

Estate #: 25-2172984

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**BANKRUPTCY AND INSOLVENCY ACT**  
**IN THE MATTER OF THE PROPOSAL OF**  
**MICROPLANET TECHNOLOGY CORP.**  
**OF THE CITY OF CALGARY**  
**IN THE PROVINCE OF ALBERTA**

**Notice of Amended Proposal and Reconvened Meeting to Creditors**

**Take notice that:**

As you are aware, the general meeting of creditors (the “General Meeting”) to vote on the Proposal filed on October 3, 2016 pursuant to Part III of the *Bankruptcy and Insolvency Act* (Canada) (the “BIA”) (the “Original Proposal”) of MicroPlanet Technology Corp. (“MTC” or the “Company”) was held on October 21, 2016 at 10:00 a.m. (Calgary time) at the offices of the Proposal Trustee located at 850 - 2 Street SW, Suite 700, Calgary, Alberta (the “Proposal Trustee’s Office”).

At the General Meeting, a motion was made and a resolution passed adjourning the General Meeting pursuant to section 52 of the BIA to enable a further appraisal and investigation of the affairs and property of the Company.

On November 21, 2016, an amended Proposal (the “Amended Proposal”) was filed with the Office of the Superintendent of Bankruptcy. The reconvened general meeting of creditors (the “Reconvened General Meeting”) to vote on the Amended Proposal will be held on **December 2, 2016 at 10:00 a.m. (Calgary time)** at the Proposal Trustee’s Office, at the address noted above.

A signed copy of the Amended Proposal is enclosed to allow creditors to review all of the changes made to the Original Proposal, accompanied by a supplemental report of the Proposal Trustee. For information and comparative purposes only, appended is an unsigned marked-up document which sets out the changes from the Original Proposal to the Amended Proposal. Also enclosed are blank forms of the proof of claim and revised proxy and/or voting letter (the “Revised Proxy/Voting Letter”) and a Notice of Hearing of Application for Court Approval of Proposal on December 15, 2016 at 2:00 p.m. (the “Court Approval Notice”) which are also available online at: [www.insolvencies.deloitte.ca/en-ca/microplanettechnologycorp](http://www.insolvencies.deloitte.ca/en-ca/microplanettechnologycorp).

The proof of claim and Revised Proxy/Voting letter intended to be used at the Reconvened General Meeting must be for the Amended Proposal lodged with the Proposal Trustee prior to the commencement of the Reconvened General Meeting and should be forwarded to:

Deloitte Restructuring Inc.  
Trustee of the Amended Proposal of MicroPlanet Technology Corp.  
700 Bankers Court, 850 - 2nd Street SW, Calgary, Alberta T2P 0R8  
Attention:  
Ms. Dana Gaspar (Telephone: +1(403)267-0660) or

Mr. Joe Sithole (Telephone: +1(587) 293-3203)  
Fax: +1(403) 718-3681  
Email: [dgaspar@deloitte.ca](mailto:dgaspar@deloitte.ca), [josithole@deloitte.ca](mailto:josithole@deloitte.ca) or [calgaryrestructuring@deloitte.ca](mailto:calgaryrestructuring@deloitte.ca)

For Creditors who have already submitted a proof of claim, the Trustee will use your existing proof of claim form; however, a **Revised Proxy/Voting Letter** form is required.

To be eligible to vote in the Reconvened General Meeting, creditors must file a proof of claim form with the Proposal Trustee prior to the commencement of the Reconvened General Meeting. Creditors who are unable to attend in person and who are entitled to vote on the Amended Proposal may wish to designate another party to attend the Reconvened General Meeting and vote on their behalf. Those Creditors are required to date, sign and return the proxy using the **Revised Proxy/Voting Letter** form to the Proposal Trustee prior to the commencement of the Reconvened General Meeting.

Creditors who have filed a proof of claim form and who do not intend to attend the Reconvened General Meeting in person or by proxy may have their vote recorded by the Proposal Trustee by completing and returning the enclosed voting letter using the **Revised Proxy/Voting Letter** form to the Proposal Trustee prior to the commencement of the Reconvened General Meeting.

If the Amended Proposal is accepted by the requisite number of creditors, an application will be made by the Trustee to the Court of Queen's Bench of Alberta for approval of the Amended Proposal as outlined in the enclosed Court Approval Notice. The Proposal Sponsor advises that it is seeking to advance funds prior to December 31, 2016, and accordingly, a Court date for a hearing for approval of the Amended Proposal has been set for December 15, 2016. If the Amended Proposal is not accepted by the requisite number of creditors or is not approved by the Court, then the Company will be deemed to have made an assignment in bankruptcy. If the Company is deemed bankrupt, then the Court date for approval of the Amended Proposal will be withdrawn.

Should you require any further information regarding these proceedings, please contact Ms. Dana Gaspar of the Proposal Trustee at (403) 267-0660 or [dgaspar@deloitte.ca](mailto:dgaspar@deloitte.ca), or Mr. Joseph Sithole at (587) 293-3203 or [josithole@deloitte.ca](mailto:josithole@deloitte.ca).

Dated at Calgary, this 21<sup>st</sup> day of November, 2016.

**DELOITTE RESTRUCTURING INC.,**  
In its capacity as Trustee under the Amended  
Proposal of MicroPlanet Technology Corp.,  
and not in its personal capacity



Per:  
Jeff Keeble, CPA, CA, CIRP, LIT, CBV  
Senior Vice-President

**BANKRUPTCY AND INSOLVENCY ACT**

**IN THE MATTER OF THE AMENDED PROPOSAL OF  
MICROPLANET TECHNOLOGY CORP.  
OF THE CITY OF CALGARY  
IN THE PROVINCE OF ALBERTA**

**Trustee's Supplemental Report to Creditors**

The purpose of this report of the Trustee (the "Trustee's Supplemental Report") is to provide additional information to the creditors of the Company, as defined below, since the Report of the Trustee on Proposal dated October 4, 2016 (the "Trustee's Report on Proposal") with respect to the proposal filed on October 3, 2016 pursuant to Part III of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") (the "Original Proposal") by MicroPlanet Technology Corp. ("MTC" or the "Company"). The Company has now filed an amended Proposal on November 21, 2016 with the Office of the Superintendent of Bankruptcy (the "Amended Proposal"), details of which are also outlined herein.

**A) Financial position and causes of difficulties**

Refer to the Trustee's Report on Proposal.

**B) Identification and valuation of assets**

As set out in the Trustee's Report on Proposal, MTC has no ongoing operations and its only asset (the "MTC Asset") consisted of shares in MicroPlanet Inc. ("MI"), a wholly-owned subsidiary based in Washington, United States. A description of the Company's shares of MI, including estimated realizable values in a liquidation scenario, were included in the Trustee's Report on Proposal. The Company advised that there has not been a material change in MI's financial position since the date of the Original Proposal.

**C) Adjournment of General Meeting of Creditors**

The general meeting of creditors (the "General Meeting") to vote on the Original Proposal was held on October 21, 2016 at 10:00 a.m. (Calgary time) at the offices of the Proposal Trustee located at 850 - 2 Street SW, Suite 700, Calgary, Alberta (the "Proposal Trustee's Office").

At the General Meeting, the Trustee advised that the Company intended to make amendments to the Original Proposal. The Trustee also discussed comments and questions raised by Dentons LLP ("Dentons"), legal counsel to Mr. Brett Ironside, a creditor, and indicated it would further investigate. The Company's legal counsel and Dentons also indicated they would correspond further in this regard.

A motion was made and a resolution passed adjourning the General Meeting pursuant to section 52 of the BIA to enable further investigate further appraisal and investigation of the affairs and property of the Company. The reconvened general meeting of creditors (the "Reconvened General Meeting") to consider and vote on the Amended Proposal will be held on December 2, 2016 at 10:00 a.m. (Calgary time) at the Proposal Trustee's Office.

**D) Filing of Amended Proposal and Changes Made to the Original Proposal**

The Amended Proposal includes revisions to certain definitions and terms within the Original Proposal. It is important that Creditors read the Amended Proposal, including but not limited to the following more significant revisions (all capitalized terms not defined below shall have the meaning given to them in the Amended Proposal):

- Section 1.1(h) – Revised definition of "Court Approval Order", which now indicates that the Court Approval Order will include a provision approving the transfer of the MTC Asset to the Proposal Sponsor.
- Section 1.1(q) – Revised definition of "Distribution Fund", which now includes a maximum of \$330,000, which the Company estimates to be equivalent to 10% of the Principal Amount of estimated Unsecured Claims against the Company, to fund distributions to creditors with Proven Unsecured Claims. This definition was also clarified to include the sum of Crown Claims, Proven Preferred Claims and Administrative Fees and Expenses, which are in addition to \$330,000. The definition now includes an amount sufficient to pay Secured Creditors, as defined in the Amended Proposal, but the Company advises that it does not anticipate there will be any Secured Claims.
  - The \$330,000 equates to the Company's estimate of the Principal Amount of claims outstanding, before interest, financing charges, fees, etc. The Original Proposal did not include a maximum limit but the Company advised that its intent was always to pay 10% of the Principal Amount of claims filed.
- Section 1.1(s) – Added definition of "Event of Default" which was inadvertently omitted in the Original Proposal.
- Section 1.1(ff) – Added definition of "Principal Amount", which excludes "*...any and all interest, financing charges, fees, costs, or any other amount whatsoever included in the total amount, of each Unsecured Claim*".
  - The Original Proposal did not specifically exclude the payment of interest or other amounts.
- Section 3.2 – Extension of time to remit payment of the Distribution Fund to the Proposal Trustee to within 10 business days of the approval of the Amended Proposal by the requisite majority of creditors and the Court Approval Order being granted.

- The Original Proposal had the Distribution Fund being paid in advance of the Effective Date. This revision is meant to provide more time for the Proposal Sponsor to remit payment of the Distribution Fund.
- Section 3.3 – Extension of time for the Proposal Trustee to make distributions to creditors to within 60 business days of the Effective Date or such later date as is reasonably practicable.
  - The Original Proposal included a provision for the distributions to creditors to be within 10 business days of the Effective Date. This was revised to allow for creditors to file claims after the Reconvened General Meeting.
- Section 3.3(a) – Indicates that the Administrative Fees and Expenses will be paid firstly out of the Distribution Fund.
  - The Original Proposal included the same term except it was included separately in Section 3.5 that has now been removed.
- Section 3.3(e)(i) and (ii) – Contemplates reduced recovery of less than 10% of the Principal Amount of Proven Unsecured Claims in the event that 10% of the aggregate of the Principal Amount of those claims exceeds \$330,000. In the event that 10% of the aggregate of the Principal Amount of those claims is less than \$330,000, then the Trustee shall pay the remaining amount of the Distribution Fund to the Proposal Sponsor.
  - The Original Proposal was based on a flat 10% distribution but the Company and Proposal Sponsor are seeking certainty on the amount of funds to be paid out.
- Section 7.4 – Addition of provision that Sections 95 to 101 of the BIA and related provincial legislation do not apply.
  - The Original Proposal did not include this provision that was added to ensure the transactions contemplated under the Amended Proposal are not challenged if the creditors accept the Amended Proposal.

**E) Independent Legal Opinion for EVI's Security as Against MicroPlanet, Inc.**

The Trustee obtained a security opinion from the Seattle, Washington office of Davis Wright Tremaine LLP (“DWT”) with respect to the security held by Emerald Ventures Inc. (“EVI” or the “Proposal Sponsor”) with respect to the collateral of MI. DWT advises that, subject to the assumptions and qualifications as set out in their opinion letter, EVI’s loan documents create, as security for the obligations that are stated in those loan documents to be so secured, a perfected security interest in the collateral. DWT also advises that a Washington Uniform Commercial Code (“UCC”) search report reflects no creditor other than EVI had filed a UCC financing statement with the Department of Licensing of the State of Washington.

**F) Creditors' claims**

The creditor claims filed with the Trustee to November 21, 2016 are as follows:

<b>Creditor Classification</b>	<b>Amount per Company's Statement of Affairs</b>	<b>Per Proofs of Claim filed to November 21, 2016, subject to Trustee Review</b>
Unsecured Creditors	\$2,960,760	\$2,352,930
Secured Creditors	\$1	\$425,000
Preferred Creditors	-	-
Contingent Creditors	\$350,000	\$411,229
<b>Total</b>	<b>\$3,310,761</b>	<b>\$3,189,159</b>

While Canada Revenue Agency has not submitted a claim as at November 21, 2016, the Trustee understands from the Company that there are unpaid payroll source deductions from prior years totalling approximately \$4,000.

As discussed later in this report, included in the unsecured creditor amount is a claim by Wayne Smith, the Chief Executive Officer and shareholder of EVI, in the amount of \$50,000.

**G) Relationship of Proposal Sponsor**

As set out above, EVI is the MTC Proposal Sponsor and is a secured creditor of MI.

We understand from Wolfgang Struss that he is the Chief Executive Officer and a shareholder of MTC, and also acts as President of MI. Mr Struss advises that he has no employment or investment relationship with EVI.

We understand from the Company that Wayne Smith is the Chief Executive Officer and a shareholder of EVI. The Company has advised that Mr. Smith has assisted MI with operational issues since October 2015, but has not received compensation in this regard. As noted above, Mr. Smith has also filed a claim in the amount of \$50,000.

**H) Post-proposal debts**

According to MTC, the Company has not incurred any post-proposal trade debts, other than outstanding professional fees in connection with MTC's proposal proceeding.

**I) Operations and Financial Position**

As at November 21, 2016, MTC informed the Trustee that MTC's operations remain inactive and that there has not been any material change in MTC's financial position since the date of the filing of the Original Proposal.

**J) Trustee's Recommendation**

The Trustee recommends the acceptance of the Amended Proposal as it is the Trustee's view that creditors will receive a more timely and greater distribution under this Amended Proposal than they would experience in a bankruptcy scenario.

Dated at Calgary, this 21<sup>st</sup> day of November, 2016.

**DELOITTE RESTRUCTURING INC.,**  
In its capacity as Trustee under the Amended  
Proposal of MicroPlanet Technology Corp.,  
and not in its personal capacity



Per:  
Jeff Keeble, CPA, CA, CIRP, LIT, CBV  
Senior Vice-President

CLERK'S STAMP

COURT FILE NUMBER 25 – 2172984

ESTATE NUMBER 25 – 2172984

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

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE PROPOSAL OF  
MICROPLANET TECHNOLOGY CORPORATION

DOCUMENT **AMENDED PROPOSAL**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT **BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855- 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 4K7

Attention: Alexis Teasdale  
Telephone No.: 403-298-3067  
Fax No.: 403-265-7219  
Client File No.: 55088.16

MICROPLANET TECHNOLOGY CORPORATION ("MTC") hereby submits the following Proposal under Part III, Division I of the *Bankruptcy and Insolvency Act*.

**ARTICLE I**  
**Definitions and Interpretation**

- 1.1 In this Proposal, capitalized terms have the following meanings:
- (a) "**2009 Notes**" means the First 2009 Tranche Notes, the Second 2009 Tranche Notes and the Third 2009 Tranche Notes;
  - (b) "**2009 Noteholders**" means the holders of the 2009 Notes listed in Schedule "A" hereto;
  - (c) "**Act**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended from time to time;
  - (d) "**Administrative Fees and Expenses**" means the fees and expenses of the Trustee, as well as the legal fees and disbursements of MTC and of the Trustee,

on or incidental to this Proposal and the proceedings arising out of this Proposal, including advice to MTC;

- (e) "**Affected Claims**" means Preferred Claims, Secured Claims, and Unsecured Claims and, for certainty, excludes Unaffected Claims;
- (f) "**Affected Creditors**" means Creditors holding Affected Claims, solely in respect of those Affected Claims;
- (g) "**Claim**" means any right or claim of any person against MTC, in connection with or relating to any indebtedness, liability, action, cause of action, suit, debt due, trust obligations, account, bond, covenant, contract, counterclaim, demand, claim, right and obligation of any nature whatsoever, whether liquidated, un-liquidated, fixed, contingent, matured, legal, equitable, secured, present, future, known or unknown, and whether by guarantee, surety or otherwise in any way, and whether in whole or in part, incurred or arising or relating to the period prior to or existing on the date of this Proposal with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts, events or matters which existed or occurred on or before the date of this Proposal, and includes claims against MI related to the MI Guarantee and the MI General Security Agreement;
- (h) "**Court Approval Order**" means the order of the Court approving this Proposal pursuant to sections 58 and 59 of the Act, such order being unaffected by any appeal (including, without limitation, not being subject to any unexpired appeal period), or application to vary or set aside such order, which such order shall include, among other things, a provision approving the transfer of the MTC Asset to the Proposal Sponsor and vesting all of MTC's right, title and interest in and to the MTC Asset, to the Proposal Sponsor, free and clear of all Claims;
- (i) "**Court**" means the Court of Queen's Bench of Alberta in Bankruptcy and Insolvency, in Court of Queen's Bench Action No. 25 – 2172984;
- (j) "**CRA**" means the Canada Revenue Agency;
- (k) "**Creditor**" means any Person having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager, or other Person acting on behalf of or in the name of such Person;
- (l) "**Creditors' Meeting**" means the meeting of Creditors held pursuant to sections 51 and 54 of the Act to consider and vote on the Proposal;
- (m) "**Crown**" means Her Majesty in right of Canada or a Province thereof;
- (n) "**Crown Claims**" means Claims of Her Majesty in Right of Canada or any Province of Canada of the kind contemplated in s. 60(1.1) of the Act;
- (o) "**Director Claims**" means claims against directors of MTC that are based in whole or in part on facts, events or matters which existed or occurred on or before

the date of this Proposal and that relate to the obligations of MTC for which the directors are by law liable in their capacity as directors for the payment of such obligations;

- (p) "**Distribution**" means any payment to Affected Creditors pursuant to Section 3.3 of this Proposal;
- (q) "**Distribution Fund**" means the funds payable by the Proposal Sponsor pursuant to Section 3.3 of this Proposal, to a maximum amount of:
  - (i) the sum of all Crown Claims, Proven Preferred Claims, and an amount sufficient to pay in full on the Implementation Date, all Administrative Fees and Expenses; plus
  - (ii) an amount sufficient to pay in full on the Implementation Date, Secured Creditors holding Proven Secured Claims, if any; plus
  - (iii) \$330,000, for distribution to Unsecured Creditors holding Proven Unsecured Claims;

which shall be paid by the Proposal Sponsor to the Trustee in accordance with Section 3.2 of this Proposal;

- (r) "**Effective Date**" means the date on which all conditions contained in Article 4 hereof have been satisfied or, as applicable, waived by MTC and the Proposal Sponsor;
- (s) "**Event of Default**" means the failure to pay the amount of the Distribution Fund to be paid in accordance with the terms of this Proposal and/or statutory defaults under the BIA;
- (t) "**Filing Date**" means October 3, 2016, the date on which MTC filed this Proposal with the Official Receiver in Calgary, Alberta;
- (u) "**First 2009 Tranche Notes**" means the 12% secured convertible notes of MTC issued June 17, 2009 and due June 17, 2011;
- (v) "**Implementation Date**" means the date on which all payments to Affected Creditors have been made and the Trustee has delivered a certificate evidencing full performance of this Proposal for the purposes of Section 65.3 of the Act, provided that no Event of Default has occurred under this Proposal that has not been cured or waived;
- (w) "**ITA**" means the *Income Tax Act* (Canada);
- (x) "**Levy**" means the levy imposed by the Superintendent of Bankruptcy under the Act;

- (y) "**MI**" means Microplanet, Inc., a corporation organized under the laws of the State of Washington that is a wholly owned subsidiary of MTC;
- (z) "**MI General Security Agreement**" means the General Security Agreement dated October 14, 2009, given by MI to secure the MI Guarantee;
- (aa) "**MI Guarantee**" means the Guarantee dated October 14, 2009, given by MI in favour of the 2009 Noteholders;
- (bb) "**MTC Asset**" means the sole asset comprising the assets, undertaking and property of MTC, being all of the issued and outstanding common shares of MI;
- (cc) "**Person**" means any individual, partnership, limited partnership, joint venture, trust, body corporate, unincorporated organization, committee, board, government or agency or instrumentality thereof, and any other entity howsoever designated or constituted, and includes the Crown;
- (dd) "**Preferred Claim**" means that portion of any Claim that is afforded priority under section 136 of the Act;
- (ee) "**Preferred Creditor**" means a Creditor holding a Preferred Claim, solely in respect of that Preferred Claim;
- (ff) "**Principal Amount**" means the principal amount, excluding any and all interest, financing charges, fees, costs, or any other amount whatsoever included in the total amount, of each Claim;
- (gg) "**Proposal**" means this Proposal, as amended or altered from time to time;
- (hh) "**Proposal Period**" means the period of time between the Filing Date and the Implementation Date;
- (ii) "**Proposal Sponsor**" means Emerald Ventures, Inc., a corporation organized under the laws of the State of Washington;
- (jj) "**Proven**" as used in relation to any Claim means such Claim as finally accepted or determined in accordance with the provisions of the Act and this Proposal;
- (kk) "**Proxy**" means a completed and executed form of proxy in the form prescribed by the Act, by means of which a Creditor appoints a proxyholder to attend and act on the Creditor's behalf at the Creditors' Meeting;
- (ll) "**Released Parties**" means those Persons released under this Proposal including, without limitation, under Sections 7.1 and 7.2 hereof;
- (mm) "**Second 2009 Tranche Notes**" means the 12% secured convertible notes of MTC issued June 30, 2009 and due June 30, 2011;

- (nn) "**Secured Claim**" means a Claim in respect of which a Creditor holds Security that is validly attached as of the date of this Proposal, provided however such Claims shall be Secured Claims only to the extent of the realizable value of the assets secured by the Security, as such realizable value is determined (i) by the Trustee, or (ii) by the Court;
- (oo) "**Secured Creditor**" means a Creditor holding a Secured Claim, solely in respect of its Secured Claim;
- (pp) "**Security**" means a mortgage, hypothec, pledge, charge, lien, privilege, encumbrance or security interest on or against the property of MTC or any part thereof as security for a debt due or accruing due to a Creditor by MTC, whether by way of direct indebtedness or by way of guarantee, indemnity, surety or otherwise;
- (qq) "**Third 2009 Tranche Notes**" means the 12% secured convertible notes of MTC issued October 14, 2009 and due October 14, 2011;
- (rr) "**Trustee**" means Deloitte Restructuring Inc., a licensed trustee in bankruptcy who has consented to act as, and is hereby designated as, the trustee acting under this Proposal;
- (ss) "**Unaffected Claims**" means Administrative Fees and Expenses;
- (tt) "**Unsecured Claim**" means a Claim in respect of which a Creditor does not hold Security and is not afforded priority under section 136(1) of the Act, and includes, without limitation, Director Claims and that portion of any Secured Claim that exceeds the realizable value of the assets secured by the Security;
- (uu) "**Unsecured Creditor**" means those Creditors holding Unsecured Claims, solely in respect of their Unsecured Claims;
- (vv) "**Voting Letter**" shall mean the voting letter required by subsection 51(1) of the Act to be mailed to each known Affected Creditor prior to the Creditors' Meeting.

1.2 In this Proposal, unless expressly indicated to the contrary:

- (a) terms not otherwise defined shall have the meaning ascribed to them in the Act;
- (b) all references to dollars, money, cash, currency or "\$" shall be in Canadian dollars;
- (c) words importing the singular number only shall include the plural number and vice versa;
- (d) headings are for ease of reference only and shall not affect the meaning or the interpretation of this Proposal; and
- (e) time shall be of the essence.

WS.

**ARTICLE II**  
**Purposes and Effect of the Proposal**

2.1 The purposes of this Proposal are:

- (a) to allow MTC to wind-up its business;
- (b) to extinguish all liability of MI under the MI Guarantee and the related MI General Security Agreement;
- (c) to ensure MTC's subsidiary, MI, can continue to operate in the ordinary course of business, allowing it to secure additional funding, and thereby potentially realize on the value of a number of ongoing contracts;
- (d) in consideration for the Proposal Sponsor providing the Distribution Fund, transferring the MTC Asset to the Proposal Sponsor, free and clear of all Claims;
- (e) to increase the return to MTC's Creditors compared to what they would receive in a bankruptcy of MTC through the potential opportunity to share in the Distribution Fund to be distributed among Affected Creditors; and
- (f) to avoid the liquidation of MI and the loss of value to the MTC Asset associated therewith;

all on the terms and conditions of the Proposal set out herein.

2.2 This Proposal restructures the affairs of MTC and amends the terms of any and all agreements between MTC and Creditors existing as at the date of this Proposal to the extent affected by the Proposal, and provides the essential terms on which all Claims will be fully and finally resolved and settled. During the Proposal Period, the provisions of Section 69.1 of the Act shall be in effect. Without limiting the generality of the foregoing, during the Proposal Period, all Creditors will be stayed from commencing or continuing any proceeding or remedy against MTC or any of its property or assets in respect of a Claim, including, without limitation, any proceeding or remedy to recover payment of any monies owing to Creditors, to recover or enforce any judgment against MTC in respect of a Claim or to commence any formal proceedings against it in respect of a Claim other than as provided for under this Proposal.

2.3 This Proposal applies to and is binding on all Affected Creditors, whether or not any such Affected Creditor provides a Claim against MTC under this Proposal.

**ARTICLE III**  
**Treatment and Compromise of Claims**

3.1 There will be one (1) class of Creditors, namely Unsecured Creditors, for all purposes under the Proposal.

3.2 The Distribution Fund shall be paid by Proposal Sponsor to the Trustee within ten (10) business days of the conditions precedent set out in Sections 4.1(a) and 4.1(b) being met.

3.3 The Trustee shall make distributions out of the Distribution Fund within sixty (60) business days of the Effective Date or such later date as is reasonably practicable, in the following order of priority, in full and final satisfaction of all Proven Claims:

- (a) firstly, in an amount sufficient to pay in full on the Implementation Date, all Administrative Fees and Expenses;
- (b) secondly, Her Majesty in Right of Canada and Her Majesty in Right of Alberta will be paid in full by MTC, within 6 months after Court approval of this Proposal, of all amounts that were outstanding at the time of filing the notice of intention, and are of a kind that could be subject to demand under:
  - (i) subsection 224(1.2) of the *Income Tax Act*;
  - (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
  - (iii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum
    - (A) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
    - (B) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;
- (c) thirdly, to the Secured Creditors, if any, an amount sufficient to pay in full on the Implementation Date, Proven Secured Claims;
- (d) fourthly, to the Preferred Creditors, if any; and
- (e) fifthly, to all Unsecured Creditors, a cash distribution equal to 10% of the Principal Amount of each Proven Unsecured Claim, provided that:
  - (i) if 10% of the total Principal Amount of all Proven Unsecured Claims exceeds the total amount of the Distribution Fund, the Trustee shall distribute to all Unsecured Creditors a pro rata cash distribution of the funds remaining in the Distribution Fund after payment of the amounts set out in Sections 3.2(a), 3.2(b), 3.2(c) and 3.2(d); and

- (ii) if the amount of the Distribution Fund remaining after the Trustee has made the distributions contemplated in this Article III exceeds 10% of the total Principal Amount of all Proven Unsecured Claims, the Trustee shall pay the remaining amount of the Distribution Fund to the Proposal Sponsor.

3.4 The Levy shall be deducted by the Trustee from Distributions to Creditors with Proven Affected Claims by the Trustee and remitted in accordance with the requirements of the Act.

#### **ARTICLE IV** **Conditions Precedent to the Implementation of the Proposal**

4.1 The following are conditions precedent to the implementation of the Proposal:

- (a) the required majority of Creditors accepting this Proposal;
- (b) the Court Approval Order being granted, in a form satisfactory to MTC and the Proposal Sponsor, acting reasonably; and
- (c) the transfer of the MTC Asset to the Proposal Sponsor and the Distribution Fund being paid by the Proposal Sponsor to the Trustee in accordance with Section 3.2 of this Proposal.

#### **ARTICLE V** **Meeting of Creditors**

5.1 MTC shall hold the reconvened Creditors' Meeting for the Affected Creditors to consider and vote upon the Proposal, as amended, at such a date and time as may be called by the Trustee.

5.2 The Creditors' Meeting shall be confirmed in the notice of meeting to be mailed pursuant to the Act. All proofs of claims shall be delivered in accordance with the provisions of this Proposal, the Act and any order which may be issued by the Court in respect of the procedure governing the Creditors' Meeting.

5.3 Each Affected Creditor shall be entitled to vote to the extent of the amount which is equal to the Creditor's Proven Claim.

5.4 In order that the Proposal be binding on the Affected Creditors of MTC in accordance with the Act, it must first be accepted by the Affected Creditors by a majority in number of each class of Affected Creditors who actually vote upon the Proposal (in person or by Proxy) at the Creditors' Meeting or by a Voting Letter and representing two-thirds in value of the Proven Claims of each class of Affected Creditors who actually vote upon the Proposal (in person or by Proxy) at the Creditors' Meeting or by a Voting Letter.

5.5 At the reconvened Creditors' Meeting, the Affected Creditors may appoint one or more, but not more than five, inspectors under this Proposal, who will have no personal liability to MTC or to the Affected Creditors, and whose power shall be limited to:

- (a) the power to advise the Trustee in respect of such matters as may be referred to the inspectors by the Trustee;
- (b) the power to advise the Trustee concerning any dispute that may arise to the validity or quantum of claims of Affected Creditors under this Proposal, where the Trustee requests such assistance;
- (c) the power to approve on behalf of the Affected Creditors of MTC any decision of the Trustee relating to any matter not contained in this Proposal which the Trustee may refer to them from time to time, including any extension of time of payment required under this Proposal; and
- (d) the power to waive any default in the performance of this Proposal. The Trustee shall notify the Inspectors of any default of which the Trustee becomes aware and the Trustee shall hold a meeting of Inspectors following such notice for the purpose of obtaining the instructions of the Inspectors with respect to such a default and the steps to be taken.

5.6 Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, revoke or vary the decision, direction or act of the Inspectors and make such other order as it thinks just.

## **ARTICLE VI** **The Trustee**

6.1 The Trustee is acting in its capacity as Trustee and not in its personal capacity and no officer, director, employee or agent of the Trustee shall incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of MTC whether existing as at the date of this Proposal or incurred subsequent thereto.

6.2 Upon making the distributions contemplated in Article III, the Proposal shall be fully performed and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of MTC and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.

## **ARTICLE VII** **Miscellaneous**

7.1 The Distribution of the Distribution Fund by the Trustee as set forth herein, shall operate as payment in full and final satisfaction of all Claims and all Director Claims, and each Creditor receiving payment hereunder will be deemed to have forever released MTC and its directors, employees and agents of any and all debts, liabilities, suits, claims, and causes of action that it has, had, or may have for any matter, cause or anything existing as of the date of the Proposal.

7.2 The Distribution of the Distribution Fund by the Trustee as set forth herein, shall operate as payment in full and final satisfaction of the MI Guarantee and the MI General Security Agreement and each Creditor with a Claim in respect of or arising from the MI Guarantee and

the MI General Security Agreement receiving payment hereunder will be deemed to have forever released MI and its officers, directors, employees and agents of and from any and all debts, liabilities, suits, claims and causes of action that it has, had, or may have for any matter, cause or anything existing as of the date of the Proposal and related to or arising from the MI Guarantee and the MI General Security Agreement.

7.3 On the Effective Date, all Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. For greater certainty, each such Secured or Unsecured Creditor will be deemed to have waived any default by MTC in any provision, express or implied, in any agreement existing between the Creditor and MTC that has occurred on or prior to the Filing Date, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of the Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly. The provisions of this paragraph apply *mutatis mutandis* to the MI Guarantee and the MI General Security Agreement.

7.4 Sections 95 to 101 of the Act and any other laws relating to preferences, fraudulent conveyances or transfers at undervalue shall not apply to this Proposal or to any payment or distributions made in connection with the Proposal whether made before or after the Filing Date, including to any transactions contemplated by or implemented pursuant to, the Proposal, or to which the Proposal is conditional or dependent upon.

7.5 MTC covenants and agrees that during the course of the Proposal, it will remit to the CRA all amounts associated with payroll deductions (income tax deductions, Canada Pension Plan contributions and Employment Insurance premiums) if applicable and will file income tax returns and pay income taxes as required by the ITA.

7.6 This Proposal may be amended by MTC prior to or at the Creditors' Meeting.

Dated at the City of POULSBORO in the State of Washington this 21<sup>st</sup> day of November, 2016.

**MICROPLANET TECHNOLOGY  
CORPORATION**

Per: Wolfgang Struss  
Wolfgang Struss  
President and CEO

## SCHEDULE "A"

### First 2009 Tranche Notes

1. Calafate Holdings Ltd.
2. Kim K. McConnell
3. Investor Co. in trust for Elizabeth McPhee, Account No. 7Z28015
4. Elizabeth McPhee
5. Exuma Beach Ltd.
6. Gary Tanner
7. Cole Harris
8. Olympia Trust Co. in trust for Toni Ironside LIRA #27288
9. The Brett Ironside Family Trust
10. Eric Tremblay
11. Olympia Trust Co. RRSP 17997 in trust for Brett Ironside

### Second 2009 Tranche Notes

12. RBC Dexia Investor Services Trust ITF IA Clarington Tactical Income Fund, Acct. No. 30-4700/2.1
13. Dundee Securities ITF Marilyn Farmer Acct. No. 12P199NN
14. Michelle Ranks
15. Martin Lambert
16. Ghost River Investments Ltd.
17. Jack Gillespie
18. Eamon Hurley
19. Jacqueline Christina Stahl

### Third 2009 Tranche Notes

20. Mark Shilling
21. Canaccord Capital Corp. ITF Jennifer Ironside A/C 658-3565-9
22. Jason Cottle RBC Direct Investing A/C 686-99337-28
23. Myron Tetreault
24. Robert Savin
25. RBC Dominion Securities ITF Patrick Floreani
26. Jack Gillespie

CLERK'S STAMP

COURT FILE NUMBER 25 – [2172984](#)

ESTATE NUMBER 25 – [2172984](#)

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

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE PROPOSAL OF  
MICROPLANET TECHNOLOGY CORPORATION

DOCUMENT [AMENDED PROPOSAL](#)

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT **BENNETT JONES LLP**  
Barristers and Solicitors  
4500, ~~85-5855~~- 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 4K7

Attention: Alexis Teasdale

Telephone No.: 403-298-3067

Fax No.: 403-265-7219

Client File No.: 55088.16

MICROPLANET TECHNOLOGY CORPORATION ("MTC") hereby submits the following Proposal under Part III, Division I of the *Bankruptcy and Insolvency Act*.

**ARTICLE I**  
**Definitions and Interpretation**

- 1.1 In this Proposal, capitalized terms have the following meanings:
- (a) "**2009 Notes**" means the First 2009 Tranche Notes, the Second 2009 Tranche Notes and the Third 2009 Tranche Notes;
  - (b) "**2009 Noteholders**" means the holders of the 2009 Notes listed in Schedule "A" hereto;
  - (c) "**Act**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended from time to time;

- (d) "**Administrative Fees and Expenses**" means the fees and expenses of the Trustee, as well as the legal fees and disbursements of MTC and of the Trustee, on or incidental to this Proposal and the proceedings arising out of this Proposal, including advice to MTC;
- (e) "**Affected Claims**" means Preferred Claims, Secured Claims, and Unsecured Claims and, for certainty, excludes Unaffected Claims;
- (f) "**Affected Creditors**" means Creditors holding Affected Claims, solely in respect of those Affected Claims;
- (g) "**Claim**" means any right or claim of any person against MTC, in connection with or relating to any indebtedness, liability, action, cause of action, suit, debt due, trust obligations, account, bond, covenant, contract, counterclaim, demand, claim, right and obligation of any nature whatsoever, whether liquidated, un-liquidated, fixed, contingent, matured, legal, equitable, secured, present, future, known or unknown, and whether by guarantee, surety or otherwise in any way, and whether in whole or in part, incurred or arising or relating to the period prior to or existing on the date of this Proposal with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts, events or matters which existed or occurred on or before the date of this Proposal, and includes claims against MI related to the MI Guarantee and the MI General Security Agreement;
- (h) "**Court Approval Order**" means the order of the Court approving this Proposal pursuant to sections 58 and 59 of the Act, such order being unaffected by any appeal (including, without limitation, not being subject to any unexpired appeal period), or application to vary or set aside such order, which such order shall include, among other things, a provision approving the transfer of the MTC Asset to the Proposal Sponsor and vesting all of MTC's right, title and interest in and to ~~its assets~~ the MTC Asset, to the Proposal Sponsor, free and clear of all Claims;
- (i) "**Court**" means the Court of Queen's Bench of Alberta in Bankruptcy and Insolvency, in Court of Queen's Bench Action No. 25 – 2172984;
- (j) "**CRA**" means the Canada Revenue Agency;
- (k) "**Creditor**" means any Person having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager, or other Person acting on behalf of or in the name of such Person;
- (l) "**Creditors' Meeting**" means the meeting of Creditors held pursuant to sections 51 and 54 of the Act to consider and vote on the Proposal;
- (m) "**Crown**" means Her Majesty in right of Canada or a ~~p~~Province thereof;

- (n) "**Crown Claims**" means ~~e~~Claims of Her Majesty in Right of Canada or any Province of Canada of the kind contemplated in s. 60(1.1) of the Act;
- (o) "**Director Claims**" means claims against directors of MTC that are based in whole or in part on facts, events or matters which existed or occurred on or before the date of this Proposal and that relate to the obligations of MTC for which the directors are by law liable in their capacity as directors for the payment of such obligations;
- (p) "**Distribution**" means any payment to Affected Creditors pursuant to Section 3.3 of this Proposal;
- (q) "**Distribution Fund**" means ~~a sum equal to 10% of each Proven Unsecured Claim plus the funds payable by the Proposal Sponsor pursuant to Section 3.3 of this Proposal, to a maximum amount of:~~
- (i) the sum of all Crown Claims ~~and~~, Proven Preferred Claims, and an amount sufficient to pay in full on the Implementation Date, all Administrative Fees and Expenses; plus
  - (ii) an amount sufficient to pay in full on the Implementation Date, Secured Creditors holding Proven Secured Claims, if any; plus
  - (iii) \$330,000, for distribution to Unsecured Creditors holding Proven Unsecured Claims;

which shall be paid by the Proposal Sponsor to the Trustee in accordance with Section 3.2 of this Proposal;

- (r) "**Effective Date**" means the date on which all conditions contained in Article 4 hereof have been satisfied or, as applicable, waived by MTC and the Proposal Sponsor;
- (s) "Event of Default" means the failure to pay the amount of the Distribution Fund to be paid in accordance with the terms of this Proposal and/or statutory defaults under the BIA;
- (t) ~~(s)~~ "**Filing Date**" means October 3, 2016, the date on which MTC filed this Proposal with the Official Receiver in Calgary, Alberta;
- (u) ~~(t)~~ "**First 2009 Tranche Notes**" means the 12% secured convertible notes of MTC issued June 17, 2009 and due June 17, 2011;
- (v) ~~(u)~~ "**Implementation Date**" means the date on which all payments to Affected Creditors have been made and the Trustee has delivered a certificate evidencing full performance of this Proposal for the purposes of Section 65.3 of the Act, provided that no Event of Default has occurred under this Proposal that has not been cured or waived;

- (w) ~~(v)~~ "ITA" means the *Income Tax Act* (Canada);
- (x) ~~(w)~~ "Levy" means the levy imposed by the Superintendent of Bankruptcy under the Act;
- (y) ~~(x)~~ "MI" means Microplanet, Inc., a corporation organized under the laws of the State of Washington that is a wholly owned subsidiary of MTC;
- (z) ~~(y)~~ "MI General Security Agreement" means the General Security Agreement dated October 14, 2009, given by MI to secure the MI Guarantee;
- (aa) ~~(z)~~ "MI Guarantee" means the Guarantee dated October 14, 2009, given by MI in favour of the 2009 Noteholders;
- (bb) ~~(aa)~~ "MTC Asset" means the sole asset comprising the assets, undertaking and property of MTC, being all of the issued and outstanding common shares of MI;
- (cc) ~~(bb)~~ "Person" means any individual, partnership, limited partnership, joint venture, trust, body corporate, unincorporated organization, committee, board, government or agency or instrumentality thereof, and any other entity howsoever designated or constituted, and includes the Crown;
- ~~(cc) "Pre-Filing Crown Claim" means the amount of any Crown Claim outstanding at the time this Proposal is filed;~~
- (dd) "Preferred Claim" means that portion of any Claim that is afforded priority under section 136 of the Act;
- (ee) "Preferred Creditor" means a Creditor holding a Preferred Claim, solely in respect of that Preferred Claim;
- (ff) "Principal Amount" means the principal amount, excluding any and all interest, financing charges, fees, costs, or any other amount whatsoever included in the total amount, of each Claim;
- (gg) ~~(ff)~~ "Proposal" means this Proposal, as amended or altered from time to time;
- (hh) ~~(gg)~~ "Proposal Period" means the period of time between the Filing Date and the Implementation Date;
- (ii) ~~(hh)~~ "Proposal Sponsor" means Emerald Ventures, Inc., a corporation organized under the laws of the State of Washington;
- (jj) ~~(ii)~~ "Proven" as used in relation to any Claim means such Claim as finally accepted or determined in accordance with the provisions of the Act and this Proposal;

- (~~kk~~) (~~jj~~) **"Proxy"** means a completed and executed form of proxy in the form prescribed by the Act, by means of which a Creditor appoints a proxyholder to attend and act on the Creditor's behalf at the Creditors' Meeting;
- (~~ll~~) (~~kk~~) **"Released Parties"** means those Persons released under this Proposal including, without limitation, under Sections 7.1 and 7.2 hereof;
- (~~mm~~) (~~hh~~) **"Second 2009 Tranche Notes"** means the 12% secured convertible notes of MTC issued June 30, 2009 and due June 30, 2011;
- (~~nn~~) (~~mm~~) **"Secured Claim"** means a Claim in respect of which a Creditor holds Security that is validly attached as of the date of this Proposal, provided however such Claims shall be Secured Claims only to the extent of the realizable value of the assets secured by the Security, as such realizable value is determined (i) by the Trustee, or (ii) by the Court;
- (~~oo~~) (~~nn~~) **"Secured Creditor"** means a Creditor holding a Secured Claim, solely in respect of its Secured Claim;
- (~~pp~~) (~~oo~~) **"Security"** means a mortgage, hypothec, pledge, charge, lien, privilege, encumbrance or security interest on or against the property of MTC or any part thereof as security for a debt due or accruing due to a eCreditor by MTC, whether by way of direct indebtedness or by way of guarantee, indemnity, surety or otherwise;
- (~~qq~~) (~~pp~~) **"Third 2009 Tranche Notes"** means the 12% secured convertible notes of MTC issued October 14, 2009 and due October 14, 2011;
- (~~rr~~) (~~qq~~) **"Trustee"** means Deloitte Restructuring Inc., a licensed trustee in bankruptcy who has consented to act as, and is hereby designated as, the trustee acting under this Proposal;
- (~~ss~~) (~~rr~~) **"Unaffected Claims"** means Administrative Fees and Expenses;
- (~~tt~~) (~~ss~~) **"Unsecured Claim"** means a Claim in respect of which a Creditor does not hold Security and is not afforded priority under section 136(1) of the Act, and includes, without limitation, Director Claims and that portion of any Secured Claim that exceeds the realizable value of the assets secured by the Security;
- (~~uu~~) (~~tt~~) **"Unsecured Creditor"** means those Creditors holding Unsecured Claims, solely in respect of their Unsecured Claims;
- (~~vv~~) (~~uu~~) **"Voting Letter"** shall mean the voting letter required by subsection 51(1) of the Act to be mailed to each known Affected Creditor prior to the Creditors' Meeting.

1.2 In this Proposal, unless expressly indicated to the contrary:

- (a) terms not otherwise defined shall have the meaning ascribed to them in the Act;

- (b) all references to dollars, money, cash, currency or "\$" shall be in Canadian dollars;
- (c) words importing the singular number only shall include the plural number and vice versa;
- (d) headings are for ease of reference only and shall not affect the meaning or the interpretation of this Proposal; and
- (e) time shall be of the essence.

**ARTICLE II**  
**Purposes and Effect of the Proposal**

2.1 The purposes of this Proposal are:

- (a) to allow MTC to wind-up its business;
- (b) to extinguish all liability of MI under the MI Guarantee and the related MI General Security Agreement;
- (c) to ensure MTC's subsidiary, MI, can continue to operate in the ordinary course of business, allowing it to secure additional funding, and thereby potentially realize on the value of a number of ongoing contracts;
- (d) in consideration for the Proposal Sponsor providing the Distribution Fund, transferring the MTC Asset to the Proposal Sponsor, free and clear of all Claims;
- (e) to increase the return to MTC's Creditors compared to what they would receive in a bankruptcy of MTC through the potential opportunity to share in the Distribution Fund to be distributed among Affected Creditors; and
- (f) to avoid the liquidation of MI and the loss of value to the MTC Asset associated therewith;

all on the terms and conditions of the Proposal set out herein.

2.2 This Proposal restructures the affairs of MTC and amends the terms of any and all agreements between ~~the Debtor~~ **MTC** and Creditors existing as at the date of this Proposal to the extent affected by the Proposal, and provides the essential terms on which all Claims will be fully and finally resolved and settled. During the Proposal Period, the provisions of Section 69.1 of the Act shall be in effect. Without limiting the generality of the foregoing, during the Proposal Period, all Creditors will be stayed from commencing or continuing any proceeding or remedy against ~~the Debtor~~ **MTC** or any of its property or assets in respect of a Claim, including, without limitation, any proceeding or remedy to recover payment of any monies owing to Creditors, to recover or enforce any judgment against ~~the Debtor~~ **MTC** in respect of a Claim or to commence any formal proceedings against it in respect of a Claim other than as provided for under this Proposal.

2.3 This Proposal applies to and is binding on all Affected Creditors, whether or not any such Affected Creditor provides a Claim against MTC under this Proposal.

### **ARTICLE III** **Treatment and Compromise of Claims**

3.1 There will be one (1) class of Creditors, namely Unsecured Creditors, for all purposes under the Proposal.

3.2 The Distribution Fund shall be paid by Proposal Sponsor to the Trustee ~~in advance of the Effective Date.~~~~3.3 — The Distribution Fund shall be distributed by the Trustee,~~ within ten (10) business days of the ~~Effective Date~~ conditions precedent set out in Sections 4.1(a) and 4.1(b) being met.

3.3 The Trustee shall make distributions out of the Distribution Fund within sixty (60) business days of the Effective Date or such later date as is reasonably practicable, in the following order of priority, in full and final satisfaction of all Proven Claims:

(a) firstly, in an amount sufficient to pay in full on the Implementation Date, all Administrative Fees and Expenses;

(b) ~~(a)~~ secondly, Her Majesty in Right of Canada and Her Majesty in Right of Alberta will be paid in full by MTC, within 6 months after Court approval of this Proposal, of all amounts that were outstanding at the time of filing the notice of intention, and are of a kind that could be subject to demand under:

- (i) subsection 224(1.2) of the *Income Tax Act*;
- (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
- (iii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum
  - (A) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
  - (B) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;

- ~~(c)~~ ~~(b) thirdly,~~ to the Secured Creditors, if any, an amount sufficient to pay in full on the Implementation Date, Proven Secured Claims;
- ~~(d)~~ ~~(e) to the Preferred Creditors, if any;~~ fourthly, to the Preferred Creditors, if any;  
and
- ~~(d)~~ ~~in~~
- ~~(e)~~ fifthly, to all Unsecured Creditors, a cash distribution equal to 10% of the Principal Amount of each Proven Unsecured Claim, provided that:

  - ~~(i)~~ if 10% of the total Principal Amount of all Proven Unsecured Claims exceeds the total amount of the Distribution Fund, the Trustee shall distribute to all Unsecured Creditors a pro rata cash distribution of the funds remaining in the Distribution Fund after payment of ~~all Administrative Fees and Expenses, in full~~ the amounts set out in Sections 3.2(a), 3.2(b), 3.2(c) and 3.2(d); and
  - ~~(ii)~~ ~~(e) to all Unsecured Creditors, a cash payment equal to 10% of each Proven Unsecured Claim.~~ if the amount of the Distribution Fund remaining after the Trustee has made the distributions contemplated in this Article III exceeds 10% of the total Principal Amount of all Proven Unsecured Claims, the Trustee shall pay the remaining amount of the Distribution Fund to the Proposal Sponsor.

3.4 The Levy shall be deducted by the Trustee from Distributions to Creditors with Proven Affected Claims by the Trustee and remitted in accordance with the requirements of the Act.

~~3.5 All Administrative Fees and Expenses shall be paid by MTC from funds provided by the Proposal Sponsor, out of the Distribution Fund, as and when due in the ordinary course of business, in priority to all other Claims in accordance with the Act.~~

#### **ARTICLE IV**

##### **Conditions Precedent to the Implementation of the Proposal**

4.1 The following are conditions precedent to the implementation of the Proposal:

- (a) the required majority of Creditors accepting this Proposal; ~~and~~
- (b) the Court Approval Order being granted, in a form satisfactory to MTC and the Proposal Sponsor, acting reasonably; and
- ~~(c)~~ the transfer of the MTC Asset to the Proposal Sponsor and the Distribution Fund being paid by the Proposal Sponsor to the Trustee in accordance with Section 3.2 of this Proposal.

**ARTICLE V**  
**Meeting of Creditors**

5.1 ~~On October 21, 2016,~~MTC shall hold the reconvened Creditors' Meeting for the Affected Creditors to consider and vote upon the Proposal, as amended, at such a date and time as may be called by the Trustee.

5.2 The Creditors' Meeting shall be ~~held at a time and place to be established by the Official Receiver, or the nominee thereof and~~ confirmed in the notice of meeting to be mailed pursuant to the Act. All proofs of claims shall be delivered in accordance with the provisions of ~~the~~is Proposal, the Act and any order which may be issued by the Court in respect of the procedure governing the Creditors' Meeting.

5.3 Each Affected Creditor shall be entitled to vote to the extent of the amount which is equal to the Creditors's Proven Claim.

5.4 In order that the Proposal be binding on the Affected Creditors of MTC in accordance with the Act, it must first be accepted by the Affected Creditors by a majority in number of ~~the~~each class of Affected Creditors who actually vote upon the Proposal (in person or by Proxy) at the Creditors' Meeting or by a Voting Letter and representing two-thirds in value of the Proven Claims of ~~the~~each class of Affected Creditors who actually vote upon the Proposal (in person or by Proxy) at the Creditors' Meeting or by a Voting Letter.

5.5 At the reconvened Creditors' Meeting, the Affected Creditors may appoint one or more, but not more than five, inspectors under this Proposal, who will have no personal liability to MTC or to the Affected Creditors, and whose power shall be limited to:

- (a) the power to advise the Trustee in respect of such matters as may be referred to the inspectors by the Trustee;
- (b) the power to advise the Trustee concerning any dispute that may arise to the validity or quantum of claims of Affected Creditors under this Proposal, where the Trustee requests such assistance;
- (c) the power to approve on behalf of the Affected Creditors of MTC any decision of the Trustee relating to any matter not contained in this Proposal which the Trustee may refer to them from time to time, including any extension of time of payment required under this Proposal; and
- (d) the power to waive any default in the performance of this Proposal. The Trustee shall notify the Inspectors of any default of which the Trustee becomes aware and the Trustee shall hold a meeting of Inspectors following such notice for the purpose of obtaining the instructions of the Inspectors with respect to such a default and the steps to be taken.

5.6 Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, revoke or vary the decision, direction or act of the Inspectors and make such other order as it thinks just.

## **ARTICLE VI** **The Trustee**

6.1 The Trustee is acting in its capacity as Trustee and not in its personal capacity and no officer, director, employee or agent of the Trustee shall incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of MTC whether existing as at the date of this Proposal or incurred subsequent thereto.

6.2 Upon making the distributions contemplated in Article III, the Proposal shall be fully performed and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of MTC and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.

## **ARTICLE VII** **Miscellaneous**

7.1 The Distribution of the Distribution Fund by the Trustee as set forth herein, shall operate as payment in full and final satisfaction of all ~~Creditors'~~ Claims and all Director Claims, and each Creditor receiving payment hereunder will be deemed to have forever released MTC and its ~~officers~~, directors, employees and agents of any and all debts, liabilities, suits, claims and causes of action that it has, had, or may have for any matter, cause or anything existing as of the date of the Proposal.

7.2 The Distribution of the Distribution Fund by the Trustee as set forth herein, shall operate as payment in full and final satisfaction of the MI Guarantee and the MI General Security Agreement and each Creditor with a Claim in respect of or arising from the MI Guarantee and the MI General Security Agreement receiving payment hereunder will be deemed to have forever released MI and its officers, directors, employees and agents of and from any and all debts, liabilities, suits, claims and causes of action that it has, had, or may have for any matter, cause or anything existing as of the date of the Proposal and related to or arising from the MI Guarantee and the MI General Security Agreement.

7.3 On the Effective Date, all Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. For greater certainty, each such Secured or Unsecured Creditor will be deemed to have waived any default by MTC in any provision, express or implied, in any agreement existing between the Creditor and MTC that has occurred on or prior to the Filing Date, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of the Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly. The provisions of this paragraph apply *mutatis mutandis* to the MI Guarantee and the MI General Security Agreement.

7.4 Sections 95 to 101 of the Act and any other laws relating to preferences, fraudulent conveyances or transfers at undervalue shall not apply to this Proposal or to any payment or distributions made in connection with the Proposal whether made before or after the Filing Date, including to any transactions contemplated by or implemented pursuant to, the Proposal, or to which the Proposal is conditional or dependent upon.

7.5 ~~7.4~~ MTC covenants and agrees that during the course of the Proposal, it will remit to the CRA all amounts associated with payroll deductions (income tax deductions, Canada Pension Plan contributions and Employment Insurance premiums) if applicable and will file income tax returns and pay income taxes as required by the ITA.

7.6 ~~7.5~~ This Proposal may be amended by MTC prior to or at the Creditors' Meeting.

Dated at the City of \_\_\_\_\_ in the State of Washington this \_\_\_\_ day of ~~October~~November, 2016.

**MICROPLANET TECHNOLOGY  
CORPORATION**

Per: \_\_\_\_\_

Wolfgang Struss  
President and CEO

## SCHEDULE "A"

### First 2009 Tranche Notes

1. Calafate Holdings Ltd.
2. Kim K. McConnell
3. Investor Co. in trust for Elizabeth McPhee, Account No. ~~7228015~~
4. Elizabeth McPhee
5. Exuma Beach Ltd.
6. Gary Tanner
7. Cole Harris
8. Olympia Trust Co. in trust for Toni Ironside LIRA #27288
9. The Brett Ironside Family Trust
10. Eric Tremblay
11. Olympia Trust Co. RRSP 17997 in trust for Brett Ironside

### Second 2009 Tranche Notes

12. RBC Dexia Investor Services Trust ITF IA Clarington Tactical Income Fund, Acct. No. 30-4700/2.1
13. Dundee Securities ITF Marilyn Farmer Acct. No. 12P199NN
14. Michelle Ranks
15. Martin Lambert
16. Ghost River Investments Ltd.
17. Jack Gillespie
18. Eamon Hurley
19. Jacqueline Christina Stahl

### Third 2009 Tranche Notes

20. Mark Shilling
21. Canaccord Capital Corp. ITF Jennifer Ironside A/C 658-3565-9
22. Jason Cottle RBC Direct Investing A/C 686-99337-28
23. Myron Tetreault
24. Robert Savin
25. RBC Dominion Securities ITF Patrick Floreani
26. Jack Gillespie

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-2172984  
Estate No. 25-2172984

FORM 40.1  
Notice of Hearing of Application for Court Approval of Proposal  
(Paragraph 58(b) of the Act)

In the matter of the AMENDED  
proposal of MicroPlanet  
Technology Corp.  
of the City of Calgary, in the Province of Alberta

In In the Court of Queen's Bench - Judicial District of Calgary.

In the matter of the AMENDED proposal of MicroPlanet Technology Corp., a debtor.

Take notice that an application will be made to the court, at 701N, 6015th Street SW, Calgary, Alberta, on the 15th day of December 2016, at 2:00 PM, to approve the AMENDED proposal of MicroPlanet Technology Corp., accepted by the creditors at a meeting held on the 2nd day of December 2016.

Dated at the City of Calgary in the Province of Alberta, this 21<sup>st</sup> day of November 2016.

Deloitte Restructuring Inc.

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700 Bankers Court, 850 - 2nd Street SW  
Calgary AB T2P 0R8  
Phone: (403) 267-1899 Fax: (403) 718-3681  
Email: calgaryrestructuring@deloitte.ca

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-2172984  
Estate No. 25-2172984

Proxy / Voting letter  
In the matter of the  
AMENDED proposal of  
MicroPlanet Technology Corp.  
of the City of Calgary, in the Province of Alberta

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

I, \_\_\_\_\_, creditor (or I, \_\_\_\_\_, representative of \_\_\_\_\_, creditor), of \_\_\_\_\_, a creditor in the above matter for the sum of \$ \_\_\_\_\_, hereby request the trustee acting with respect to the AMENDED proposal of MicroPlanet Technology Corp., to record my vote \_\_\_\_\_ (for or against) the acceptance of the AMENDED proposal as made on the 21<sup>st</sup> day of November, 2016.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:

Deloitte Restructuring Inc.

Per:

\_\_\_\_\_  
Jeff Keeble - Licensed Insolvency Trustee  
700 Bankers Court, 850 - 2nd Street SW  
Calgary AB T2P 0R8  
Phone: (403) 267-1899 Fax: (403) 718-3681  
Email: calgaryrestructuring@deloitte.ca

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-2172984  
Estate No. 25-2172984

FORM 31  
Proof of Claim  
In the matter of the AMENDED proposal  
of  
MicroPlanet Technology Corp.  
of the City of Calgary, in the Province of Alberta

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

\_\_\_\_\_  
\_\_\_\_\_

In the matter of the AMENDED proposal of MicroPlanet Technology Corp. of the City of Calgary in the Province of Alberta and the claim of \_\_\_\_\_, creditor.

I, \_\_\_\_\_ (name of creditor or representative of the creditor), of the city of \_\_\_\_\_ in the province of \_\_\_\_\_ do hereby certify:

1. That I am a creditor of the above named debtor (or I am \_\_\_\_\_ (position/title) of \_\_\_\_\_, creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of the proposal, namely the 3<sup>rd</sup> day of October, 2016, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit or solemn declaration) attached 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 this debt, I do not hold any assets of the debtor as security and  
(Check appropriate description.)

Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority.

*Set out on an attached sheet details to support priority claim*

B. CLAIM OF LESSOR 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 this 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 \$ \_\_\_\_\_

*(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 which the claim is based.)*

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ \_\_\_\_\_

That I hereby make a 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 which the claim is based.)*

5. That, to the best of my knowledge, I \_\_\_\_\_ (am/am not) (or the above-named creditor \_\_\_\_\_ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and \_\_\_\_\_ (have/has/have not/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, and 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 Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. *(Applicable only in the case of the bankruptcy of an individual.)*

Whenever the trustee reviews the financial situation of a bankrupt to re-determine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

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

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Deloitte Restructuring Inc. - Trustee

\_\_\_\_\_  
700 Bankers Court, 850 - 2nd Street SW  
Calgary AB T2P 0R8  
Phone: (403) 267-1899 Fax: (403) 718-3681  
E-mail: [calgaryrestructuring@deloitte.ca](mailto:calgaryrestructuring@deloitte.ca)

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.