proposal. This advance from the director is conditional upon the acceptance of the Proposal by the Required Majority of creditors and by the Court. Otherwise the Basket amount will not be available for the benefits of the creditors.

2.2 Proposed Payment

Subject to the terms and conditions set forth in this Proposal, PROPOLIS proposes to pay the following amounts, as follows, from the Basket Amount:

- a) Trustees' fees and disbursements: The Professional Fees and disbursements for the proposal will be paid in full as they become due. In the event that such fees are outstanding as at the date of payment of the Proposal, the payment of the professional fees from the Basket amount shall be limited to \$20,000 plus sales taxes.
- b) Employees' Claims: Employees' Claims will be paid within 60 business days after the approval of the Court of this Proposal.
- c) Crown Claims: The Crown Claims, without interest, will be paid in full within 180 days after issuance of the Proposal Approval Order, or as may otherwise be arranged with the Crown.
- d) Secured Claims: Secured Claims will be paid in accordance with existing or future agreements between PROPOLIS and such Secured Creditors.
- e) Preferred Claims: Except for Employees' Claims, the Preferred Claims, without interest, will be paid in full out of the Basket Amount, in priority to the Unsecured Claims.

- f) Unsecured Claims: The holders of Proven Unsecured Claims other than the Excluded Claims, will receive, from the Basket Amount, after the abovementioned payments:
- i. The lesser of (i) 100% of their proven Unsecured Claims, without interest, or (ii) \$1,000.00; and
 - ii. For the remaining portion of the Unsecured Claim, a dividend on a prorated basis on the balance of the Unsecured Claim over the total Unsecured Claims after the deduction of the instalment foresee in section 2.2 f) i).

ARTICLE 3

CLASSIFICATION OF CREDITORS, VALUATION OF CLAIMS AND RELATED MATTERS

3.1 Class of Creditors

For considering and voting upon and receiving distributions under this Proposal, there shall be one class of creditors, being the Unsecured Creditors Class.

3.2 Creditors' Meeting, Proxies and Voting Letters

Proxies as provided for in the BIA indicating a Person authorized to act on behalf of an Unsecured Creditor may be submitted to the Trustee (who, subject to the consent of the Official Receiver, will chair the Creditors' Meeting) at, or any time prior to, the commencement of the Creditors' Meeting. Voting letters as provided for in the BIA submitted to the Trustee prior to the Creditors' Meeting must indicate whether the Unsecured Creditor wishes to cast its vote in favour of or against the Proposal. Completed voting letters that do not indicate either preference will be deemed to indicate a vote in favour of the Proposal. Persons in attendance at the Creditors' Meeting shall cast their vote in the manner prescribed by the Trustee and the BIA. All votes will be recorded and tabulated by the Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of votes. A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Unsecured Creditor, entitled to vote, present in person or by proxy or if one Unsecured Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting must be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Trustee to such date, time and place as determined by the Trustee.

3.3 Landlord Claims

Landlords with Landlord Claims will be entitled to file proofs of claims for: (i) the actual loss resulting from the disclaimer or repudiation of any leases of real property, and (ii) an amount equal to the lesser of:

- a. the aggregate of
 - the rent provided for in the lease for the first year of the lease following the date on which the disclaimer or resiliation becomes effective, and
 - 15% of the rent for the remainder of the term of the lease after that year, and
- b. three years rent.

All Landlord Claims will be Unsecured Claims under this Proposal.

3.4 Claims for Voting Purposes

Each Unsecured Creditor shall be entitled to a single vote valued at the amount of its Proven Unsecured Claim. If the amount of the Unsecured Claim of a Disputed Creditor is not finally determined prior to the date of the Creditors' Meeting, the Disputed Creditor shall be entitled to vote at the Creditors' Meeting on the portion of its Unsecured Claim, if any, that has been accepted by the Trustee for voting purposes without prejudice to the rights of PROPOLIS, the Trustee and the Disputed Creditor to have the quantum of the Disputed Creditor's Unsecured Claim finally determined for the purposes of receiving its share of the Basket Amount.

3.5 Approval by Unsecured Creditors

To be approved, the Proposal must receive the affirmative vote of the Required Majority.

3.6 Modification of the Proposal

Subject to the consent of the Trustee, at any time prior to the Creditors' Meeting, PROPOLIS reserves the right at any time to file any modification, amendment or supplement of and to the Proposal, by way of amended proposal, and file such amended proposal with the Official Receiver as soon as practical, in which case any such amended proposal or proposals shall, for all purposes, be and be deemed to be part of and incorporated into the Proposal. At the Creditors' Meeting, the Trustee shall provide all Unsecured Creditors in attendance with details of any modifications or amendments of and to the Proposal prior to the vote being taken to approve the Proposal. After the Creditors' Meeting (and both prior to and subsequent to the Proposal Approval Order) and subject to the consent of the Trustee, PROPOLIS may at any time and from time to time vary, amend, modify or supplement the Proposal if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Unsecured Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Proposal Approval Order.

ARTICLE 4 RELEASE

4.1 Release in favour of PROPOLIS

Upon the fulfillment of the condition set forth in Section 5.1 hereof, all Unsecured Claims shall, as against PROPOLIS, be deemed to be full and finally satisfied, settled and discharged and no Unsecured Creditor shall have any further right, remedy or Claim against PROPOLIS.

4.2 Release in favour of the Directors and Guarantors

In accordance with Section 50(13) of the BIA, the acceptance of the Proposal by the creditors affected by this Proposal shall, on the Effective Date, release definitively the directors and officers of PROPOLIS from any and all claims, liability or obligation for which they may be liable by law in their capacity as directors or officers, in respect of any liability, obligation or debt of PROPOLIS which arose before the date of this Proposal, except for claims that relate to contractual rights of one or more creditors arising from contracts with one or more directors or officers or claims that are based on allegations of misrepresentation made by directors to creditors or of wrongful or oppressive conduct by directors. It is understood however that nothing herein shall be interpreted as an acknowledgment of any claim, liability or obligation on the part of the directors or officers of PROPOLIS, any such claim, liability or obligation being specifically denied.

The purpose of this Proposal is to settle for ever and completely all Proven Unsecured Claims and also all directors and officers liabilities by law, of the Company and all security, personal guarantee consented by the directors and officers towards any creditors in order for the Company and its directors and officers be released upon fulfilment of all obligations pursuant to the Proposal, with the intent of the affected parties to receive a greater advantage of the implementation of the said Proposal that it would receive in the case of a bankruptcy of the Company.

4.3 Other Releases

Upon the fulfillment of the condition set forth in Section 5.1 hereof, PROPOLIS, its employees, directors and officers shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Unsecured Creditor or Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, base in whole or in part on any omission, transaction, agreement, guarantee, surety, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to Effective Date that are in any way relating to, arising out of or in connection with the Claims or in any way related to PROPOLIS, all to the full extent permitted by applicable law, provided that nothing herein shall release or discharge PROPOLIS, its employees, directors and officers if any such party is judged by the expresses terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other willful misconduct.

ARTICLE 5

CONDITIONS AND EFFECTIVE DATE

5.1 Funding

This proposal is conditional upon the payment to the Trustee of the Basket Amount as per the proposal scheduled time.

5.2 Conditions precedents to the implementation of the Proposal

The implementation of the Proposal and distribution thereunder is subject to the satisfaction of the following conditions precedents:

- a) The Proposal is approved by the Required Majority;
- b) The Proposal Approval Order has been issued and has not been stayed and there is no outstanding appeal therefrom;
- c) All other actions, documents and agreements necessary to implement the Proposal as required herein shall have been accomplished and executed, including the funding contemplated under Section 5.1 hereof.

With respect to the Proposal Approval Order, the Trustee shall file an application for the Proposal Approval Order no later than 5 Business Days following the Creditors' Meeting or such other date as the Court may order, which application shall be heard as soon as possible according to the procedure set out in Section 58 of the BIA.

5.3 Trustee's Certificates and Effective Date

Within 5 Business Days from the satisfaction that the conditions precedent set out in Sections 5.1 and 5.2 hereof have been met, the Trustee will file with the Court a certificate confirming same (the "**Trustee's Certificate**").

The date of filing of the Trustee's Certificate shall be deemed to be the "**Effective Date**".

ARTICLE 6 BINDING EFFECT

6.1 Binding Effect

On the Effective Date, this Proposal will become effective and binding on and ensure to benefit of PROPOLIS and all creditors affected by this Proposal and all the Persons named or referred to in, or subject to, this Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

ARTICLE 7 GENERAL

7.1 Capacity of the Trustee

Demers Beaulne Inc. is acting in its capacity as Trustee under this Proposal and not in its personal capacity, and shall not incur any liabilities or obligations relating to this Proposal or in respect of the business or obligations of PROPOLIS, whether existing as at the Date of Proposal or incurred subsequent thereto and no Person shall have any Claim against Demers Beaulne Inc. in respect thereof.

7.2 Settlements and Preferences

The provisions of Section 95 to 101, inclusively, or the BIA and any similar provision of any federal or provincial statute shall apply to this Proposal.

7.3 Further Assurances

Each of the Persons named or referred to in, or subject to, this Proposal will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

7.4 Governing Law

This Proposal will be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein.

Dated at Montreal, this 14th day of June 2018

9220-0112 QUEBEC INC.



Emmanuel De France
President

In case of any discrepancies between the French and the English version, the French version will prevail.

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
COURT NO: 500-11-054498-189
SUPERINTENDANT NO: 41-2371312

SUPERIOR COURT
(Commercial Division)

IN THE MATTER OF THE PROPOSAL OF:

9220-0112 Quebec Inc.,
a corporation, duly incorporated according
to law doing business under the name
"Propolis-etc." and having its head office
at 7677, Louis-Darveau, Montreal
(Quebec) H1E 7L4

Debtor

And

DEMERS BEAULNE INC., licensed
insolvency trustee acting in re: the
proposal of 9220-0112 Québec Inc.,
having its place of business at 600-1800
McGill college avenue, in the city on
Montreal, in the province of Quebec,
H3A 3J6

Trustee

REPORT OF THE TRUSTEE ON THE FINANCIAL SITUATION
OF THE DEBTOR AND ON THE PROPOSAL
(Sections 50(5) and 50(10) (b) of the *Bankruptcy and Insolvency Act*)

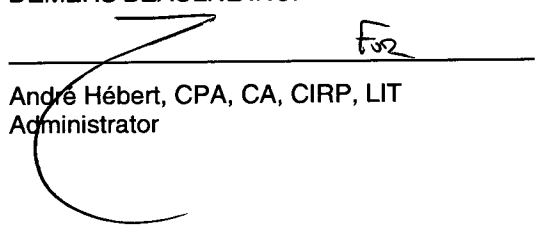
Pursuant to paragraphs 50(5) and 50(10) (b) of the *Bankruptcy and Insolvency Act* (hereinafter referred to as the "BIA") the Trustee must submit, in the prescribed manner, a report on the state of the debtor's business and financial affairs to the creditors and the Official Receiver at least 10 days before the day on which the meeting is to be held. To assist the creditors in considering the Proposal, the Trustee is submitting his report on the financial situation of the Debtor and on the Proposal.

This report will address both subjects. An update will be given at the first meeting of creditors which will be held on July 5th, 2018 at 11 am at the Trustee's office.

We caution the reader that we have neither conducted an audit nor an investigation of the books and records of the Debtor. Consequently, we cannot render an opinion with respect to the accuracy of the information contained herein. The information presented in this report emanates from the books and records of the Debtor, as well as from discussions with the management of the Debtor.

Dated in Montreal, this 15th day of June 2018

DEMERS BEAULNE INC.


André Hébert, CPA, CA, CIRP, LIT
Administrator

1. INTRODUCTION AND BACKGROUND OF THE DEBTOR

9220-0112 Quebec Inc. (hereinafter the "Company" or "Propolis") doing business under name of Propolis-etc, manufactures and distributes apiculture equipment since 2010. It offers more than 1,500 items for both commercial and hobbyist beekeepers from stores located in the province of Quebec and Ontario.

On April 26th, 2018, the Debtor filed a notice of intention to make a proposal in accordance with section 50.4 (1) of the *BIA* and Demers Beaulne inc. was appointed Trustee. On May 25th, 2018, the Debtor was granted an order extending the stay of proceeding until July 9th, 2018.

On June 14th, 2018, the Debtor filed a Proposal to its creditors.

In the last few years, the Company has incurred significant operating losses related to the abandoned project to open a new factory in western Canada.

Propolis has now relocated its activities in facilities located in the city of Beloeil. Besides filing a notice of intention to file a proposal, its restructuring plan consist in repudiating leases for its three stores located in the province of Ontario. No profitability could be generated from these retail stores and its closing will take place as at September 30th, 2018. The woodshop located in St-Victor as well as the finishing and assembly plant from St-Pie will be relocated in the facilities of Beloeil. Propolis believes it will be able to reduce its inventory by concentrating its activities in one location while developing its web-site to sustain new sales.

2. FINANCIAL INFORMATION

We have analyzed the summary financial statements of the Debtor for the four fiscal years ended November 30th, 2014, 2015, 2016 and 2017 as well as the four (4) month interim period ended March 31st, 2018.

The following financial data were extracted from the unaudited books and records of the Debtor and from discussions held with Management. This information is solely for discussion purposes and to assist the reader in assessing the current financial position of the Debtor.

2.1 Balance sheet

We comment on the Company's balance sheet presented below as follows:

- The working capital is deteriorating since F2014 going from 1,3:1 in F2014, reaching up to 1,5:1 in F2015 and going down ever since to 1,2:1 as at March 31st, 2018;
- Although inventory level went from \$1,7M to \$3,1M from F2014 to March 31, 2018, the bank indebtedness went from \$325k plus a demand loan of \$200k in F2014 to \$1,250k as at March 31st, 2018;
- Creditors were also put to contribution to sustain the high level of inventory going from \$627k in F2014 to more than \$1,373k as at March 31st, 2018;
- The deficit went from \$1,1M in F2014 to \$1,7M as at March 31st, 2018.

The following is a summary of the balance sheet as at November 2014, 2015, 2016, 2017 and as of March 31, 2018.

9220-0112 Québec Inc. (Propolis)				
Balance Sheet as at November 30th				
	2014	2015	2016	March 31, 2018
(Unaudited, in \$000)				internal
Asset				
Short term assets				
Cash	-	-	-	22
Receivables	106	24	38	5
Inventory	1 777	2 220	2 593	3 088
Prepaid expenses	12	20	15	27
Income taxes receivable	7	8	-	-
	<u>1 903</u>	<u>2 272</u>	<u>2 646</u>	<u>3 120</u>
Advance to a related company	353	508	188	449
Fixed assets	471	488	483	583
Intangible assets	91	65	99	81
Security deposits	-	-	22	-
Future income taxes	194	106	156	156
	<u>3 011</u>	<u>3 438</u>	<u>3 594</u>	<u>4 389</u>
Liability				
Short term liabilities				
Bank overdraft	67	3	303	101
Bank indebtedness	325	400	1 000	1 250
Demand loan	200	200	-	-
Creditors	627	667	431	1 050
Short term portion of LTD	130	134	75	-
Long term debt with terms issuing during the current year	112	101	-	-
Short term portion of Sale leaseback	3	3	26	-
	<u>1 464</u>	<u>1 508</u>	<u>1 836</u>	<u>2 401</u>
Long term debt	1 410	1 198	1 115	1 643
Sale leaseback obligations	11	8	108	334
	<u>2 885</u>	<u>2 715</u>	<u>3 059</u>	<u>4 377</u>
Shareholders equity (deficit)				
Capital Stock	1 164	1 564	1 664	1 664
Deficit	(1 037)	(840)	(1 128)	(1 652)
	<u>126</u>	<u>723</u>	<u>535</u>	<u>12</u>
	<u>3 011</u>	<u>3 438</u>	<u>3 594</u>	<u>4 335</u>

2.2 Results

The Debtors results for the fiscal years ended November 30th, 2014, 2015, 2016, 2017 and the four (4) month period ended March 31st, 2018 can be summarized are as follows:

9220-0112 Québec Inc. (Propolis)					
STATEMENT OF EARNINGS					
AS AT NOVEMBER 30TH,					
	2014	2015	2016	2017	March 31,
(Unaudited, in \$000)				internal	2018 internal
Sales					
Sales	4 428	4 867	4 611	3 726	525
Cost of goods sold	3 451	3 573	3 505	2 858	437
Gross margin	977	1 294	1 106	868	88
	22%	27%	24%	23%	17%
Sales and administration charges	811	911	881	1 055	414
Financial costs	112	98	114	142	65
Operating profit	55	286	111	(329)	(391)
Other charges					
Charge related to an abandon project to open a new woodshop	-	-	(449)	(195)	-
Loss in value - Customers	(729)			-	-
Profit before income taxes	(674)	286	(338)	(524)	(391)
Income taxes					
Future taxes	(107)	88	(50)	-	-
Net profit (loss)	(567)	197	(288)	(524)	(391)
Available funds	(582)	381	(254)	(376)	(391)
EBITDA	(663)	(84)	(437)	(813)	(456)

Our comments from our review of the Debtors results are the following:

- The Company has generated net profit only one year in F2015 over the past five years;
- The gross margin is relatively stable in the 22-24% range except for F2015 where it reached 27%. It is to soon to comment on the results as at March 31, 2018 since the bee season has not yet begun;
- Except for F2015, the Company is not able to generate any cash, burning over \$1,2M since F2014;
- The earning before interest, tax, depreciation and amortization ("EBITDA") is negative since F2014;
- The abandon project to open a woodshop in western Canada has cost over \$644k in F2016 and F2017;

3. COMMUNICATIONS BETWEEN THE COMPANY AND ITS MAIN CREDITORS

All along its restructuring process, the Debtor has kept its secured lenders informed of its various steps taken to restructure its finance.

THE PROPOSAL IN SUMMARY

The following section summarizes the Proposal. In case of discrepancies between this report and the proposal, the proposal will prevail.

Secured creditors

The Proposal does not affect the secured creditors.

Employee Claims

The Proposal does not affect the Employee Claims, those will be paid in the normal course of business, including vacation pay owed as at the date of the Proposal which will be paid out in mid-July 2018.

Proposed Payment

As of the date of the proposal, the Trustee received the third party guarantee of \$ 200 000. This basket amount is advanced by the shareholder of the Company for the benefit of the affected unsecured creditors. The payment of the third party guarantee to the creditors is conditional on the approval of the Proposal by the required majority of vote from the creditors and by the approval of the court.

The proposed amount will be distributed as follows:

- a) The Trustee's fees and disbursements (limited to \$20,000 plus taxes);
- b) The Preferred claims except the Employee Claims, mainly the preferred portion of the lessors' claims;
- c) The Unsecured claims as follows:
 - i.) The lesser of a) 100% of their proven Unsecured Claim or \$1,000; and
 - ii.) For the remaining portion of the Unsecured Claim, a dividend on a prorated basis on the balance of the Unsecured Claim over the total Unsecured Claims after deduction of the instalment foreseen above

4. CREDITORS CLAIM

The list of creditors as declared by the Debtor as at April 26th, 2018 can be summarized as follows:

9220-0112 Québec Inc. (Propolis)	
Creditors' claim	
As at April 26th, 2018	
(Unaudited, in \$000)	Amount
Unsecured claims as per balance sheet	2 873
Un affected creditors (secured creditors)	(1 715)
Landlord claims (repudiation of lease)	194
Crown claims unaffected	(60)
Reversal of sales taxes	94
Preferred claims- lessors	(56)
Other adjustments	(12)
	<u>1 318</u>
Preferred claims- lessors	56
Secured creditors - unaffected	2 057
Crown claims	60
	<u><u>3 491</u></u>

The list of creditors was modified to include creditors that did not appear on the notice of intent also the initial list communicated to the creditors did not include the exchange rate for Euro and American currencies. To the list of creditors, we have added the Landlord claims resulting from the repudiation of five leases. Moreover, we have incorporated to said list of creditors the result of the reversal of the sale taxes included in the forgiven portion of the claims due to of the Proposal. All of the above adds approximately \$276k to the total amount on the list of creditors.

The Proposal will pay in priority the preferred portion of the lessors' claim estimated at \$56k. Then the lesser of the Unsecured claims or \$1,000 which is estimated at \$79k leaving \$65k to be distributed on prorated basis of the Unsecured claims. The average dividend is estimated at 15%.

5. CONDUCT OF THE DEBTOR

5.1 Accounting investigation

The review of the transfer at undervalue and preferences did not reveal any such transaction.

5.2 Monitoring of the operations since April 26th, 2018

Since the filing of the notice of intention, the Trustee has monitored the Debtor's business and financial affairs pursuant to section 50.4 (7) of the BIA and has obtained the required collaboration from management.

Our analysis of said cashflow statement reveal the following:

- The opening bank balance was affected by a seizure on the day of the filing of the notice of intention (negative variance of 19 k\$);
- Receipts are lower than projected by 10 k\$;
- Disbursements are lower by 90k\$ mainly for the wood purchases and other administration charges;
- This creates a positive variance of 80 k\$ as at June 4th, 2018;
- The ending bank balance is 110 k\$ instead of the 49 k\$ projected, created a cash-flow surplus of 61 k\$.

The cashflow statement for period April 30 to June 4th, 2018 is as follows:

PROPOLIS-ETC...			
Cash-Flow Statement			
for period April 30th to June 4th, 2018			
(Unaudited, in '000\$)	Forecasted	Actual	Variance
Opening bank balance	51	32	(19)
RECEIPTS	581	571	(10)
DISBURSEMENTS			
PURCHASES	227	182	(45)
FREIGHT	-	10	10
PAYROLL	144	135	(9)
DAS	7	-	(7)
RENT	37	45	9
PUBLICITY	12	1	(11)
INTERNET SITE	2	6	3
PROFESSIONAL FEES	10	42	32
BANK INTERESTS AND CHARGES	19	17	(2)
LONG TERM DEBT PMTS	29	34	5
OTHER ADMINISTRATION CHARGES	62	12	(50)
SHOPWOOD MOVE	19	6	(13)
ERP ODOO	5	-	(5)
LEASEHOLD IMPROVEMENT (BELOEL)	9	3	(6)
TOTAL DISBURSEMENTS FORECASTED	582	493	(90)
CASH VARIATION	(1)	78	80
ENDING BANK BALANCE	49	110	61

6. ESTIMATED REALIZATION VALUE

As per information obtained from the Debtor, the estimated dividend to the Unsecured creditors in a Proposal scenario as compared to a bankruptcy situation would be as follows:

9220-0112 Québec Inc. (Propolis)		
Estimated realization value		
(Unaudited, in \$000)	Proposal	Bankruptcy
Amount as per proposal	200	n/a
Estimated forced liquidation value		587
Trustee fees and expenses		(242)
Estimated net realization value	200	345
Crown claims		(60)
Employees claims (WEPPA)		(40)
Amount available	200	245
Secured creditors		2 057
Preferred creditors - lessors	(56)	-
Amount available to unsecured creditors	144	-
Total unsecured claims	1 318	1 512
% dividend available to unsecured and preferred creditors	15%	0%

The Proposal only has one class of creditors. The affected creditors are essentially the Unsecured creditors. For this Proposal, the preferred portion of the lessors' claims are paid in priority from the basket amount as offered by the Proposal.

The basket amount made available for the Proposal comes from a loan provided by a shareholder. This loan is conditional upon the approval by both the required majority of creditors voting in favor of the proposal and the Court. This amount is therefore not available in a bankruptcy scenario.

The Crown claims and the Employees' claims are treated outside the Proposal while in a bankruptcy scenario, they would have to be paid in priority from the asset realization. A term of payment has been agreed upon with the Government authorities to repay the amount due as at the date of the Proposal.

The trustee's fees and expenses in a bankruptcy are estimated at \$242k due to the multiple store and shop locations both in Ontario and Quebec. The three Ontario stores would require at least one month of rent to liquidate or move out the inventory and bring them back to the Beloeil warehouse. We have estimated that at least two locations would be required to be used for three months in order to conduct a liquidation process and to remove the equipment.

Based on the terms of the Proposal, the Unsecured creditors would receive a dividend of approximately 15% of their claim.

In a bankruptcy situation, the unsecured creditors would not receive any dividend due to the amount owed to the secured creditors (\$2,057k) and the low liquidation value (\$245k)

7. CONCLUSION AND RECOMMENDATIONS

Considering that:

- 1- In a bankruptcy scenario, no dividend would be available to the Unsecured creditors while the Proposal offers an average dividend of 15%
- 2- Since the first \$1,000 portion of the Unsecured claim will be paid as part of the terms of the Proposal, certain creditors will receive more than the average 15% and in some cases, up to 100% of their claim;
- 3- Moreover, the creditors will benefit from future business relationship;
- 4- The trustee's recommendation is for the creditors to accept the terms of the proposal.

8. STEPS TO BE FOLLOWED TO VOTE ON THE PROPOSAL

The proof of claim as well as the voting letter forms have been distributed along with the terms of the Proposal. All creditors must file its proof of claim form and attach a statement of account or invoices. Creditors that don't wish to assist at the meeting of creditors, can file and submit a votation letter form by fax or e-mail indicating their vote in favor or against the Proposal. To be complete, your proof of claim must be supported by a statement of account or copies of the invoices.

We remind the creditors that in order to vote on the Proposal, they must file a proof of claim with the Trustee **before** the beginning of the meeting of creditors.

You could submit your proof of claim at :
ilabonte@demersbeaulne.com

District of: Quebec
Division No. 01 - Montréal
Court No. 500-11-054498-189
Estate No. 41-2371312

☒ Original ☐ Amended

Form 78

Statement of Affairs (Business Proposal) made by an entity
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the proposal of
9220-0112 QUEBEC INC
of the city of Montréal
in the Province of Quebec

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 26th day of April 2018. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES

(as stated and estimated by the officer)

1. Unsecured creditors as per list "A"	1,200,177.10
Balance of secured claims as per list "B"	1,673,381.11
Total unsecured creditors	2,873,558.21
2. Secured creditors as per list "B"	341,000.00
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	3,214,558.21
Surplus	NIL

ASSETS

(as stated and estimated by the officer)

1. Inventory	621,000.00
2. Trade fixtures, etc.	0.00
3. Accounts receivable and other receivables, as per list "E"	
Good	0.00
Doubtful	331,000.00
Bad	0.00
Estimated to produce	0.00
4. Bills of exchange, promissory note, etc., as per list "F" ...	0.00
5. Deposits in financial institutions	0.00
6. Cash	0.00
7. Livestock	0.00
8. Machinery, equipment and plant	85,000.00
9. Real property or immovable as per list "G"	0.00
10. Furniture	1,000.00
11. RRSPs, RRIFs, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	0.00
13. Interests under wills	0.00
14. Vehicles	3,000.00
15. Other property, as per list "H"	24,000.00

If debtor is a corporation, add:

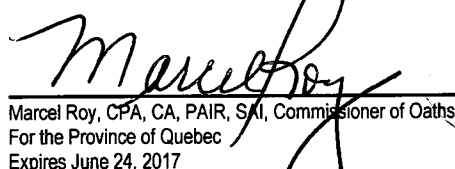
Amount of subscribed capital	1,663,400.00
Amount paid on capital	1,663,400.00
Balance subscribed and unpaid	0.00
Estimated to produce	0.00

Total assets	734,000.00
Deficiency	2,480,558.21

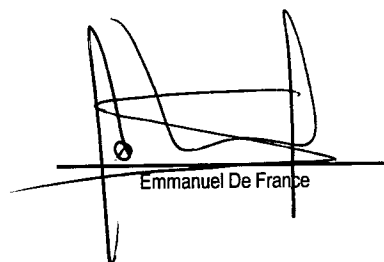
I, Emmanuel De France, of the Ville of Montréal in the Province of Quebec, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 14th day of June 2018 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)

before me at the Ville of Montréal in the Province of Quebec, on this 14th day of June 2018.


Marcel Roy, CPA, CA, PAIR, S.N., Commissioner of Oaths
For the Province of Quebec
Expires June 24, 2017

Marcel Roy
38 566


Emmanuel De France

District of: Quebec
Division No. 01- Montréal
Court No. 500-11-054498-189
Estate No. 41-2371312

FORM 78 – Continued

List "A"
Unsecured Creditors

9220-0112 QUEBEC INC

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	(EUR) BEE WORLD LTD	KATAJAHARJUNKATU 24 KUUSANKOSKI, FINLAND 45720 Other	8,296.65	0.00	8,296.65
2	(EUR) ICKO	APICULTURE BOLLENE CEDEX 84502 Other	69,791.69	0.00	69,791.69
3	(EUR) ICKO	API EQUIPEMENT BOLLENE CEDEX 84502 Other	25,051.72	0.00	25,051.72
4	(EUR) LEGA CONSTRUCTION	VIA MAESTRI DEL LAVORO FAENZA 48018 Other	107,942.06	0.00	107,942.06
5	(US) AMERICAN BEEKEEPING CONFE	3525, PIEDMONT RD, BUILDING 5, SUITE 300 Atlanta 30305 USA	4,500.00	0.00	4,500.00
6	(US) DADANT & SONS, INC	51 S. 2ND STREET HAMILTON,IL 62341 Other	10,017.57	0.00	10,017.57
7	(US) LAMB VALLEY QUEEN BEES	P.O. BOX 223 ESPARTO,CA 95627 Other	77,572.87	0.00	77,572.87
8	(US) MANN LAKE LTD	501 S. 1ST.ST. HACKENSACK,MN 56452-2001 USA	29,270.83	0.00	29,270.83
9	ACCES LOCATION	1475 RUE L'INDUSTRIE BELOEIL QC J3G 0S5	3,288.89	0.00	3,288.89
10	Acier Du Moulin	373, rue Léger Sherbrooke QC J1L 2G7	64,223.73	0.00	64,223.73
11	Agence du revenu du Québec Attn: Direction régionale du recouvrement	Secteur R23CPF - 3ième étage 1600 Rene-Lévesque Ouest Montréal QC H3H 2V2	0.00	0.00	0.00
12	Agence du revenu du Québec Attn: Direction régionale du recouvrement	Secteur R23CPF - 3ième étage 1600 Rene-Lévesque Ouest Montréal QC H3H 2V2	58,422.69	0.00	58,422.69
13	ALCT INTERNATIONAL INC	200 Macdonald # 200 Saint-Jean-sur-Richelieu QC J3B 8J6	538.79	0.00	538.79
14	Aquabeauce	175, Chemin des Fonds Saint-Victor QC G0M 2B0	76.00	0.00	76.00
15	ARC - Taxe - Québec Attn: Quebec Insolvency Intake Centre 81893 3467 RP 0001	Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9	1,727.58	0.00	1,727.58
16	ARCCADD ARCHITECTURE INC	109-340 WATERFRONT DRIVE Winnipeg MB R3B 0M3	9,880.80	0.00	9,880.80
17	ATELIER D'USINAGE LOUIS Bernard inc.	435 ROUTE 108 SAINT-VICTOR QC G0M 2B0	11,243.27	0.00	11,243.27
18	ATELIER STAM INC	A/S Steve Bégin 739 Route du Président Kennedy BEAUCEVILLE QC G5X 1C2	2,012.06	0.00	2,012.06
19	AUTOMATED CONTROL SYSTEMS	99 AMELIA CRESCENT Winnipeg MB R2K 3X4	330.75	0.00	330.75
20	AXIOM IND.	2020 DEVRIES AVE. Winnipeg MB R2G 3S9	6,605.11	0.00	6,605.11
21	Banque Royale du Canada	1, Place Ville-Marie, 2e étage, Aile Est Montréal QC H3C 3A9	0.00	1,000,000.00	1,000,000.00
22	Banque Royale du Canada	1, Place Ville-Marie, 2e étage, Aile Est Montréal QC H3C 3A9	0.00	195,811.09	195,811.09

14-Jun-2018

Date

Emmanuel De France

District of: Quebec
Division No. 01- Montréal
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FORM 78 -- Continued

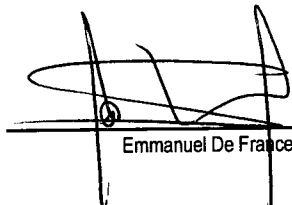
List "A"
Unsecured Creditors

9220-0112 QUEBEC INC

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
23	BARON FINANCE INCORPORATE	95 BOULEVARD DE GAULLE Lorraine QC J6Z 3R8	3,900.00	0.00	3,900.00
24	BRASSEUR TRANSPORT INC	1250 rue Industrielle La Prairie QC J5R 5G4	2,879.92	0.00	2,879.92
25	BRUNI GLASS PACKAGING 0010064	A/S Euler Hermes North America Insurance CIBC Tower/1155 René-Lévesque Ouest, suite 2810 Montréal QC H3B 2L2	24,323.55	0.00	24,323.55
26	C & T RENTALS & SALES LTD	116 WHEATRIELD ROAD Winnipeg MB R3C 2E6	1,420.57	0.00	1,420.57
27	Camionnage GHL	A/S Richard Robitaille 7887, Grenache, bureau 102, porte 29 Anjou QC H1J 1C4	1.00	0.00	1.00
28	CENTRE DE DÉVELOPPEMENT PRONATEX	1, RUE PINE RICHMOND QC J0B 2H0	39,605.00	0.00	39,605.00
29	CHAUFFAGE VENTILATION G.L	503 ROUTE 108 OUEST SAINT-ÉPHREM QC G0M 1R0	1,086.51	0.00	1,086.51
30	Core Electric Motors 1515	11, Farnham Road Pustinch ON N0B 2J0	2,667.93	0.00	2,667.93
31	Crites & Riddell Basic	2695, Av. Dollars Lassalle QC H8N 2S8	0.00	0.00	0.00
32	De Lage Landen Financial Services Canada inc.	3450 Superior Court, Unit 1 Oakville ON L6L 0C4	0.00	23,546.27	23,546.27
33	DELPAR-FIXACLOUS INC.	625, RUE COWIE Granby QC J2G 3X4	1,129.76	0.00	1,129.76
34	DNR METAL FABRICATORS	173 SUTHERLAND AVE Winnipeg MB R2W 3E5	6,706.74	0.00	6,706.74
35	DOMINION & GRIMM INC.	8250 MARCONI Anjou QC H1J 1B2	9,665.33	0.00	9,665.33
36	DTAT Services inc.	188, rue de l'Anse St-Rédempteur QC G6K 0A2	2,625.18	0.00	2,625.18
37	DUCHARME ET FRÈRE INC.	53, RUE STE-CÉCILE ST-PIE QC J0H 1W0	11,157.00	0.00	11,157.00
38	EMBALLAGES MITCHEL-LINCOLN-LTQ	3737 BOUL THIMINS Montréal QC H4V 1V1	316.90	0.00	316.90
39	ENVIRO CONNEXIONS	4141 BOUL GRANDE ALLEE Boisbriand QC J7H 1M7	955.07	0.00	955.07
40	Euler Hermes Canada Attn: Lina Becerra Bruni Glass Packaging inc/000416	1702 - 1155 René-Lévesque Blvd West Montréal QC H3B 3Z7	24,323.55	0.00	24,323.55
41	Fastenal Canada - Kitchener	117 - 860 Trillium Drive Kitchener ON N2R 1K4	4,160.21	0.00	4,160.21
42	FBL SOCIETE DE COMPTABLES	322, RUE PRINCIPALE EST Farnham QC J2N 1L7	16,671.38	0.00	16,671.38
43	GARAGE MARCEL MORIN INC	357, RUE NOTRE-DAME ST-PIE DE BAGOT QC J0H 1W0	1,251.62	0.00	1,251.62
44	GESTION D'ACTIFS GLADU INC.	CP 40063 Montréal QC H3C 0K1	744.20	0.00	744.20

14-Jun-2018

Date


Emmanuel De France

District of: Quebec
Division No. 01- Montréal
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FORM 78 – Continued

List "A"
Unsecured Creditors

9220-0112 QUEBEC INC

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
45	Gestion Lacasse	203-2595 av Sainte-Anne St-Hyacinthe QC J2S 5J2	49,920.00	0.00	49,920.00
46	GINGRAS ÉLECTRIQUE INC	455 BOULEVARD RENAULT BEAUCEVILLE QC G5X 1N5	8,773.83	0.00	8,773.83
47	HERCULE FORTIN	250 rue St-Joseph St-Victor QC G0M 2B0	2,790.81	0.00	2,790.81
48	Hercules SLR inc.	520, Windmill Road Dartmouth NB B3B 1B3	3,609.07	0.00	3,609.07
49	HOLYTEK Canada MACHINERIE	1200, RUE PRINCIPALE SAINT-ANNE-DU-SAULT QC G0Z 1C0	2,567.39	0.00	2,567.39
50	Hydro-Québec Attn: Service de Recouvrement 105962698	3ème étage 140 boul Crémazie O Montréal QC H2P 1C3	22,393.44	0.00	22,393.44
51	INDUSTRIES FM INC	176 Frontenac Granby QC J2G 7R4	521.53	0.00	521.53
52	Investissement Québec	1200, Route de l'Église, bureau 500 Québec QC G1V 5A3	0.00	454,023.75	454,023.75
53	JEAN-PIERRE CHAPLEAU	1282, RANG 8 SAINT-ADRIEN QC J0A 1C0	8,068.95	0.00	8,068.95
54	JOHNSTON EQUIPMENT	5990, AVEBURY ROAD Mississauga ON L5R 3R2	406.82	0.00	406.82
55	Juno Electrique	69, Regal Road Unit 1 Guelph ON N1K 1B6	6,893.00	0.00	6,893.00
56	KINGSWAY DIVISION ALIMENT	7887 Gamache, suite 102 Anjou QC H1J 1C4	5,707.61	0.00	5,707.61
57	LEITZ TOOLING SYSTEMS LP	678, RUE ROCHELEAU Drummondville QC J2C 6Y5	391.26	0.00	391.26
58	LES CIMENTIERIS MORISSETTE	4675 ST-PIERRE OUEST St-Hyacinthe QC J2T 5G6	29,318.63	0.00	29,318.63
59	LES CONSTRUCTIONS MLGLLYN	420 RANG 3 SUD SAINT-VICTOR, BEAUCE QC G0M 2B0	1,729.22	0.00	1,729.22
60	LES EMBALLAGES BNC INC.	4020, AV. BERARD Saint-hyacinthe QC J2S 9G3	9,151.40	0.00	9,151.40
61	LES ENTREPRISES J. BOUCHE	1131, RUE PRINCIPALE ST-PAUL D'ABBOTSFORD QC J0E 1A0	580.62	0.00	580.62
62	Magasins Coop St-Victor	137, rue Commerciale St-Victor de Beauce QC G0M 2B0	12.96	0.00	12.96
63	MANITOBA COOP HONEY PRODU	625 ROSEBERRY STREET Winnipeg MB R3H 0T4	30,043.68	0.00	30,043.68
64	Manitoba Hydro Attn: Credit & Recovery Services/Bankruptcy & Insolvency Dept.	360 Portage Avenue, 15th Fl Winnipeg MB R3C 0G8	2,116.46	0.00	2,116.46
65	MANTORIA INC	4492, Saint-Catherine Westmount QC H3Z 1R7	3,444.00	0.00	3,444.00
66	MASTERCARD	600, RUE DE LA GAUCHETIÈRE OUEST, BUREAU 1665-8 Montréal QC H3N 5B5	48,768.17	0.00	48,768.17
67	MCW CONSULTANTS LTD	210-1821 WELLINGTON AVENUE Winnipeg MB R3H 0G4	6,766.20	0.00	6,766.20

14-Jun-2018

Date

Emmanuel De France

District of: Quebec
Division No. 01 - Montréal
Court No. 500-11-054498-189
Estate No. 41-2371312

FORM 78 – Continued

List "A"
Unsecured Creditors

9220-0112 QUEBEC INC

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
68	MÉDIAGRAPHE	2101 RUE LÉONARD DE VINCI Sainte-Julie QC J3E 1Z2	907.21	0.00	907.21
69	MEDIVET PHARMACEUTICALS	BAY NO.4, 55 - 9 AVENUE SE HIGH RIVER AB T1V 1E6	6,653.85	0.00	6,653.85
70	MEP BROTHERS FLUIDS IN MO	725 CENTURY STREET WINNIPRG MB R3H 0M2	797.73	0.00	797.73
71	MORE-LITE ELECTRIC LTD	73 TENTH STREET EAST SONY MOUNTAIN MB R0C 3A0	15,000.00	0.00	15,000.00
72	MTS inc.	P.O box 6666 Winnipeg MB R3C 3V6	3,901.80	0.00	3,901.80
73	NOVA 3 ENGINEERING LTD	201-120 FORT STREET Winnipeg MB R3C 1C7	11,169.60	0.00	11,169.60
74	OneConnect Service Inc Attn: Accounts Receivable	1200 - 48 Yonge St Toronto ON M5E 1G6	1.00	0.00	1.00
75	PAPETERIE L'ÉCOLGIC ENR	166 RUE COWIE 1ER ÉTAGE Granby QC J2G 3V3	6,245.44	0.00	6,245.44
76	Porte de garage Expert inc.	515-23e rue St-Georges Beauceville QC G5Y 4N3	231.31	0.00	231.31
77	POULIN EQUIPEMENT	551 ROUTE 108 BEAUCEVILLE QC G5X 3A7	1,229.54	0.00	1,229.54
78	POULIN EXCAVATION ENR.	140 RANG 1 SUD SAINT-VICTOR QC G0M 2B0	676.05	0.00	676.05
79	Purolator Inc. Attn: Wayne Richard/Accounts Receivable	PO Box 1100, Post Stn A Etobicoke ON M9C 5K2	11,228.14	0.00	11,228.14
80	QUALITY VENDING & COFFEE	91 PLYMOUTH STREET Winnipeg MB R2X 2V5	203.40	0.00	203.40
81	Randstad Canada	3333, Côte-Vertu Saint-Laurent QC H4R 2N1	7,174.44	0.00	7,174.44
82	RBC Royal Bank c/o BankruptcyHighway.com Attn: Razel Bowen	PO Box 57100 Etobicoke ON M8Y 3Y2	41,655.09	0.00	41,655.09
83	REDPATH	C/O T52639 PO BOX 4526, STN A Toronto ON M5W 5Z9	24,441.93	0.00	24,441.93
84	RENE BERNARD INC	88 AVENUE LAMBERT BEAUCEVILLE QC G5X 3N4	61,374.36	0.00	61,374.36
85	René Bernard inc. Attn: Lina becerra René Bernard Inc./000416395	Euler Hermes North America Insurance Company CIBC Tower/1155 René-Lévesque Ouest, suite 2810 Montréal QC H3B 2L2	1.00	0.00	1.00
86	RICHARD CLOUTIER SERVICE	356 RANG SAINTE MARIE SAINT-ALFRED DE BEAUCE QC G0M 1L0	2,995.12	0.00	2,995.12
87	Ross Equipment Ltd	A/S Dwayne Sakaluk 1330, Mountain Avenue Winnipeg MB R2X 3A3	0.00	0.00	0.00
88	SERVICE MATREC INC	139, 181e rue BEAUCEVILLE QC G5X 2S5	329.45	0.00	329.45
89	Services STE IP/Dcibel Communication 26642	3166, Joseph-Monier, local 102 Terrebonne QC J6X 4R1	2,288.35	0.00	2,288.35

14-Jun-2018

Date

Emmanuel De France

District of: Quebec
Division No. 01- Montréal
Court No. 500-11-054498-189
Estate No. 41-2371312

FORM 78 – Continued

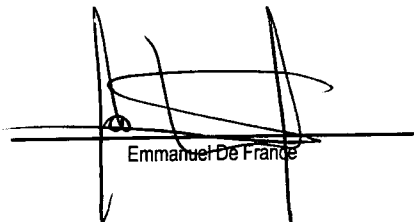
List "A"
Unsecured Creditors

9220-0112 QUEBEC INC

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
90	SIM-MAT INC.	421 BOULEVARD RENAULT BEAUCEVILLE QC G5X 1N7	511.64	0.00	511.64
91	SUPERIOR PROPANE INC.	P.O. BOX 4568 , STATION A Toronto ON M5W 0J5	381.15	0.00	381.15
92	SURPLUS DEPOT	227, DE LEGLISE ROXTON FALLS QC J0H 1E0	17,711.91	0.00	17,711.91
93	TNT EXPRESS (CANADA)	P.O. BOX 46259 Toronto ON M5W 4K9	32.30	0.00	32.30
94	Toronto Hydro-Electric Systems Limited Attn: Josephine Pemarell / Mary Degroot	500 Commissioners St, 2nd fl Toronto ON M4M 3N7	0.00	0.00	0.00
95	TRANSPORT BESSETTE	680, ROUTE 143 VAL-JOLI QC J1S 0G6	4,007.55	0.00	4,007.55
96	TRANSPORT S N	9055-5749 QC INC. 600-1800 av. McGill College Granby QC J2J 1J9	4,094.91	0.00	4,094.91
97	VENT AIR INDUSTRIES	171 SUTHERLAND AVE Winnipeg MB R2W 3E5	8,628.68	0.00	8,628.68
98	Véto-Pharma F1603018	14, Avenue du Québec ZA de Courtaboeuf 91140 Villebon sur Yvette France	10,559.76	0.00	10,559.76
99	WASTE MANAGEMENT	P.O. Box 4025, Station A Toronto ON M5W 5L4	1,764.84	0.00	1,764.84
100	WEBRAY.COM INC	3602-1288 avenue des Canadiens Montréal QC H3B 3B3	18,712.22	0.00	18,712.22
101	Yvan Poulin	321 Route 108 Beauceville QC G5X 2Z4	44,907.80	0.00	44,907.80
Total:			1,200,177.10	1,673,381.11	2,873,558.21

14-Jun-2018

Date


Emmanuel De France

District of: Quebec
Division No. 01 - Montréal
Court No. 500-11-054498-189
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FORM 78 - Continued

List "B"
Secured Creditors

9220-0112 QUEBEC INC

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	Banque Royale du Canada	300-5575, North Service Road Burlington ON L7L 6M1	71,791.38	Business Assets - Machinery - Installation Furniture - Ameublement Business Assets - Stock In Trade - Inventaire Debts Due - Business - Compte-client Motor Vehicles - Automobile Other - Actifs		71,791.38 0.00 0.00 0.00 0.00 0.00		
2	Banque Royale du Canada	1, Place Ville-Marie, 2e étage, Aile Est Montréal QC H3C 3A9	95,562.71	Business Assets - Machinery - Installation Furniture - Ameublement Business Assets - Stock In Trade - Inventaire Debts Due - Business - Compte-client Motor Vehicles - Automobile Other - Actifs		95,562.71 0.00 0.00 0.00 0.00 0.00		
3	Banque Royale du Canada	1, Place Ville-Marie, 2e étage, Aile Est Montréal QC H3C 3A9	101,457.00	Business Assets - Machinery - Installation Furniture - Ameublement Business Assets - Stock In Trade - Inventaire Debts Due - Business - Compte-client Motor Vehicles - Automobile		101,457.00 0.00 0.00 0.00 0.00		
4	Banque Royale du Canada	1, Place Ville-Marie, 2e étage, Aile Est Montréal QC H3C 3A9	250,000.00	Motor Vehicles - Automobile Business Assets - Machinery - Installation Furniture - Ameublement Business Assets - Stock In Trade - Inventaire Debts Due - Business - Compte-client		33,000.00 13,188.91 8,000.00 0.00 0.00		195,811.09

14-Jun-2018

Date

Emmanuel De France

District of: Quebec
Division No. 01- Montréal
Court No. 500-11-054498-189
Estate No. 41-2371312

FORM 78 – Continued

List "B"
Secured Creditors

9220-0112 QUEBEC INC

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
5	Banque Royale du Canada	1, Place Ville-Marie, 2e étage, Aile Est Montréal QC H3C 3A9	1,000,000.00	Business Assets - Machinery - Installation Furniture - Ameublement Business Assets - Stock In Trade - Inventaire Debts Due - Business - Compte-client Motor Vehicles - Automobile		0.00 0.00 0.00 0.00 0.00		1,000,000.00
6	Banque Royale du Canada	1, Place Ville-Marie, 2e étage, Aile Est Montréal QC H3C 3A9	101,457.00	Other - Actifs		0.00		
7	Banque Royale du Canada	1, Place Ville-Marie, 2e étage, Aile Est Montréal QC H3C 3A9	250,000.00	Other - Actifs		0.00		
8	Banque Royale du Canada	1, Place Ville-Marie, 2e étage, Aile Est Montréal QC H3C 3A9	1,000,000.00	Other - Actifs		0.00		
9	De Lage Landen Financial Services Canada inc.	3450 Superior Court, Unit 1 Oakville ON L6L 0C4	23,546.27	Motor Vehicles - Automobile		0.00		23,546.27
10	Investissement Québec	1200, Route de l'Église, bureau 500 Québec QC G1V 5A3	472,023.75	Other - Actifs Business Assets - Machinery - Installation Furniture - Ameublement Business Assets - Stock In Trade - Inventaire Debts Due - Business - Compte-client Motor Vehicles - Automobile		18,000.00 0.00 0.00 0.00 0.00 0.00		454,023.75
Total:			3,365,838.11			341,000.00	0.00	1,673,381.11

14-Jun-2018

Date

Emmanuel De France

District of: Quebec
Division No. 01- Montréal
Court No. 500-11-054498-189
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FORM 78 – Continued


List "C"
Preferred Creditors for Wages, Rent, etc.

9220-0112 QUEBEC INC

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

14-Jun-2018

Date


Emmanuel De France

District of: Quebec
Division No. 01- Montréal
Court No. 500-11-054498-189
Estate No. 41-2371312

FORM 78 – Continued

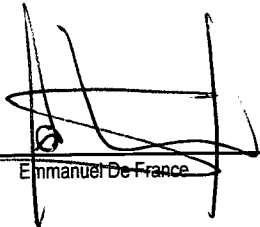
List "D"
Contingent or Other Liabilities

9220-0112 QUEBEC INC

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

14-Jun-2018

Date



Emmanuel De France

District of: Quebec
Division No. 01 - Montréal
Court No. 500-11-054498-189
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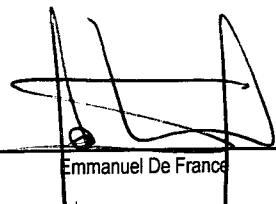
FORM 78 -- Continued

List "E"
Debts Due to the Debtor
9220-0112 QUEBEC INC

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Compte-client	600-1800, ave McGill College Montréal QC H3A 3J6	Compte-client	0.00 331,000.00 0.00		14-Jun-2018	0.00	Compte-client
Total:				0.00 331,000.00 0.00			0.00	

14-Jun-2018

Date


Emmanuel De France

District of: Quebec
Division No. 01- Montréal
Court No. 500-11-054498-189
Estate No. 41-2371312

FORM 78 – Continued

List "F"

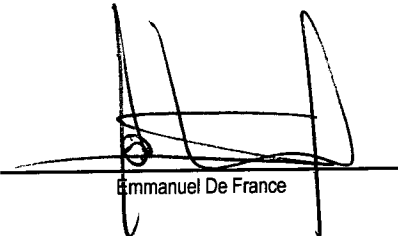
Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

9220-0112 QUEBEC INC

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

14-Jun-2018

Date


Emmanuel De France

District of: Quebec
Division No. 01 - Montréal
Court No. 500-11-054498-189
Estate No. 41-2371312

FORM 78 – Continued

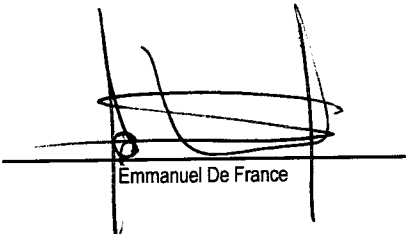
List "G"
Real Property or Immovables Owned by Debtor

9220-0112 QUEBEC INC

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

14-Jun-2018

Date


Emmanuel De France

District of: Quebec
Division No. 01- Montréal
Court No. 500-11-054498-189
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FORM 78 -- Concluded

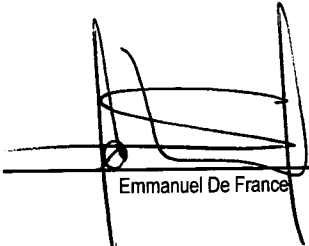
List "H"
Property

9220-0112 QUEBEC INC
FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade		Inventaire	3,105,000.00	621,000.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant		Installation	282,000.00	85,000.00
(g) Furniture		Ameublement	8,000.00	1,000.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles		Automobile	33,000.00	3,000.00
(l) Taxes			0.00	0.00
(m) Other		Actifs	18,000.00	2,000.00
		Espèce	22,000.00	22,000.00
Total:				734,000.00

14-Jun-2018

Date


Emmanuel De France



Proof of claim - Bankruptcy and Insolvency Act

(Section 50.1, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 81.5, 81.6, 102(2), 124(2), 128(1)
and paragraphs 51(1)(e) and 66.14(b) of the Act)

In the matter of the bankruptcy (or proposal or the receivership) of :

_____, of _____,
(name of debtor) (city and province)
and the claim of _____, creditor.

All notices or correspondence regarding this claim must be forwarded to the following address:

I, _____, (name of creditor or representative of the creditor), of
_____, (city and province), do hereby certify :

That I am a creditor of the above-named debtor or that I am _____
(state position or title)
of _____
(name of creditor or representative of the creditor)

2. That I have knowledge of all the circumstances connected with the claim referred to in this form.
3. That the said debtor was at the date of bankruptcy (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely _____, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached hereto and marked Schedule A, after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)
4. Check and complete appropriate category.

[] A. UNSECURED CLAIM OF \$ _____.

(Other than as a customer contemplated by Section 262 of the Act)

That in respect of the said debt, I do not hold any assets of the debtor as security and

(Check appropriate description)

- [] Regarding the amount of \$ _____, I do not claim a right to a priority.
[] Regarding the amount of \$ _____, I claim a right to a priority under sect. 136 of the Act.

(Set out on attached sheet details to support priority claim.)

[] B. CLAIM OF LANDLORD FOR DISCLAIMER OF A LEASE \$_____.

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows :

(Give full particulars of the claim, including the calculations upon which the claim is based).

[] C. SECURED CLAIM OF \$_____.

That in respect of the said debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

[] D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$_____.

That I hereby make a claim under subsection 81.2 (1) of the Act for the unpaid amount of \$ _____ *(Attach a copy of sales agreement and delivery receipts.)*

[] E. CLAIM BY WAGE EARNER OF \$_____.

[] That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$_____.

[] That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$_____.

[] F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$_____.

[] That I hereby make a claim under subsection 81.5 of the Act in the amount of \$_____.

[] That I hereby make a claim under subsection 81.6 of the Act in the amount of \$_____.

[] G. CLAIM AGAINST DIRECTOR OF \$_____.

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows :

(Give full particulars of the claim, including the calculations upon the claim is based.)

[] H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$_____.

That I hereby make claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows :

(Give full particulars of the claim, including the calculations upon the claim is based.)

5. That, to the best of my knowledge and belief, I am *(or the above-named creditor is)* *(or am not or is not)* related to the debtor within the meaning of section 4 of the Bankruptcy and Insolvency Act, and have *(or has)* *(or have not or has not)* dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months *(or, if the creditor and the debtor are related within the meaning of Section 4 of the Act or were not dealing with each other at arm's length, within the 12 months)* immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act: *(Provide details of payments and credit and transfers at undervalue.)*

(Applicable only the case of the bankruptcy of an individual.)

[] I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

DATED AT _____, this _____ day of _____,

(Witness signature)

(Creditor signature)

Phone Number : _____

Fax Number : _____

Email Address : _____

NOTE : If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

NOTE : If a copy of this Form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1, must be added at the end of the document.

Proxy

In the matter of the bankruptcy (or proposal or consumer proposal) of _____, a bankrupt (or an insolvent person or a consumer debtor):

I, _____, of _____, creditor in the above matter, hereby appoint _____, of _____, to be my proxy in the above matter, except as to the receipt of dividends, with (or without) power to appoint another proxy in his or her place.

DATED AT _____, this _____ day of _____,

(Witness signature)

(Individual creditor signature)

Name and title of signing officer



CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL
ESTATE N° : 41-2371312
COURT N° : 500-11-054498-189

SUPERIOR COURT
COMMERCIAL DIVISION

IN THE MATTER OF THE PROPOSAL OF : **9220-0112 QUÉBEC INC. (PROPOLIS-ETC)**

Insolvent company

and

DEMERS BEAULBE INC.

Trustee

VOTING LETTER
(Paragraphs 51(1) (f) and 66.15(3)c) of the Act
(form 37)

I, _____, creditor (or I, _____,
representative of _____, creditor),
of _____ (name of town or city), a creditor in the above
matter for the sum of \$ _____, hereby request the trustee acting with respect
to the proposal of _____, to record my vote

☐ **FOR**

OR

☐ **AGAINST**

the acceptance of the proposal as made on the 14th day of June, 2018.

Dated at _____, this _____ day of _____ 2018.

Witness

Signature of individual creditor

Name of Corporate Creditor

Witness

Per _____
Name and title of signing officer

Note: A person is not entitled to vote as a creditor unless he has duly proved and lodged his proof of claim with the Trustee before the time appointed for the meeting.