

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

No : 500-11-031970-078

SUPERIOR COURT  
(COMMERCIAL DIVISION)

(Sitting as a court designated pursuant to the  
*Companies' Creditors Arrangement Act*, R.S.C.  
1985, c. C-36)

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IN THE MATTER OF THE COMPANIES  
CREDITORS ARRANGEMENT ACT, R.S.C.  
1985, c. C-36, as amended:

POSITRON TECHNOLOGIES INC.,

Petitioner

-and-

RSM RICHTER INC.,

Monitor

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**MOTION FOR EXTENSION OF DELAY TO FILE A PLAN OF ARRANGEMENT AND  
FOR EXTENSION OF THE STAY ORDER AS PROVIDED IN THE INITIAL ORDER**  
(*Companies' Creditors Arrangement Act*, R.S.C., 1985 c. C-36, sections 11 (4), (6) and 11.4  
(hereinafter the "*Act*")

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**TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT SITTING IN  
COMMERCIAL CHAMBER IN AND FOR THE DISTRICT OF MONTREAL, THE  
PETITIONER POSITRON TECHNOLOGIES INC. RESPECTFULLY SUBMITS:**

**A. INTRODUCTION**

1. The Petitioner, *Positron Technologies Inc.* (hereinafter referred to as "*PTI*") is incorporated under part 1A of the *Companies Act (Quebec)* and has its head office and principal place of business at 18107 Trans-Canada Highway, in the city of Kirkland, province of Quebec, H9J 3K1, as more fully appears from an excerpt of the Corporate registry (CIDREQ), filed herewith as **EXHIBIT R-1**;

2. PTI is in the process of restructuring its operations and intends, in the context thereof, to file a plan of compromise and arrangement for all or part of its secured and unsecured debts, in accordance with their respective classes, and will request that this Honourable Court convene a meeting of its creditors so that they may vote on the plan of arrangement and compromise to be proposed;
3. As appears from the Court record herein, this Honourable Court issued on November 28, 2007, an initial order pursuant to the Act with respect to Petitioner (hereinafter the "**Initial Order**");
4. The Initial Order provides for various orders pertaining, *inter alia*, to the continuation of PTI's operations and the stay of any recourses and remedies of PTI's creditors for an initial period expiring on December 21, 2007 (hereinafter referred to as the "**Initial Period**");
5. As appears from the Initial Order, *RSM Richter Inc.* was appointed Monitor pursuant to the Initial Order;
6. As appears from the Motion for the issuance of the Initial Order and the affidavit in support thereof, the only shareholders of the Petitioner are *Positron Inc.* and *Fonds de solidarité des travailleurs du Québec (F.T.Q.)* (hereinafter "**FSTQ**") (hereinafter collectively the "**Shareholders**");
7. As appears from the Motion for the issuance of the Initial Order and the affidavit in support thereof, the secured creditors of the Petitioner are the *Royal Bank of Canada*, *Quorum Investment Pool LLP*, *La Financière du Québec*, *Aaron Fish* and *Positron Inc.* (hereinafter collectively the "**Secured Creditors**");

**B. THE TRITON OFFER**

8. In the period immediately preceding the issuance of the Initial Order, Petitioner and its Shareholders had been negotiating with *Triton Electronique inc.* (hereinafter "**Triton**"), for the sale of the capital stock and business of Petitioner;
9. Although the Shareholders and Petitioner accepted Triton's offer (hereinafter the "**Offer**"), and Triton conducted a satisfactory due diligence review of the assets and affairs of Petitioner, Triton informed the Shareholders and Petitioner, on or about November 21, 2007, that it was unable to close the proposed transaction;
10. PTI consequently sought the issuance of the Initial Order with a view to protect its going concern for the time reasonably required in order to seek other investments or offers;
11. In accordance with subparagraph 25e) of the Initial Order, the Monitor mailed on Monday, December 3, 2007, invitations to make proposals for the purchase of the capital stock, and/or the whole or part of the assets of Petitioner, and/or for an investment in the Petitioner, to be received no later than December 18, 2007 (hereinafter the "**Invitation Process**"), as appears from a copy of the document entitled "*Acquisition Opportunity*" sent to potentially interested parties filed in support hereof as **EXHIBIT R-2**;

12. After the mailing of the Invitation Process, Petitioner received a new offer from Triton, this time for the purchase of the assets and business of Petitioner for the price set in the new offer and the assumption of all liabilities related to the continuation of the business of Petitioner since December 1, 2007, including the payment of the salaries and vacation pay of the employees of the Petitioner accrued and to accrue since December 1, 2007 inclusively;
13. The offer by Triton is detailed in an Offer to Purchase dated December 6, 2007 filed under seal in support hereof as **EXHIBIT R-3** (hereinafter the "**Offer to Purchase**");
14. The Offer to Purchase is conditional upon the approval of this Honourable Court and provides for a closing no later than **Friday, December 21, 2007** (hereinafter the "**Closing Date**");
15. On December 10, 2007, the Petitioner filed and served a "*Motion for Authorization to Sell the Assets of Petitioner*" in order to obtain the prerequisite approval of this Honourable Court with respect to the Offer to Purchase, as appears from the Court record herein;
16. On the same day, this Honourable Court rendered a judgment approving the Offer, as appears from the Court record herein;

**C. DELAY IN THE FILING OF A PLAN OF ARRANGEMENT**

17. In light of the complexity of the underlying transactions as contemplated pursuant to the Offer to Purchase and despite its best efforts, good faith and due diligence, the Petitioner will not be able to file and submit to its creditors a plan of arrangement within the Initial Period;
18. The closing of the Offer to Purchase will be held on December 21, 2007, but the elaboration of the plan of arrangement to be submitted by the Petitioner PTI thereof to its creditors will require an additional period;

**D. CONCLUSIONS SOUGHT**

19. As such, the Petitioner PTI is seeking from this Honourable Court an extension with respect to the delay to file its plan of arrangement for an additional period of 35 days, i.e. until and including **January 25, 2008** (hereinafter the "**Additional Period**");
20. The Petitioner PTI is also seeking from this Honourable Court that the conclusions of the Initial Order be extended in their effects for the duration of the Additional Period;
21. The extension herein sought is in the best interest of PTI's creditors as it will, in all likelihood, allow for the Petitioner to submit a plan of arrangement to its creditors;
22. The Petitioner PTI has acted, and is acting in good faith and with due diligence;

23. The Petitioner annex herewith a report by the Monitor supporting the present Motion and its conclusions as **EXHIBIT R-4**;
24. Considering the urgency of PTI's situation, PTI respectfully submits that the notices given of the presentation of the present Motion are proper and sufficient;
25. The Petitioner PTI respectfully submits that this Motion should be granted in accordance with its conclusions;
26. The present Motion is well founded in fact and in law.

**WHEREFORE, MAY IT PLEASE THE COURT:**

**GRANT** the present Motion;

**EXTEND** the delay for the Petitioner Positron Technologies Inc. to submit and file a plan of arrangement for an additional period of 35 days, i.e. until and including **January 25, 2008** (hereinafter the "***Additional Period***")

**EXTEND** the Initial Order issued by this Honourable Court on December 10, 2007 in its effects for the duration of the Additional Period;

**THE WHOLE** with costs against the mass of creditors.

Montréal, December 19, 2007

*(s) Fasken Martineau DuMoulin*

**FASKEN MARTINEAU DuMOULIN LLP**

Attorneys for the Petitioner Positron Technologies Inc.

**TRUE COPY**

*Fasken Martineau DuMoulin*  
.....  
**FASKEN MARTINEAU DuMOULIN LLP**

**A F F I D A V I T**

I, the undersigned, Dominic Deveaux, having my professional address at 18107 Trans-Canada Highway, Kirkland, Province of Quebec, H9J 3K1, do solemnly declare:

1. I am a duly authorized representative of Petitioner in the present case;
2. All the facts alleged in the present motion are true.

AND I HAVE SIGNED:

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Dominic Deveaux

Solemnly affirmed before me, in  
Montreal, on December 20, 2007

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Commissioner of Oaths

**NOTICE OF PRESENTATION**

**TO : Me Didier Culat**  
Langlois Kronström Desjardins  
Édifice Mérici  
801 Grande Allée West, suite 300  
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**Me Laurent Themens**  
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**Mme Johanne Pilon, c.a.**  
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**TAKE NOTICE** that the present Motion to establish the procedure for filing claims, to determine a claim bar date and for the holding of the creditors meeting will be presented for adjudication before one of the honourable judges of the Superior Court, sitting in and for the district of Montréal on **December 20, 2007, at 9:15 a.m.** or so soon thereafter as counsel may be heard, in **Room 16.10** of the Montréal Courthouse, located at 1, Notre-Dame Street.

**DO GOVERN YOURSELVES ACCORDINGLY.**

Montréal, December 19, 2007

*(s) Fasken Martineau DuMoulin*

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**FASKEN MARTINEAU DuMOULIN LLP**  
Attorneys for Petitioner Positron Technologies Inc.

**TRUE COPY**

*Fasken Martineau DuMoulin*  
**FASKEN MARTINEAU DuMOULIN LLP**

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RSM RICHTER INC.,

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**LIST OF EXHIBITS**

- EXHIBIT R-1:** Excerpt of the Corporate registry (CIDREQ);
- EXHIBIT R-2:** Document entitled "*Acquisition Opportunity*" sent to potentially interested parties;
- EXHIBIT R-3:** Offer to Purchase dated December 6, 2007 (**UNDER SEAL**);
- EXHIBIT R-4:** Report by the Monitor supporting the present Motion and its conclusions.

Montréal, December 19, 2007

*(s) Fasken Martineau DuMoulin*

**Fasken Martineau DuMoulin LLP**

Attorneys for Petitioner Positron Technologies Inc.

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*Fasken Martineau DuMoulin*  
FASKEN MARTINEAU DuMOULIN LLP