

CANADA
Province of Quebec
District of Quebec
Division No.: 01-Montréal
Court No.: 500-11-040897-114
Estate No.: 41-342875

SUPERIOR COURT
(In Bankruptcy and Insolvency)

Receiver's Interim Report
(Subsection 246(2) of the Act)

In the matter of the receivership of
Igloolik Isuma Productions Inc.
Of the City of Montreal
in the Province of Quebec

The Receiver declares that:

1. On June 9, 2011, RSM Richter Inc. ("Richter"), became the Receiver in respect of all the movable and immovable assets (the "Property") of Igloolik Isuma Productions Inc. ("IIP"), an insolvent person, as described below:

(Not audited)	Book value
Accounts receivable	\$ 100,656
Work in progress	1,158,378
Investment in films, video and new media productions	468,929
Investment in related subsidiaries	1,789,404
Capital assets	172,997
	<u>\$ 3,690,364</u>

2. Richter was named Receiver by virtue of an order rendered by Me Chantal Flamand, Registrar of the Quebec Superior Court, (Bankruptcy and Insolvency sector of the Commercial Division) following a Motion for the Appointment of a Receiver to the Assets of IIP, filed by Atuqtuarvik Corporation, a creditor.
3. Subsequently, IIP filed for bankruptcy on October 26, 2011 and Samson Belair/Deloitte & Touche Inc. was appointed Trustee to the bankrupt estate.

4. The Receiver took possession of assets located both in Montreal, Quebec and in Igloolik, Nunavut before the date of bankruptcy. These assets can be summarized as follows:

A. Non-cultural Assets

1. Film production and editing equipment and accessories;
2. Furniture and general office equipment;
3. Building located in Igloolik, Nunavut;
4. Accounts receivables.

B. Cultural Assets

5. Library of feature and short films;
6. Library of raw footage, outtakes and rushes relating to the Inuit culture and traditions;
7. Costumes and props.

5. The Receiver conducted a sale by tender process in October and November 2011. Offers were received for certain of the assets identified above.

6. On March 27, 2012, the Quebec Superior Court issued an order authorizing the sale of certain assets including the building as well as the costumes and props located in Igloolik and the furniture and office equipment located in Montreal. The Receiver has now completed the sale of the assets subject to said Court order.

7. The Receiver's interim statement of receipts and disbursements as at August 31, 2012 is attached hereto as Exhibit "A". The receipts represent the collection of the accounts receivables as well as the proceeds from the sale of certain of the assets. The disbursements cover the cost for the advertising of the call for tenders in the newspapers in Canada (including Nunavut), the general care and maintenance of assets as well as the legal fees to obtain a legal opinion on the validity of the securities held by the secured lenders.

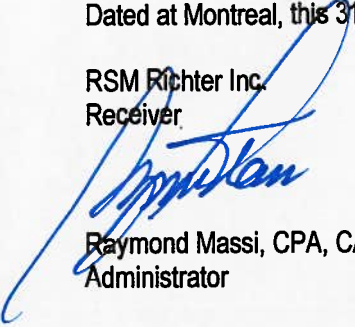
8. Certain of the unsold assets are subject to a property claim and discussions are ongoing to reach a settlement with the claimant in respect thereof.

9. There remain certain assets for which no offers were received during the call for tenders. The Receiver is in discussions with the first ranking secured creditor as to how to deal with these assets. One possibility that is being discussed is to donate certain of the remaining cultural assets to a Nunavut cultural or community organization or a governmental institution so that these artifacts can be preserved and showcased.

10. Once all the remaining issues will have been resolved, the funds being held by the Receiver will be remitted to the secured creditors in accordance with their respective rights and the ranking of their security interest.

Dated at Montreal, this 31st day of August 2012.

RSM Richter Inc.
Receiver



Raymond Massi, CPA, CA, CIRP
Administrator

CANADA
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
DIVISION NO.: 01-MONTREAL
COURT NO.: 500-11-040897-114
ESTATE NO.: 41-342875

SUPERIOR COURT
(Commercial Division)
(In Bankruptcy and Insolvency)

IN THE MATTER OF THE RECEIVERSHIP OF IGLLOOLIK ISUMA PRODUCTION INC., a body politic and corporate, duly incorporated according to law and having its head office and principal place of business at 1100 Crémazie, suite 805, in the city of Montréal, province of Québec, H2P 2X2.

Bankrupt

RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS as at August 10, 2012 (Note 1)

RECEIPTS

1. Collection of accounts receivables		\$27,600.72
2. Proceeds from sale of furniture and office equipment, costumes and props		12,500.00
3. Proceeds from sale of building		131,606.87
4. Rental Income		9,345.00
5. Miscellaneous receipts		
a) Other		905.00
b) Bank interest		88.53
6. GST/QST (Note 2)		848.12
TOTAL RECEIPTS		<u>182,894.24</u>

DISBURSEMENTS

7. Fees paid:		
a) to Official Receiver		70.00
8. Miscellaneous		
a) Newspaper advertising	4,077.00	
b) Redirection of mail	135.00	
c) Security	1,885.87	
d) Insurance	1,449.00	
e) Transport	18,057.38	
f) Building maintenance	10,056.18	
g) Miscellaneous	116.80	
		<u>35,777.23</u>

TOTAL DISBURSEMENTS BEFORE TRUSTEE'S REMUNERATION AND LEGAL FEES AND COSTS 35,847.23

9. G.S.T./Q.S.T. (Note 2)	2,736.73	
10. Trustee's remuneration		
a) Fees (note 3)	0.00	
11. Legal fees and costs		
a) Jolicoeur Lacasse S.E.N.C.R.L.	3,486.24	
b) McLennan Ross	1,893.34	
		<u>8,116.31</u>
TOTAL DISBURSEMENTS		<u>43,963.54</u>

12. AMOUNT AVAILABLE FOR DISTRIBUTION BEFORE LOAN REDUCTION 138,930.70

13. Loan Reduction - RBC Royal Bank of Canada 80,789.20

14. AMOUNT AVAILABLE FOR DISTRIBUTION \$58,141.50

NOTES:

Note 1: On June 9, 2011, RSM Richter Inc. was appointed Receiver in respect of all the movable and immovable assets of Igloodik Isuma Production following an order rendered by Me Chantal Flamand, Registrar of the Quebec Superior Court.

Note 2: The Receiver will collect the GST/QST paid on purchases only after having collected sales taxes on proceeds of the liquidation of assets.

Note 3: The Receivers fees have been assumed by the secured lender who filed the motion to appoint a Receiver.

RSM Richter Inc.
Receiver

Per: 
Raymond Massi, CPA, CA, CIRP

August 31, 2012

Date