



Financial Advisory

Crocus Investment Fund

March 31, 2007 Quarterly Report

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Appendix 1 Crocus Financial Statements as at March 31, 2007

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1.0 Background

On June 28, 2005, pursuant to an application made by the Manitoba Securities Commission ("MSC") under Section 27 of *The Securities Act*, the Court of Queen's Bench (the "Court") made an Order appointing Deloitte & Touche Inc. ("Deloitte" or the "Receiver") as Receiver and Manager of the Crocus Investment Fund ("Crocus" or the "Fund"). The Receiving Order appointed Deloitte as Receiver over all of Crocus' current and future assets, undertakings and properties and granted the Receiver powers to carry out its duties as outlined in the Order.

The purpose of this Report is to report on the activities of the Receiver as well as to provide an update on the financial position of the Fund. The Report will cover the Receiver's operations and activities since the December 31, 2006 Quarterly Report.

2.0 Activities of the Receiver

The following summarizes the major activities of the Receiver since December 31, 2006:

- Preparation of the December 31, 2006 and March 31, 2007 Quarterly Reports.
- Meeting and corresponding with various parties interested in acquiring certain of the investee companies.
- Ongoing discussions & correspondence with Chubb Insurance regarding coverage under the Directors & Officers policy.
- Supervising and directing Crocus staff retained by the Receiver.
- Meeting and corresponding with individual Crocus shareholders.
- Monitoring the status of the action commenced by Bernard W. Bellan under *The Class Proceedings Act* (the "Class Action") as well as the status of the MSC hearings brought against the former members of the Board of Directors of Crocus and various other parties.
- Day to day monitoring of the investee companies and discussions with various stakeholders of the investees about the possible courses of action respecting Crocus' investment in the investees.
- Ongoing discussions and negotiations with certain of the investee companies about possible exit strategies for Crocus.
- Discussions regarding debt agreements with certain of the investee companies.
- Attendance in Colorado for meetings with Counsel to the Court Appointed Receiver and to review of certain books and records of COH Holdings Inc.

("COH"). Review of other claims filed against the assets of COH and further discussions with counsel regarding a possible settlement.

- Correspondence and meetings with counsel regarding the investment in the Winnipeg Goldeyes Baseball Club Inc. ("Goldeyes") and the statement of claim for unpaid interest.
- Fulfilling the duties of Crocus as General Partner of the Manitoba Science & Technology Fund.
- Corresponding with pension authorities and plan actuary about the Crocus pension fund.
- Preparation of various tax filings for Crocus and related entities.
- Discussions with the third party manager engaged to manage certain of the Crocus investments on behalf of the Receiver.
- Review of Crocus books and records as outlined in Receiver's Report #9.

3.0 Operations

The ongoing activities of Crocus consist of investment monitoring, financial reporting, shareholder services and tax reporting as well as information technology. The Receiver presently employs four (4) staff members.

The Receiver continues to occupy approximately one half of the 5th floor of the Crocus premises at 211 Bannatyne Avenue. The balance of the space which Crocus leased has been sublet.

4.0 Financial Position

Financial statements for Crocus have been prepared for the 1st fiscal quarter ended March 31, 2007 and are attached as Appendix 1. The statements are internal and unaudited, and have been prepared in a manner consistent with the financial information that was formerly provided to Crocus shareholders with the exception that the portfolio valuation is carried at the June 28, 2005 value, unless the investment has been realized upon. The June 28, 2005 value was derived from the external valuations which were completed after Crocus ceased trading in December 2004.

4.1 Financial Highlights

The following are the financial highlights for the first quarter ended March 31, 2007:

- Net Income for the quarter was \$88,000.
- Investments in cash, bonds, GIC's and Banker's Acceptances of approximately \$55.6 million.
- Approximately \$6.9 million in accounts receivable. During the quarter approximately \$4.0 million was received pursuant to a previously negotiated sale agreement. The majority of the balance outstanding represents proceeds due from the sale of two portfolio investments. Pursuant to the sale arrangement with one investee, a portion of the sale price is contingent on the future earnings of the investee.
- Net carrying value, as at June 28, 2005, of the remaining Crocus portfolio of investees is approximately \$25.9 million.

4.2 Liquidity

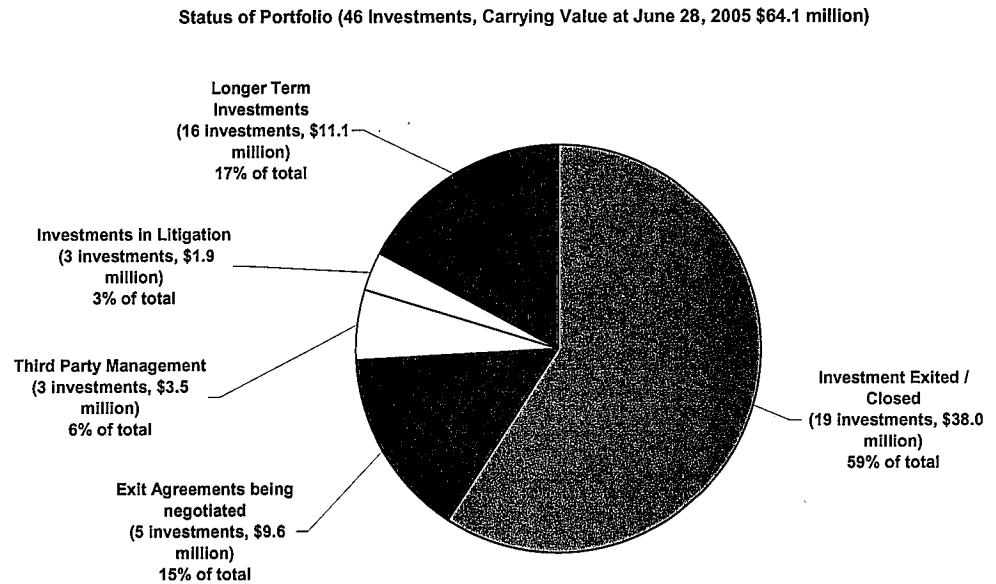
As is noted above, Crocus has approximately \$55.6 million in cash & equivalents representing a \$4.1 million increase from the previous quarter. The Receiver is

maintaining a conservative investment policy for these funds which consists of investing in government bonds, GIC's and Banker's Acceptances. Approximately \$0.4 million of the funds is considered sequestered pursuant to an agreement whereby Crocus guaranteed advances made by Assiniboine Credit Union ("ACU") to certain investee companies in the Crocus portfolio.

5.0 Portfolio

5.1 Status & Valuation

As at June 28, 2005, there were 46 individual investee companies in the Crocus portfolio with a gross carrying value of \$64.1 million. The Receiver has categorized the current status of the portfolio as follows:



As noted in previous reports, one of the overriding issues with the Crocus portfolio is that the majority of agreements entered into between Crocus and the investee companies did not provide for any exit mechanism. Accordingly, the Receiver continues to monitor and discuss exit strategies with many of the remaining investees. The position of the majority of the investees is that they prefer to negotiate an arrangement whereby the investee company and/or the existing non-Crocus shareholder(s) of the investee would buy Crocus' interest from the Receiver.

While negotiations and discussions are ongoing, the Receiver did not sell any positions in the March 31, 2007 quarter.

Cumulatively to March 31, 2007, 19 of the 46 investments within the Crocus portfolio have been realized upon, or are considered closed. There are 28 remaining investments (including Salisbury House) which are discussed below.

In summary, since its appointment, the Receiver has realized proceeds of approximately \$40.8 million for investments with a June 28, 2005 book value of approximately \$38.0 million representing a recovery of approximately 107%. Crocus' carrying value for these investments when it ceased trading in December 2004 was approximately \$54.3 million, which would represent a recovery of approximately 75%. In addition, since its appointment, the Receiver has also eliminated exposure on approximately \$2.3 million in guarantees that had been reserved.

The Receiver remains of the view that the original estimated timetable of approximately 5 years to deal with the majority of the Crocus portfolio is reasonable. The Receiver also continues to remain of the view that the cost would outweigh the benefit in revaluing the portfolio on an ongoing basis given that the Fund is not trading and, accordingly, for the present, the valuation of all remaining investees within the portfolio has been frozen at their June 28, 2005 values. The values will be adjusted should there be evidence that the carrying value has materially changed.

5.2 Exit Agreements being Negotiated

The Receiver continues discussions with a number of the investee companies regarding possible exits of the Crocus interest. Currently there are five (5) investees with a carrying value of approximately \$9.6 million where varying levels of discussions are taking place.

5.3 Third Party Management

One investee, Manitoba Science and Technology Fund ("MS&T"), is a limited partnership holding several science and technology investments. Crocus is an investor in the fund and is the sole owner of the General Partner. A number of the

investments held by the limited partnership are common to the investments held by Crocus. The limited partners have given the General Partner a mandate to wind-down the partnership.

The Receiver has concluded an agreement with a third party manager with expertise in science and technology types of investments. The agreement provides that the manager, acting as agent, will oversee the ongoing development of these companies and work towards putting appropriate exit strategies in place. The agreement covers certain investments within Crocus as well as MS&T.

5.4 Investments in Litigation

This category includes three (3) Crocus investments (Ezedia, COH and Goldeyes) with a carrying value of \$1.9 million. Details are as follows:

- Prior to the appointment of Deloitte as Receiver of Crocus a privately appointed receiver of the assets of Ezedia had been appointed. Crocus had honoured its obligation under a guarantee to the primary lender of Ezedia and claimed the net proceeds of the sale of assets of Ezedia (approximately \$164,000) pursuant to subrogation language within the guarantee agreement. Deloitte filed a Notice of Application in Court for a declaration that the net proceeds of sale from the assets of Ezedia be paid to the Receiver. The matter was contested and a hearing was held on June 14, 2006. In a judgment delivered on July 7, 2006, Madam Justice McCawley ruled that Deloitte is entitled to the net sale proceeds of Ezedia currently being held in trust. On September 21, 2006 a further hearing was held to clarify the terms of the Order and the amount of costs to be awarded to the Receiver. The Court upheld the positions advanced by the Receiver. A Notice of Appeal has been filed however a date for the hearing has not been set.
- Deloitte had initiated formal recovery proceedings through the appointment of a Court Appointed Receiver of COH after its board and staff resigned and the company ceased operations. At that time, there were approximately

\$1.5 million (US dollars) of funds on hand. The Court Appointed Receiver of COH has obtained possession of the funds and has established a claims administration process. The Receiver has filed a claim on behalf of Crocus. At the same time, the former CEO of COH has filed a claim against COH and Crocus in the State of Colorado for approximately \$32.0 million (US dollars). Deloitte responded to the claim in the Colorado Court with the position that leave of the Manitoba Court should have been obtained prior to proceeding with a claim against Crocus in Colorado. On February 28, 2006, the Colorado Court ruled that, in the interests of international comity, it would defer ruling on Crocus' motion to dismiss until the Manitoba Court acted on the plaintiff's motion for leave to continue the action against Crocus in Colorado. A hearing in the Court of Queen's Bench was held to deal with the plaintiff's motion. On August 31, 2006, Madam Justice McCawley issued a decision denying the motion. On November 15, 2006, the Colorado Court granted the Receiver's motion to stay the claim against it in Colorado until completion of the claims procedure in the Crocus Receivership or until further Order of the Manitoba Court. Since that time, there have been a number of claims filed against the assets of COH such that if all claims are valid, there will be no recovery for Crocus as a preferred shareholder. Deloitte has taken the position that the other claims are either overstated or invalid. Recently, the Court Appointed Receiver of COH has recommended to the Colorado Court a settlement of a claim by Gerry and Nancy Hogue. Deloitte is opposed to that settlement, and is currently instructing its US counsel to file a notice of objection thereto.

- On November 29, 2006 the Receiver issued a statement of claim against the Goldeyes for unpaid interest totalling \$306,000. A statement of defence was received and has been reviewed by the Receiver and counsel. The Receiver has filed a motion to have this matter dealt with summarily by the Court. The motion is currently pending.

5.5 Longer Term Investments

Sixteen (16) investments with a carrying value of \$11.1 million are currently considered longer term investments. In the opinion of the Receiver, transactions with these investees in the short term are unlikely. The Receiver continues to monitor these investees and, where deemed appropriate, has taken Board positions.

5.6 New Investment

As part of its investment in Maple Leaf Distillers Inc. ("Maple Leaf"), Crocus had guaranteed a portion of the indebtedness of Maple Leaf to Astra Credit Union. As a result of the Receiver having honoured that guarantee, Crocus obtained certain rights in shares of Salisbury House of Canada Ltd. ("Salisbury") up to the amount of the funded guarantee (\$1.0 million).

As part of the ongoing restructuring of Salisbury, the remaining shareholders requested the Receiver to proportionately participate in a guarantee arrangement for a portion of the indebtedness owed to the secured lender of Salisbury. The Receiver initially agreed to participate in the transaction however the terms under which the initial agreement was negotiated have changed and as such the Receiver is re-evaluating its decision.

6.0 Contingent Liabilities

Previous Quarterly Reports outlined a number of contingent liabilities of the Fund. The following is an update on developments regarding known contingent liabilities. The Receiver, however, cannot provide any assurance that all contingent liabilities of the Fund have been identified.

6.1 Class Action Proceedings

The Receiver continues to monitor the Class Action suit that has been brought by the Crocus shareholders against Crocus, Crocus Capital Inc. and 21 other defendants. The Class Action suit seeks \$150 million in damages from the defendants for negligence and oppression as well as punitive and exemplary damages. To date defences have not been filed.

Oral arguments concerning procedural issues relating to the certification process were heard by the case management judge on January 8, 2007. The case management judge has directed that the defendants' motions to strike portions of the Amended Statement of Claim be heard prior to the certification hearing. Oral arguments regarding the defendants' motions to strike will be heard May 22 - 25, 2007. Tentative dates for the certification hearing have been set for September 24 - 28, 2007. Over the past few months, copies of the Motions briefs and affidavits for use in the May hearing have been received and reviewed by the Receiver's counsel.

6.2 Indemnifications

Prior to the appointment of the Receiver, there had been an investigation of Crocus by the Office of the Auditor General ("OAG") as well as an investigation into the conduct of Crocus and its directors and officers by the MSC. In total, 17 former officers and directors were named in the investigations and proceedings. The By-Laws of Crocus, as well as certain provisions contained in certain severance agreements, make provision for indemnification of officers and directors. In

addition, Crocus had contractually indemnified its former lead brokers, which are also named as defendants in the Class Action.

In January 2006, Madam Justice McCawley ordered that Crocus, through the Receiver, is responsible for paying the ongoing legal costs of the various directors and officers named in the Class Action as well as those parties named in the regulatory proceedings brought by the MSC. The decision was appealed by the Class Action plaintiff, which was heard by the Court of Appeal on November 30, 2006. In a decision rendered in March 2007, the Court of Appeal upheld the lower Court's decision ordering the Receiver to pay the outstanding legal costs on behalf of the former directors and officers of Crocus. The Receiver has received certain statements of accounts for legal fees on behalf of the former directors and officers and is in the process of reviewing and assessing those accounts.

Crocus had maintained insurance coverage on behalf of directors and officers (but not on behalf of the lead brokers) to cover claims. The coverage is limited to \$5,000,000, with a \$100,000 deductible which has been paid by the Receiver. At present, the insurer has denied coverage for those legal costs related to the MSC and OAG investigations. A statement of claim was filed by the Receiver against the insurer asking the Court to declare that the legal costs associated with the MSC and OAG investigations are covered by the policy of insurance.

Crocus had guaranteed the indebtedness of certain advances to its investee companies from various lenders. There remain outstanding two (2) guarantees with the corresponding exposure to Crocus being approximately \$0.4 million. Currently, the loans that Crocus guaranteed are being repaid by the investee. The Receiver does not anticipate being called upon to honour the remaining guarantees and, as such, at this time has not accrued any liability as of March 31, 2007.

6.3 Pension Plan

Crocus was a participant in a defined benefit pension plan for its employees that was administered by the Canadian Labour Congress ("CLC plan"). The Receiver

continues to correspond with the actuary for the CLC regarding the status of Crocus' participation within the CLC plan.

6.4 Litigation

The status of the \$32.0 million claim (US dollars) against Crocus, as well as an investee, COH, brought by the former CEO of COH and his spouse, is detailed in Section 5.4 above.

Litigation commenced by the Receiver against the Winnipeg Goldeyes is detailed above.

6.5 Western Economic Diversification

As previously reported, the Receiver became aware of a potential claim by the Government of Canada - Western Economic Diversification (WED) relating to \$2.0 million in contributions made by WED to Crocus from 1994 to 1996. Portions of the contributions were repayable by Crocus on an annual basis from 1996 to 2008 if certain profitability levels were achieved. The profitability levels were not reached and, as a result, no payments were made. WED has indicated that it believes it has an unsecured creditor claim against Crocus. The claim, if valid, would rank in priority to the shareholders of Crocus. This claim was not known or recorded as at June 28, 2005 and, accordingly, if valid, would result in a decrease to the unit value of Crocus. This matter remains under review.

6.6 Trailer Fees

Crocus paid referring brokers/agents a commission, a portion of which was payable over the hold period of the investment. Based on a share price of \$6.13, the estimated liability for such commissions is approximately \$1.5 million. As the ultimate amount of repayment to shareholders is unknown, no liability for trailer fees has been accrued in the financial statements.

6.7 Other

In addition to the indemnifications outlined in Section 6.2 above, the Receiver is aware of two (2) additional indemnities provided by Crocus relating to investee companies. As part of an investee transaction one of the indemnities has been dealt with and the potential liability mitigated; the remaining indemnity remains outstanding.

7.0 Share Value

The net asset value per share ("share value") as at March 31, 2007 was \$6.13.

As noted in previous reports, the Receiver emphasizes that the share value of \$6.13 is an accounting book value partially based on the June 28, 2005 carrying value of the investment portfolio.

Future events will determine the ultimate realizable value of the portfolio. Those events include determination of amounts that Crocus will have to pay in order to settle known and contingent liabilities, including payment on various indemnities. Such matters may have a material effect on the share value which is ultimately available for distribution to Crocus shareholders. The Receiver continues to believe that the total amount of claims against Crocus may be significant in light of the current investigations and the Class Action against the Fund. The future events identified to date include:

- Possible further increases/reductions in the value of the portfolio as a result of ongoing investee performance.
- The length of time taken to realize on the portfolio.
- The extent of guarantees which Crocus, through the Receiver, may be required to honour.
- Professional costs incurred by the Receiver and its counsel as a result of current and future litigation.
- Costs and damages for which Crocus may become liable and the Receiver may have to pay as a result of indemnities granted by Crocus.
- Costs and damages for which Crocus may become liable as a result of the Class Action.

- Any provision for the costs of the difference between the head lease and subleases for the premises maintained by Crocus.
- The additional liability, if any, for the trailer fees payable to agents/brokers.
- Any potential for liability/surplus under Crocus' employee pension plan.
- Any additional guarantees or indemnities granted by Crocus which have not yet been identified.
- All other costs of monitoring the portfolio and realizing on the assets.

The Receiver will continue to provide updates on the share value in its quarterly reports.

8.0 Shareholders

8.1 Communications

The Receiver has continued to post Court Orders, Receiver's Reports, Quarterly Reports, Media Statements and shareholder letters on its website at www.deloitte.com/ca/crocusfund.

9.0 Records Review

Receiver's Report #9 outlined the Receiver's plans regarding an investigative review ("the Review") of the records of Crocus. In September 2006, the Receiver commenced an investigative review of the records of Crocus, primarily as they relate to investments made by Crocus, many of which proved to be unsuccessful. The intent of the review is for the Receiver to obtain and understand the history of these investments and to assess the possible validity of the allegations made in various reports and hearings as well as in the Class Action litigation. The Receiver believes that the review may accelerate final resolution of these proceedings and minimize the costs of all parties.

Work is proceeding on the report and the Receiver anticipates being in a position to have the report finalized and filed prior to the delivery of the next quarterly report.

10.0 Legal

10.1 RCMP Investigation

Pursuant to Receiver's Report #8 and the Order of the Court dated October 19, 2005, the RCMP continues its investigation.

11.0 General

A Statement of Receipts and Disbursements from June 28, 2005 to March 31, 2007 is attached as Appendix 2.

The Receiver will continue to keep the Court apprised of ongoing developments with the next quarterly report to be filed in mid July 2007.

Respectfully submitted this 16th day of April, 2007.

DELOITTE & TOUCHE INC., in its capacity as Receiver and Manager of Crocus Investment Fund and not in its personal capacity.

A handwritten signature in black ink, appearing to read "A.R. Holmes". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Per: A.R. Holmes
Senior Vice-President

Appendices

Appendix 1

Crocus Investment Fund
Consolidated Statement of Net Assets
As at March 31, 2007 (unaudited)

ASSETS

Investments in Manitoba Businesses	
Investments in marketable securities	
Investments in marketable securities - sequestered	
Cash	
Accounts receivable	
Capital assets	

March 31, 2007

	\$
	25,888,392
	55,045,880
	400,000
	<u>81,334,272</u>
	119,868
	6,869,601
	611,402
	<u>88,935,142</u>

LIABILITIES

Accounts payable and accrued liabilities	
--	--

1,292,492

NET ASSETS

\$ 87,642,651

SHAREHOLDERS' EQUITY

Share capital	
Deferred selling costs adjustment	
Deficit	

\$	188,014,669
	(9,134,637)
	(91,237,381)
\$	<u>87,642,651</u>

NET ASSET VALUE PER CLASS "A" COMMON SHARE and
SERIES TWO CLASS "I" SPECIAL SHARE

\$ 6.13

**Crocus Investment Fund
Consolidated Statement of Operations
For the period ended March 31, 2007 (unaudited)**

	Quarter Ending	Year to Date
	March 31, 2007	March 31, 2007
REVENUE		
Interest and dividend revenue	\$ 755,512	\$ 1,474,986
Management fees & other	127,969	251,242
	<u>883,480</u>	<u>1,726,228</u>
EXPENSES		
Amortization of Capital Assets	30,676	61,358
Occupancy	95,223	190,445
Administrative, Office and Investment	57,178	206,094
Legal - Receivership	68,621	179,976
Receiver and Manager	169,025	430,130
Records Review	272,557	411,090
Salaries and Benefits	105,767	197,737
	<u>799,046</u>	<u>1,676,830</u>
	84,434	49,398
	3,458	6,466
	<u>87,892</u>	<u>55,864</u>
	\$	\$
OPERATING INCOME BEFORE NON-RECURRING ITEMS		
Amount realized in excess of June 28, 2005 carrying value		
INCOME FOR THE PERIOD		

Crocus Investment Fund
Consolidated Statement of Deficit
For the period ended March 31, 2007 (unaudited)

DEFICIT-Beginning of period, September 30, 2006
Income for the period
DEFICIT-END OF PERIOD

	March 31, 2007
\$	(91,293,245)
	55,864
\$	<u><u>(91,237,381)</u></u>

Consolidated Statement of Changes in Net Assets
For the period ended March 31, 2007 (unaudited)

NET ASSETS - September 30, 2006
Operating activities
Income for the period
NET ASSETS - END OF PERIOD

	March 31, 2007
\$	87,586,787
	55,864
\$	<u><u>87,642,651</u></u>

**Consolidated Statement of Investment Portfolio
As at March 31, 2007 (unaudited)**

Investments In Manitoba Businesses

	Debt Cost	Equity Cost
Investments - Operating	\$ 8,437,993	\$ 29,341,346
Investments - Non Operating	7,065,526	13,483,628
	<u>15,503,519</u>	<u>42,824,974</u>

INVESTMENTS IN MANITOBA BUSINESSES AT COST

58,328,493

NET UNREALIZED DEPRECIATION OF

INVESTMENTS IN MANITOBA BUSINESSES

(32,440,101)

NET INVESTMENTS IN MANITOBA BUSINESSES

\$ 25,888,392

Crocus Investment Fund
Consolidated Statement of Investment Portfolio
As at March 31, 2007 (unaudited)

BONDS AND DEBENTURES

Province of Manitoba	200,000	\$	200,000
Manitoba Hydro	611,000		611,000
City of Winnipeg	600,000		599,421
	<u>1,411,000</u>		<u>1,410,421</u>

SHORT TERM INVESTMENTS

Assiniboine Credit Union	406,312		406,312
BMO Mortgage Corporation	5,000,000		5,000,000
Canadian Western Bank	10,114,886		10,114,886
HSBC	5,088,110		5,088,110
RBC Dominion Securities	7,051,658		7,051,658
Scotia Bank	9,945,140		9,945,140
TD Waterhouse	16,307,000		16,307,000
	<u>53,913,107</u>		<u>53,913,107</u>
	55,324,107		55,323,528

**NET UNREALIZED APPRECIATION OF INVESTMENTS
 IN MARKETABLE SECURITIES**

122,352

INVESTMENTS IN MARKETABLE SECURITIES

\$ 55,445,880

**Crocus Investment Fund
Notes to the Consolidated Financial Statements
For the period ended March 31, 2007 (unaudited)**

Net Asset Value of Class "A" Common Shares and Series Two Class "I" Special Shares

The net asset value of the Fund's issued Class "A" Common Shares and Series Two Class "I" Special Shares is calculated as follows:

	March 31, 2007
Net assets - end of year	\$ 87,642,651
Less: Attributed to Class "L" Special Shares	<u>(200)</u>
Balance attributed to the Class "A" Common and Series Two Class "I" Special Shares	<u>\$ 87,642,451</u>
Number of issued Class "A" Common Shares	14,220,000
Number of issued Series Two Class "I" Special Shares	69,126
NET ASSET VALUE PER CLASS "A" COMMON SHARE and SERIES TWO CLASS "I" SPECIAL SHARE	<u>14,289,126</u>
	<u>\$ 6.13</u>

**Crocus Investment Fund
Consolidated Statement of Investment Portfolio
Investments in Manitoba Businesses**

Investments - Operating

	Debt Cost	Equity Cost
	\$	\$
Biovar Life Support Inc.	-	500,000
Canad Corporation of Canada Inc.	350,000	-
Cando Contracting Ltd.	-	5,000,000
Crocus Hockey Holdings Inc.	46,939	-
Diamedica Inc.	-	1,816,141
D.L.J.S. Enterprises Ltd.	-	5,067,524
Enterprise Swine Systems Ltd	789	425,000
Enterprise Swine Systems II Ltd	145,000	-
ESS Holding Company	600,000	-
Genesys Venture Inc.	267,086	-
Manitoba Property Fund	-	600,000
Manitoba Science & Technology Fund	557,512	-
Medicure Inc.	100,000	125,000
Minds Eye Pictures	-	928,462
Muddy Waters Smokehouse	-	2,432,243
Novra Technologies Inc.	679,361	850,000
Online Enterprises Inc.	1,931,459	3,000,000
Pasta La Vista	123,644	-
	-	1,249,999
	777,197	-
	-	5,500,003
	125,965	75,671
	172,965	-
	-	-

Crocus Investment Fund
Consolidated Statement of Investment Portfolio
Investments in Manitoba Businesses
Investments - Operating (cont'd)

ST Partnership	Limited partnership units	-	744,406
True North Holding Company	Special preference units	-	400,000
Winnipeg Goldeyes Baseball Club Inc.	Common shares	-	576,851
	Debenture	434,149	-
Winnipeg Spaghetti Corp.	Debenture	644,298	-
W.O.W. Hospitality Concepts Inc.	Debenture	1,481,629	-
Other	Each individually less than \$100,000	-	50,046
Total Operating		8,437,993	29,341,346

Investments - Non Operating

COH Holdings (US) Inc.	Series "B-1" convertible preferred shares	-	4,839,356
(formerly OpTx Corporation)	Common shares and warrants	-	3,705,334
eZedia Inc.	Common shares and warrants	-	4,938,938
	Debenture	6,442,093	-
	Promissory note	100,000	-
	Guarantee	523,433	-
Total Non Operating		7,065,526	13,483,628
		15,503,519	42,824,974

INVESTMENTS IN MANITOBA BUSINESSES AT COST

NET UNREALIZED DEPRECIATION OF

INVESTMENTS IN MANITOBA BUSINESSES

(32,440,101)

NET INVESTMENTS IN MANITOBA BUSINESSES

25,888,392

Appendix 2

**Deloitte & Touche Inc., Receiver and Manager of
CROCUS INVESTMENT FUND
Statement of Receipts & Disbursements
For the Period June 28, 2005 to March 31, 2007**

Receipts

Cash and Short Term Investments on Hand	\$ 23,363,012
Contract Back Office Services	307,610
Dividends-Portfolio	654,358
Income Tax Refund	99,507
Insurance Premium Refund	6,294
Insurance Claim	14,368
Interest-Portfolio	890,409
Interest-Short Term Investments	1,802,032
Investment Principal Repayments	354,616
Management Fees	574,632
Proceeds on Disposal of Investments	35,676,067
Rent/Sub-Lease	320,550
Sundry	48,731
Pre-Receivership Accounts Receivable	567,255

Total Receipts

64,679,442

Disbursements

Advances to Investees	\$ 235,000
Capital Tax	139,944
Computer, Telephone, and Office Expense	313,125
Consulting Fees	108,580
Insurance - Indemnification	100,000
Investee Guarantee and Indemnification	1,344,677
Investment Expenses	160,314
Legal Fees	1,019,459
Payroll & Benefits	1,344,740
Receiver and Manager Fees	2,125,895
Records Review	373,509
Rent	758,881
Shareholder Services	242,275
Pre-Receivership Payables and Accruals	847,297

Total Disbursements

9,113,694

Excess Receipts over Disbursements

\$ 55,565,748

Represented by:

Short Term Investments and Bonds	\$ 55,165,748
Sequestered Funds	400,000

\$ 55,565,748