

**In the Matter of the Proposal of
Pumptown Quarry Inc.**

Cash-flow Statement

For the three month period ending August 31, 2009

Prepared as at June 10, 2009

District of:
Division No:
Court No:
Estate No:

FORM 30

Report on Cash-flow Statement by the Person Making the Proposal

(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of Pumptown Quarry Inc.

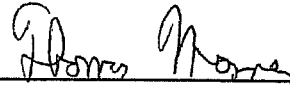
The Director of Pumptown Quarry Inc. has developed the assumptions and prepared the attached statement of projected cash-flow of the insolvent person, as of the 10th day of June, 2009, consisting of the Company's projected cash flows for the three months ending August 31, 2009.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 2-7.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in Note 1, using a set of probable and hypothetical assumptions set out in Notes 2-7. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Vancouver, British Columbia, this 10th day of June, 2009.



The Director of Pumptown Quarry Inc.

Thomas Masney Officer of the Bankrupt
Corporation

District of:
Division No:
Court No:
Estate No:

FORM 29

Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of Pumptown Quarry Inc.

The attached statement of projected cash-flow of Pumptown Quarry Inc., as of the 10th day of June, 2009, consisting of the Company's projected cash flows for the three months ending August 31, 2009, has been prepared by the management of the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-7.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

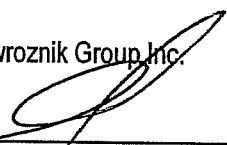
- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note 1, and readers are cautioned that it may not be appropriate for other purposes.

Dated at Vancouver, British Columbia, this 10th day of June, 2009.

G. Powroznik Group Inc.



Per: Gary Powroznik
Trustee

In the Matter of the Proposal of Pumptown Quarry Inc.

Cash-flow Statement

For the three month period ending August 31, 2009

	June \$	July \$	August \$
Cash receipts			
Trade receipts (note 2)	-	-	-
Funding from affiliated company (note 2)	50,000	255,000	40,000
Total cash receipts	<u>50,000</u>	<u>255,000</u>	<u>40,000</u>
Cash disbursements			
Mortgage (note 3)	21,040	21,743	21,743
Employees (note 4)	12,000	12,000	12,000
Office rent (note 4)	892	892	892
Office supplies (note 4)	200	200	200
Fuel (note 4)	800	800	800
Electricity (note 4)	400	400	400
Quarry trailer rentals (note 4)	782	782	782
Waste services (note 4)	221	221	221
Legal fees (note 5)	2,000	2,000	2,000
Trustee fees (note 6)	15,000	5,000	-
Payments under the Proposal (note 7)	-	208,158	-
Total cash disbursements	<u>53,335</u>	<u>252,196</u>	<u>39,038</u>
Net cash receipts (disbursements) for the month	<u>(3,335)</u>	<u>2,804</u>	<u>962</u>
Bank movements			
Opening cash balance	7,517	4,182	6,986
Net cash receipts (disbursements) for the month	(3,335)	2,804	962
Closing cash balance	<u>4,182</u>	<u>6,986</u>	<u>7,948</u>

Approved by the Board of Directors



Director

In the Matter of the proposal of Pumptown Quarry Inc.

Notes to Cash-flow Statement

For the three month period ending August 31, 2009

1 Purpose of Cash-flow Statement

Pumptown Quarry Inc. ("the Company") has prepared this cash-flow statement and the accompanying notes to the cash-flow statement (collectively, "the cash-flow statement") in support of a proposal it intends to file under the Bankruptcy and Insolvency Act ("the Proposal") in early June 2009.

The Company has prepared the cash-flow statement based on probable and hypothetical assumptions that reflect the Company's planned course of action for the period June 1, 2009 to August 31, 2009 ("the Proposal period"). Management is of the opinion that, as at the date of filing the cash-flow statement, the assumptions used to develop the projection represent the most probable set of economic conditions facing the Company and that the assumptions used provide a reasonable basis for and are consistent with the purpose of the cash-flow statement.

The cash-flow statement has been developed to assist the Company's unsecured creditors in voting on whether to accept the Proposal at the meeting of creditors scheduled for June 24, 2009. This cash-flow statement should not be used for any other purpose, and creditors are cautioned the information provided in the cash-flow could vary based on changing future circumstances.

2 Funding of Operations

In August 2008, the City of Abbotsford restricted quarry truck access on the bridge that serviced the only access road to the Company's rock quarry. As a result, the Company's production was ceased and the quarry has and will remain closed until a replacement bridge or by-pass road is constructed. As a result, the Company has not realized any revenue since the time of the closure. Currently, the Company's limited operations are funded through intercompany advances from a related company, Pan Pacific Aggregates Ltd. ("Pan Pacific"). The Company will continue to be funded by Pan Pacific throughout the Proposal period as it is not expected the City of Abbotsford will have reached a decision on whether to approve the construction of a by-pass road or to replace the bridge during the Proposal period.

3 Mortgage

The Company continues to fund mortgage interest payments of approximately \$21,743 per month to the secured creditor, Realty Investments Corp., to avoid defaulting on the mortgage.

In the Matter of the proposal of Pumptown Quarry Inc.

Notes to Cash-flow Statement

For the three month period ending August 31, 2009

4 Operating Costs

The Company expects to fund operating costs of approximately \$15,295 per month during the Proposal period assuming quarry operations remain halted. The majority of costs are related to the salaries and benefits of the employees required to maintain the office and site security and manage the Company through the Proposal period. Other costs such as office rent, utilities, waste services and trailer rentals are intended to maintain minimal office administration and security on the quarry site in this period.

5 Legal Fees

It is assumed approximately \$2,000 in monthly legal costs will be incurred over the Proposal period. This is expected to cover legal issues surrounding the Proposal and settling dividends to creditors, issues surrounding permitting and access to the property and any other miscellaneous legal fees that a Company is expected to incur in the course of business.

6 Trustee Fees

Pan Pacific, a sister company of Pumptown Quarry Inc., has provided a \$20,000 retainer to G. Powroznik Group Inc., who will act as Trustee under the Proposal, for expected services to be performed. The majority of fees will be earned in June due to the up-front work required by the Trustee in assessing the Company and its cash-flow statement, writing a report to the creditors, and making the necessary filings with the Office of the Superintendent of Bankruptcy. The cash-flow assumes 75% of fees will be earned in June and 25% earned in July. Excess funds held by the Trustee, if not earned, will be returned to Pan Pacific. Alternatively, it is possible the Trustee may incur additional costs which would necessitate additional fees paid by Pan Pacific.

In the Matter of the proposal of Pumptown Quarry Inc.

Notes to Cash-flow Statement

For the three month period ending August 31, 2009

7 Payments Under the Proposal

Dividend payment under the Proposal is calculated as follows:

Unsecured claims ≤ \$500 (@ 100%)		\$	2,682
Add:			
Unsecured claims > \$500	\$2,150,676		
Proposal dividend @ 9.554%	<u>0.09554</u>		
			<u>205,476</u>
Total payment		\$	<u>208,158</u>

Note – Secured claims and Related Party claims are excluded under the Proposal.

It is assumed the Proposal dividend would be paid out in July 2009 in the expectation that the majority of claims would be filed quickly. It is possible that some claims may not be filed until August 2009 in which case a portion of the dividend would be settled at that time.

Upon acceptance of the Proposal by the creditors and the Court, Pan Pacific will provide the Trustee with sufficient funds to meet the Proven Claims filed thereunder.