

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE PROPOSAL OF  
YAPPN CANADA INC.  
OF THE CITY OF TORONTO  
IN THE PROVINCE OF ONTARIO

**MOTION RECORD**  
(Motion Returnable December 21, 2018)

December 12, 2018

**TORKIN MANES LLP**  
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**SUPERIOR COURT OF JUSTICE**  
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YAPPN CANADA INC.  
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**TAB 1**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE PROPOSAL OF  
YAPPN CANADA INC.  
OF THE CITY OF TORONTO  
IN THE PROVINCE OF ONTARIO

**NOTICE OF MOTION**

Albert Gelman Inc. (the “Trustee”), in its capacity as Proposal Trustee in the Proposal of Yappn Canada Inc. (“Yappn”), will make a Motion to a Judge on Friday, December 21, 2018 at 10:00 a.m., or as soon after that time as the Motion can be heard at the court house, 330 University Avenue, 7th Floor, Toronto, Ontario, M5G 1R7.

**PROPOSED METHOD OF HEARING:** The Motion is to be heard

- in writing under subrule 37.12.1(1) because it is ;
- in writing as an opposed motion under subrule 37.12.1(4);
- orally.

**THE MOTION IS FOR**

- (a) an Order, if necessary, abridging the time for service of this motion, validating service, dispensing with further service and declaring that this motion is properly returnable on December 21, 2018;

- (b) an Order approving the Proposal of Yappn, dated November 23, 2018 (the “**Proposal**”); and
- (c) Such further and other Relief as to this Honourable Court may seem just.

**THE GROUNDS FOR THE MOTION ARE**

- (d) Yappn is an Ontario corporation incorporated in 2013, which operates as a software development company, focussing on products capable of delivering real-time language translation services (the “**Software**”). Originally a wholly owned subsidiary of a US-domiciled parent company, Yappn acquired all assets and liabilities of its US parent in 2017;
- (e) Yappn is insolvent. The Software remains at the development stage. Yappn generates insufficient revenues to continue to fund ongoing Software development and operating costs and it is unable to repay its creditors, including the legacy debts inherited from its US parent;
- (f) Yappn’s principal assets are its core technology, intellectual property and patents. Excluding these, the realizable value of Yappn’s assets is believed to be less than \$100,000. As per Yappn’s Statement of affairs, its total liabilities exceed \$18,000,000;
- (g) As indicated, the Software remains in development and is not generating sufficient revenue to cover Yappn’s operating costs. In a liquidation, the realizable value of the assets of Yappn is believed to be significantly less than its secured obligations

such that there would be no realization for unsecured creditors of Yappn and Yappn's secured creditors would suffer a significant shortfall;

- (h) Yappn's Proposal has been formulated on the basis of a restructuring of the ownership of Yappn. Under the contemplated restructuring, if the Proposal of Yappn is approved, 100% of the shares of Yappn would be acquired from the US parent by 2649699 Ontario Inc. ("699"). In addition to the intended 100% interest in Yappn, 699 also owns, directly and indirectly, 100% of the shares of 7299262 Canada Inc. ("**Alexa Translations**"), which company develops software seen as having certain synergies with the products in development by Yappn. If approved, the Proposal provides that both secured and unsecured creditors of Yappn will receive, in full satisfaction of their claims, an indirect equity interest in 699;

#### **Proposal and Meeting of Creditors**

- (i) the Debtor filed its Proposal with the Trustee on November 23, 2018;
- (j) Notice of the Meeting of Creditors, to be conducted on December 5, 2018, was delivered to the creditors by the Trustee on November 24, 2018;
- (k) At the Meeting of Creditors conducted on December 5, 2018, each class of creditors approved the Proposal by the requisite majority, with the voting distributed as follows:
  - (i) Secured Creditor Class: 21 votes for (representing 100% value of votes cast) and 0 votes against;

- (ii) Unsecured Creditor Class: 25 votes for (representing 97.8% value of votes cast) and 1 vote against;

**Recommendation of the Trustee**

- (l) The Trustee is of the view that the terms of the Proposal are reasonable, calculated to benefit the general body of creditors and the Proposal is made in good faith. The Trustee recommends that this Honourable Court approve of the Proposal;
- (m) Such further and other grounds as the lawyers may advise.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the Motion:

- (n) The Report of the Trustee on Proposal dated December 11, 2018;
- (o) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

December 12, 2018

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Lawyer for Yappn Canada Inc.

IN THE MATTER OF THE PROPOSAL OF  
YAPPN CANADA INC.  
OF THE CITY OF TORONTO, PROVINCE OF ONTARIO

Court File No. 31-2447514

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**IN BANKRUPTCY AND INSOLVENCY**

PROCEEDING COMMENCED AT  
TORONTO

**NOTICE OF MOTION**

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Lawyers for the Trustee, Albert Gelman Inc.

**TAB 2**

Court No: 31-2447514

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY

In the matter of the proposal of  
Yappn Canada Inc.  
of the City of Markham, in the Province of Ontario

**APPLICATION FOR COURT APPROVAL OF PROPOSAL**

**Date of Motion: December 21, 2018**

**ALBERT GELMAN INC.**  
Licensed Insolvency Trustee  
#125 – 100 Simcoe St.  
Toronto, ON M5H 3G2

Joe Albert  
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*ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY*

In the matter of the proposal of  
Yappn Canada Inc.  
of the City of Markham, in the Province of Ontario

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**Tab 1**

District of: Ontario  
Division No. 09 - Toronto  
Estate No. 31-2447514  
Court No. 31-2447514

**FORM 40**  
Report of Trustee on Proposal  
(Section 59(1) and paragraph 58(d) of the Act)

In the matter of the proposal of  
Yappn Canada Inc.  
of the City of Markham, in the Province of Ontario

We, Albert Gelman Inc., the trustee ("**Trustee**") acting in the proposal of Yappn Canada Inc. ("**Debtor**"), hereby report to the Court as follows:

1. That the Debtor filed a proposal with us on November 23, 2018 (the "**Proposal**"), a copy of which is attached and marked as **Exhibit "A"**, and that we filed a copy of the Proposal with the Official Receiver electronically on the same day.
2. That in connection with its Proposal, the Debtor prepared a Statement of Projected Cash flows for the three months ended January 31, 2019 which was dated November 23, 2018. Attached hereto and marked as **Exhibits "B"**, are copies of the following documents:
  - Statement of Projected Cash Flow;
  - Form 29 – Trustee's Report on Cash-Flow Statement; and,
  - Form 30 – Report on Cash-Flow Statement by the Person Making the Proposal.
3. That on November 24, 2018 we gave notice to every known creditor affected by the proposal (the "**Notice of Proposal**") of the calling of a meeting of creditors to be held on December 5, 2018 to consider the Proposal. A copy of the affidavit of mailing, including the Report of the Trustee on the Proposal, Notice of Proposal to Creditors, the Proposal and the Debtor's Statement of Affairs sworn on November 23, 2018 is attached hereto and marked as **Exhibit "C"**.
4. That prior to the meeting of creditors the Trustee made a detailed and careful inquiry into the liabilities of the Debtor, the Debtor's assets and their value, the Debtor's conduct and the causes of the Debtor's insolvency.
5. That the first meeting of creditors was held on the December 5, 2018 and was presided over by the Trustee. At the meeting, the Proposal was approved by the required majority of both secured and unsecured creditors. That a copy of the minutes of the meeting are attached hereto and marked as **Exhibit "D"**.
6. That on December 6, 2018 we e-filed a copy of the Notice of Hearing of Application for Court Approval of the Proposal with the Official Receiver and that on the same day the notice was mailed to the Debtor and all creditors. Attached hereto as **Exhibit "E"** is the Affidavit of Mailing, which includes a copy of the Notice of Hearing and e-file

confirmation.

7. That the Trustee is of the opinion that:

- (a) the assets of the Debtor and their fair realizable values are set out in the Debtor Statement of Affairs which forms part of Exhibit "C".
- (b) the liabilities of the Debtor are identified on the claims register which is attached and marked as Exhibit "F".

8. That the Trustee is also of the opinion that:

(a) the causes of the insolvency of the Debtor are as follows:

Yappn is in the product development stage and has not yet succeeded in generating sufficient revenues to support its ongoing development costs or repay its legacy debt obligations.

(b) the conduct of the Debtor is subject to censure in the following respects:

The Debtor's conduct is not subject censure.

(c) The following facts, mentioned in section 173 of the Act, may be proved against the Debtor:

None.

9. That we are further of the opinion that the Proposal is an advantageous one for the unsecured creditors for the following reasons:

- a) In the event of a bankruptcy of the Debtor it is unlikely that there will be any distribution to unsecured creditors due to quantum of secured claims ranking in priority.
- b) The Proposal contemplates that unsecured creditors will share pro-rata in a distribution of 149,106 non-voting Class "C" Common shares (the "Shares") in the capital of 2649596 Ontario Ltd. ("596"), which distribution shall occur contemporaneously with a corporate reorganization (further details of the proposed corporate reorganization are included with the Report of the Trustee on the Proposal at Exhibit "C"). In accordance with the post-reorganization corporate chart, 596 will own a 49% interest in 2649699 Ontario Inc. ("699") and 669 will own 100% of Yappn and, effectively, 100% of 7299326 Canada Inc. operating as Alexa Translation ("Alexa").
- c) The Trustee has not requisitioned an independent valuation of the Shares being offered to unsecured creditors due to the fact that the principal assets of Yappn are intangible and have yet to produce any significant revenues. Accordingly, it is not feasible to estimate potential future revenues and cash flows for Yappn to any reasonable degree of accuracy.
- d) The Shares being offered to the unsecured creditors provide them with an indirect ownership interest in both Yappn and Alexa and the prospect that such Shares will increase in value, dependent upon the future profitability of Yappn and Alexa.
- e) In the Trustee's opinion, the potential value of the Shares being offered under the

Proposal exceeds the amount that unsecured creditors are likely to obtain if the Debtor is declared bankrupt. Accordingly, the Trustee recommends acceptance of the Proposal by the unsecured creditors.

10. That we forwarded a copy of this report to the Official Receiver on this day.

Dated at the City of Toronto, this 11<sup>th</sup> day of December, 2018.

**Albert Gelman Inc., solely in its  
capacity as Trustee in the Proposal of Yappn Canada Inc.  
and not in its personal or any other capacity**

Per:



---

Joe Albert, CPA, DIFA, LIT  
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# EXHIBIT A

Court File No.  
Estate File No.

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE PROPOSAL OF**  
**YAPPN CANADA INC.**  
**OF THE CITY OF TORONTO**  
**IN THE PROVINCE OF ONTARIO**

**PROPOSAL**

Yappn Canada Inc. (the "Debtor") hereby submits the following Proposal pursuant to the *Bankruptcy and Insolvency Act (Canada)*.

The purpose of this Proposal is to restructure the business and affairs of the Debtor with the expectation that all Creditors will derive a greater benefit from the continued operation of the Debtor's enterprise in conjunction with a merger with 7299362 Canada Inc. ("Alexa") than would result from a bankruptcy and liquidation of its assets.

2649699 Ontario Inc. ("699") currently holds 100% of the issued and outstanding shares in Alexa. 699 holds 51 common shares directly and 49 common shares through its wholly-owned subsidiary, 2249951 Ontario Inc. ("224"). 699 is currently held 51% by 7575742 Canada Inc. ("757") and 49% by 2649596 Ontario Limited ("596").

The merger contemplates that all of the shares of the Debtor will be transferred by its parent company, Yappn Corp. to 699. Completion of the merger will only occur if all of the Debtor's liabilities are exchanged for non-voting, equity participating shares in 596 and this Proposal is approved by the Creditors and the Court.

## 1. DEFINITIONS

For the purposes of this Proposal, the following terms shall have the following meanings:

- a) "Act" means *The Bankruptcy and Insolvency Act* R.S.C. 1985, c.B.3, as amended;
- b) "Administrative Fees and Expenses" means:
  - i. All proper fees and expenses of the Trustee; and
  - ii. All reasonable legal fees and disbursements of the Trustee on and incidental to any proceedings relating to or arising out of the Proposal;
- c) "Claims" means all claims for any and all debts and liabilities, present and future, including, without limitation, contingent and unliquidated claims to which the Debtor is subject at the Filing Date;
- d) "Court" means the Ontario Superior Court of Justice (In Bankruptcy and Insolvency);
- e) "Creditors" means all Persons with Claims against the Debtor, and for greater certainty, includes Unsecured Creditors, Preferred Creditors and Secured Creditors;
- f) "Debtor" means Yappn Canada Inc.;
- g) "Disputed Claims" means claims that have been disallowed or objected to;
- h) "Distribution Date" means a date selected by the Trustee which shall not be later than thirty (30) days following the later of:
  - i. The date on which all Disputed Claims, if any, have been finally determined; or
  - ii. The Effective Date;
- i) "Effective Date" shall mean the later of thirty (30) days following:
  - i. The date on which the Proposal is approved by the Court and is final and non-appealable; and

- ii. The date on which all other conditions precedent set out in paragraph 15 have been fulfilled.
- j) "Employee Claim" means, in respect of any employee or former employee of the Debtor, a Claim in an amount equal to the amount such employee or former employee would be qualified to receive under paragraph 136 (1) (d) of the Act if the Debtor became bankrupt on the date of Court approval of the Proposal;
- k) "Filing Date" means the date upon which this Proposal was lodged by the Debtor with the Official Receiver;
- l) "Inspector" means an Inspector appointed pursuant to paragraph 14 hereof;
- m) "Meeting of Creditors" means the meeting of creditors scheduled to consider and vote on the Proposal;
- n) "New Shares" means a new unlimited class of non-voting, equity participating shares in 2649596 Ontario Ltd.;
- o) "Performance of the Proposal" means satisfaction of the conditions prescribed at paragraph 15 hereof;
- p) "Person" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- q) "Proposal" means this Proposal of the Debtor, as the same may be amended or altered in accordance with the terms hereof;
- r) "Preferred Claim" means a Claim, which is not a Secured Claim or an Employee Claim, the payment of which the Act directs to be paid after payment of Administrative Fees and Expenses but in priority to all unsecured claims on a proposal made by the Debtor;

- s) "Preferred Creditor" means the holder of a Preferred Claim, in such capacity, but excludes holders of Employee Claims;
- t) "Secured Claim" means the Claim of a Secured Creditor to the extent of the valuation of its security;
- u) "Secured Creditor" means a secured creditor of the Debtor as defined in Section 2 of the Act;
- v) "Secured Equity Distribution Basket" has the meaning ascribed thereto in paragraph 10 (a) hereof;
- w) "Trustee" means Albert Gelman Inc. or its duly-appointed successor;
- x) "Unsecured Claim" means any Claim, other than a Claim that:
  - i. Has been disallowed by the Trustee or expunged by the Court;
  - ii. Is a Secured Claim;
  - iii. Is a Preferred Claim; or
  - iv. Is an Employee Claim;

For greater certainty, an Unsecured Claim includes the portion of the Secured Creditor's Claim to the extent that it exceeds the valuation of its security.

- y) "Unsecured Creditor" is a Creditor with an Unsecured Claim;
- z) "'Unsecured Equity Distribution Basket" has the meaning ascribed thereto in paragraph 10 (b) hereof.

## **2. CLASSES OF CREDITORS**

The classes of creditors of the Debtor established pursuant to the provisions of the Act for the purposes of voting on the Proposal are as follows:

- a) Class 1 – Unsecured Creditors and Preferred Creditors: All Unsecured Creditors and all Preferred Creditors of the Debtor to the extent of their Unsecured Claims and Preferred Claims.
- b) Class 2 – Secured Creditors: All Secured Creditors with proven Secured Claims, to the extent of the valuation of their security.

**3. PROPOSAL TO SECURED CREDITORS**

The Proposal shall apply to Secured Creditors as follows:

- a) Secured Creditors with Secured Claims shall prove the Secured Claims with the Trustee. Where the security interest held by the Secured Creditor is unperfected or invalid for any reason whatsoever, the Trustee shall disallow the Secured Claim;
- b) On the Distribution Date, Secured Creditors of the Debtor, with proven Claims, shall receive their proportionate share of the Secured Equity Distribution Basket in accordance with paragraph 10 (a) hereof; and
- c) Secured Creditors of the Debtor with proven Claims, shall accept the new shares distributed pursuant to paragraph 3 (b) hereof in full and complete satisfaction of their Secured Claims and hereby release the Debtor from any and all claims therefrom.

**4. ADMINISTRATIVE FEES AND EXPENSES**

Payment of the Administrative Fees and Expenses will be made in priority to all other Claims.

**5. CROWN CLAIMS**

All claims of Her Majesty in right of Canada or a province of a kind that could be subject to a demand under,

- a) subsection 224 (1.2) of *The Income Tax Act* (Canada);

- b) any provision of the Canada Pension Plan or 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
- c) 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:
- i. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature as the income tax imposed on individuals under *The Income Tax Act*; or
  - ii. 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;
- and that were outstanding on the Filing Date shall be paid in full within six (6) months of the date of Court approval of this Proposal.

## **6. POST-FILING GOODS AND SERVICES**

All persons who advance money or provide goods, services or credit to the Debtor after the Filing Date shall be paid by the Debtor in the ordinary course, but subsequent to Administration Fees and Expenses. The Debtor shall dispose of no assets other than as contemplated by this Proposal, or other than in the normal and regular course of its ongoing business. The Debtor agrees that the Trustee shall not in any case be responsible for ensuring that payment is duly made pursuant to this Proposal and to all those persons supplying post-filing goods or services.

**7. PREFERRED CLAIMS**

All proven Preferred Claims, if any, without interest from the Filing Date, will be paid in full in cash and in priority to all Unsecured Claims.

**8. EMPLOYEE CLAIMS**

All proven Employee Claims, if any, shall be paid in full immediately following the Effective Date, in accordance with the Act.

**9. PROPOSAL TO UNSECURED CREDITORS**

Unsecured Creditors shall receive the following:

- a) On the Distribution Date, Unsecured Creditors with proven Claims shall receive their proportionate share of the Unsecured Equity Distribution Basket in accordance with paragraph 10 (b) hereof; and
- b) Unsecured Creditors with proven Claims shall accept the New Shares distributed pursuant to paragraph 9 (a) hereof in full and complete satisfaction of their Unsecured Claims, and hereby release the Debtor from any and all claims therefrom.

**10. CORPORATE REORGANIZATION**

As at the Effective Date, the following will occur:

- a) 625,000 New Shares shall be issued and shall comprise the Secured Equity Distribution Basket which shall be available for distribution among the Secured Creditors in accordance with paragraph 3 hereof;
- b) 149,106 New Shares shall be issued and shall comprise the Unsecured Equity Distribution Basket which shall be available for distribution among the Unsecured Creditors in accordance with paragraph 9 hereof; and

- c) The Debtor will cause certificates to be issued to the Secured Creditors and the Unsecured Creditors in respect of the New Shares to be issued to each of them pursuant to the terms of the Proposal, on the Distribution Date.

**11. [INTENTIONALLY DELETED]**

**12. TRANSFER OF ALL YAPPN SHARES TO 2649699 ONTARIO INC.**

Contemporaneously with the issuance and distribution of the New Shares referred to in paragraph 10 of this Proposal to Secured Creditors and to Unsecured Creditors under the Proposal, Yappn Corp. will transfer all of its shares in Yappn to 699.

**13. DISCHARGE OF TRUSTEE**

Following Performance of this Proposal, the Trustee's obligations under this Proposal shall be fully performed and the Trustee shall be entitled to apply for its discharge as Trustee hereunder.

The Trustee is acting in its capacity as Trustee under this Proposal, and not in its personal capacity and shall not be responsible or liable for any obligations of the Debtor.

**14. INSPECTORS**

At the meeting of Creditors held to consider the Proposal, the Creditors may appoint one or more, but not exceeding five, inspectors who shall have all the powers conferred on inspectors by the Act.

**15. CONDITIONS FOR IMPLEMENTATION OF THE PROPOSAL**

Implementation of the Proposal shall be subject to the following conditions precedent:

- a) A resolution of the creditors to accept the Proposal (as made or as altered) at the Meeting of Creditors or any adjournment thereof;
- b) An Order of the Court approving the Proposal;

- c) The taking of all necessary corporate actions and proceedings to approve the Proposal, including the capital reorganization provided for herein;
- d) The issuance and distribution of the New Shares of 2649596 Ontario Ltd. pursuant to paragraphs 10 (a) and (b) and paragraphs 3 and 9 hereof; and;
- e) The performance by the Debtor of all its obligations pursuant to the Proposal.

Once all of the above conditions have been fulfilled or satisfied, when possible, the Proposal shall be deemed to be fully performed and the Trustee will deliver and file with the Court a certificate pursuant to Section 65.3 of the Act.

#### **16. VALUATION OF CLAIMS, VOTING AND APPLICABLE DATES**

- a) Claims of all proven creditors shall be valued as at the Filing Date by the creditors, at or before the Meeting of Creditors.
- b) Proofs of claim, proxies and voting letters intended to be used at the meeting of Creditors must be lodged with the Trustee prior to the Meeting of Creditors.
- c) Creditors must vote their Claims by either returning a properly completed voting letter to the Trustee prior to the Meeting of Creditors, or by attending at the Meeting of Creditors and voting in person or by proxy.

#### **17. AMENDMENT**

This Proposal may be amended by the Debtor with the consent of the Trustee (i) at the meeting of Creditors called to consider the same or any adjournment thereof, or (ii) at any time prior to and/or thereafter, including after voting and approval by the Creditors but prior to the granting of an Order of the Court approving the Proposal, provided that any such amendment shall not reduce the rights and benefits given to the Creditors under the Proposal before any such amendment. Any and all

amendments made in accordance with the terms hereof shall be deemed to be effective as of the date of the Proposal.

Signed at Toronto, Ontario, this 23<sup>rd</sup> day of November, 2018.

**YAPPN CANADA INC.**

Per:

  
\_\_\_\_\_  
David Berry, Director  
(I have authority to bind the Corporation)

# EXHIBIT B

YAPPN CANADA INC.  
 STATEMENT OF PROJECTED CASH FLOWS  
 FOR THE 3 MONTHS ENDED JANUARY 2019

Month Year	Forecast		
	November	December	January
	2018		2019
	Month 1	Month 2	Month 3
<b>Cash receipts (includes HST)</b>			
Receipts from customers	34,380	38,080	37,680
HST Refund			10,000
	<u>34,380</u>	<u>38,080</u>	<u>47,680</u>
<b>Disbursements (all applicable expenses include HST)</b>			
Payroll and External Consultants	109,685	112,457	112,457
R&D and Client Service cost	15,427	13,169	17,969
Rent and premises costs	8,414	8,414	8,414
Office and general	14,008	4,920	4,920
Restructuring costs	-	-	-
	<u>147,534</u>	<u>138,960</u>	<u>143,760</u>
<b>Net cash-flow from operations</b>	<b>(113,154)</b>	<b>(100,880)</b>	<b>(96,080)</b>
Advances from shareholder / third parties	85,000	100,000	100,000
Payment of Preferred Claims (as defined in the Proposal)	-	-	-
Payment of Employee Claims (as defined in the Proposal)	-	-	-
<b>Net monthly cash-flow</b>	<b>(28,154)</b>	<b>(880)</b>	<b>3,920</b>
Cash balance - Beginning of Month	31,149	2,996	2,116
Add / Deduct: Net monthly cash-flow	(28,154)	(880)	3,920
<b>Cash balance - End of Month</b>	<b>\$ 2,996</b>	<b>2,116</b>	<b>6,036</b>

**Notice to Reader**

*This statement of projected cash flows of the Company is prepared in accordance with Section 50(6) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report On Cash-Flow Statement and the Report On Cash-Flow Statement By The Person Making The Proposal.*

Albert Gelman Inc., in its capacity as Trustee in re  
 the Proposal of Yappn Canada Inc. and not in its  
 personal or any other capacity

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

Date: November 23, 2018

Yappn Canada Inc.

Per: David Gelman \_\_\_\_\_

Date: November 23, 2018

District of: Ontario  
Division No. 09 - Toronto  
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  
Yappn Canada Inc.  
of the City of Markham, in the Province of Ontario

The attached statement of projected cash flow of Yappn Canada Inc., as of the 12th day of November 2018, consisting of a cash flow projection for the period November 1, 2018 to January 31, 2019, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by:  the management and employees of the insolvent person or  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 or  the insolvent person for the probable assumptions and 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 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.

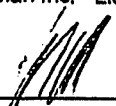
Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

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

Dated at the City of Toronto in the Province of Ontario, this 23rd day of November 2018.

Albert Gelman Inc. - Licensed Insolvency Trustee

Per:

  
\_\_\_\_\_  
Joe Albert - Licensed Insolvency Trustee

100 Simcoe Street, Suite 125

Toronto ON M5H 3G2

Phone: (416) 504-1650 Fax: (416) 504-1655

District of: Ontario  
Division No. 09 - Toronto  
Court No.  
Estate No.

**\_FORM 29\_ - Attachment  
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  
Yappn Canada Inc.  
of the City of Markham, in the Province of Ontario

**Purpose:**

The purpose of the projection is to comply with the requirements set out in Section 50(6) of the Bankruptcy and Insolvency Act (Canada).

**Projection Notes:**

Hypothetical assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in the insolvent person's judgement, but are consistent with the purposes of the Statement of Projected Cash Flow.

Probable assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions that the insolvent person believes reflects the most probable set of economic conditions and expected courses of action.

**Assumptions:**

Hypothetical Assumptions

None.

Probable Assumptions

1. This statement has been prepared for a three month period of time, on the basis that: (a) the Company's creditors approve its proposal filed under Part III Division I of the Bankruptcy and Insolvency Act(Canada) dated [date] (the "Proposal") at a properly convened meeting of creditors held on or before December \_\_, 2018; (b) Court approval of the Company's Proposal is obtained during the week ended January \_\_, 2019; and, (c) the terms of the Proposal are implement and completed on or prior January 31, 2019.

2. The receipts and applicable disbursements include HST.

3. Receipts represent revenues from existing clients and work in the pipeline that is expected to close and be paid. The Company's customers all pay on a monthly or otherwise timely basis, which is expected to continue.

4. The HST refund has been estimated on the historical HST refunds received by the Company. The Company files its HST returns quarterly, and this HST refund relates to the quarter ended <\*>.

5. All expenses have been recorded in the month they are forecast to be incurred. It is expected that some vendors currently supplying goods and services will require cash-on-delivery terms.

6. The cash flow projection does not include an estimate of the Trustee's fees and disbursement. The Trustee's fees, including its legal fees, have been guaranteed by a third party.

7. Advances from shareholders represents funds to be advanced to the Company from <\*>. <\*> has guaranteed the advances set out on the Company's cash-flow projection.

8. Payment of preferred claims represents cash distribution to Preferred Creditors(as that term is defined in the Proposal) pursuant to paragraph 7 of the Proposal which amount been estimated by management.

9. Payment of employee claims represents cash distribution to employees(or former employees) of the Company pursuant to paragraph 8 of the Proposal which amount been estimated by management.

Dated at the City of Toronto in the Province of Ontario, this 23rd day of November 2018.

Albert Gelman Inc. - Licensed Insolvency Trustee

Per:

  
\_\_\_\_\_  
Joe Albert, Licensed Insolvency Trustee

100 Simcoe Street, Suite 125

Toronto ON M5H 3G2

Phone: (416) 504-1650 Fax: (416) 504-1655

District of: Ontario  
Division No. 09 - Toronto  
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  
Yappn Canada Inc.  
of the City of Markham, in the Province of Ontario

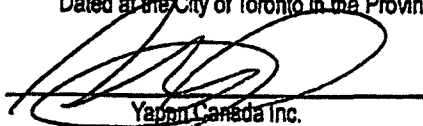
The Management of Yappn Canada Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 16th day of November 2018, consisting of a cash flow projection for the period November 1, 2018 to January 31, 2019.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, 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 the notes attached.

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 the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 23<sup>rd</sup> day of November 2018.

  
Yappn Canada Inc.  
Debtor  
David Berry

  
Name and title of signing officer

\_\_\_\_\_  
Name and title of signing officer

District of: Ontario  
Division No. 09 - Toronto  
Court No.  
Estate No.

**FORM 30 - Attachment**  
**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**  
**Yappn Canada Inc.**  
**of the City of Markham, in the Province of Ontario**

**Purpose:**

The purpose of the projection is to comply with the requirements set out in Section 50(6) of the Bankruptcy and Insolvency Act (Canada).

**Projection Notes:**

Hypothetical assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in the insolvent person's judgement, but are consistent with the purposes of the Statement of Projected Cash Flow.

Probable assumptions, as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals, are assumptions that the insolvent person believes reflects the most probable set of economic conditions and expected courses of action.

**Assumptions:**

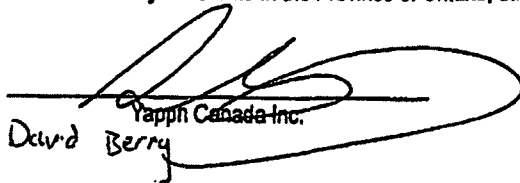
Hypothetical Assumptions

None.

Probable Assumptions

1. This statement has been prepared for a three month period of time, on the basis that: (a) the Company's creditors approve its proposal filed under Part III Division I of the Bankruptcy and Insolvency Act (Canada) dated November 16<sup>th</sup>, 2018 (the "Proposal") at a properly convened meeting of creditors held on or before December 4, 2018; (b) Court approval of the Company's Proposal is obtained during the week ended January 4, 2019; and, (c) the terms of the Proposal are implement and completed on or prior January 31, 2019.
2. The receipts and applicable disbursements include HST.
3. Receipts represent revenues from existing clients and work in the pipeline that is expected to close and be paid. The Company's customers all pay on a monthly or otherwise timely basis, which is expected to continue.
4. The HST refund has been estimated on the historical HST refunds received by the Company. The Company files its HST returns quarterly, and this HST refund relates to the quarter ended November 30, 2018.
5. All expenses have been recorded in the month they are forecast to be incurred. It is expected that some vendors currently supplying goods and services will require cash-on-delivery terms.
6. The cash flow projection does not include an estimate of the Trustee's fees and disbursement. The Trustee's fees, including its legal fees, have been guaranteed by a third party.
7. Advances from shareholders represents funds to be advanced to the Company from 2649699 Ontario Inc. 2649699 Ontario Inc. has guaranteed the advances set out on the Company's cash-flow projection.
8. Payment of preferred claims represents cash distribution to Preferred Creditors (as that term is defined in the Proposal) pursuant to paragraph 7 of the Proposal which amount been estimated by management.
9. Payment of employee claims represents cash distribution to employees (or former employees) of the Company pursuant to paragraph 8 of the Proposal which amount been estimated by management.

Dated at the City of Toronto in the Province of Ontario, this 23<sup>rd</sup> day of November 2018.

  
David Berry  
Yapph Canada Inc.

# EXHIBIT C

CANADA  
Province of Ontario  
District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2447514  
Estate No. 31-2447514

Affidavit of Mailing

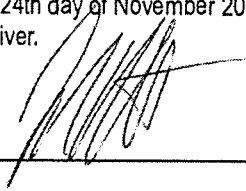
In the matter of the proposal of  
Yappn Canada Inc.  
of the City of Markham, in the Province of Ontario

I, Joe Albert, of the Trustee's office of Albert Gelman Inc., 100 Simcoe Street, Suite 125, Toronto, ON, M5H 3G2, hereby make oath (or solemnly affirm) and say:

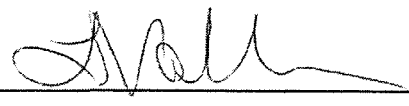
That on the 24th day of November 2018, I did cause to be sent by prepaid ordinary mail to all parties on the attached mailing list, whose names and addresses appear on the paper writing marked exhibit "A" annexed hereto, a copy of:

1. Notice of Proposal to Creditors;
2. Cover letter prepared by the management of the Company;
3. Proposal, under Part III, Division I of the BIA lodged with Albert Gelman Inc. (the "Proposal Trustee") by the Company and filed with the Official Receiver on November 23, 2018 (the "Proposal");
4. Trustee's Report to Creditors on the Proposal dated November 23, 2018;
5. The Company's Statement of Affairs sworn November 23, 2018; and
6. Proof of claim form, voting letter and proxy.

And that, on the 24th day of November 2018, I emailed to the debtor a copy of same and I e-filed a copy of same with the Official Receiver.

  
\_\_\_\_\_  
Joe Albert  
Phone: (416) 504-1650  
Fax: (416) 504-1655

SWORN (or SOLEMNLY DECLARED) before me in the City of Toronto in the Province of Ontario, this 24th day of November 2018.

  
\_\_\_\_\_  
Laurianne Valleau, Commissioner of Oaths  
For the Province of Ontario  
Expires February 1, 2020  
Laurianne Jennifer Valleau, a  
Commissioner, etc., Province of Ontario,  
for Albert Gelman Inc.  
Expires February 1, 2020.

Schedule "A"

Kent Jespersen  
Delmar CA

2124312 Ontario Inc  
320 Bay Street Suite 1600  
Toronto ON M5H 4A6

2649699 Ontario Inc.  
120 Eglinton Avenue East, Suite 1100  
Toronto ON M4P 1E2

Accretive Capital Corp  
26 Lesmill Road Unit 3  
Toronto ON M4N 2R6

Alexander MacKay  
66 Station Street  
Welland ON L3C 5K7

Amir Bem  
Achi, Dakar 42  
Ra' Anana IL

Apple Rock Displays  
7602 Business Park Drive  
Greensboro NC 27409

Avenza Holdings Inc.  
124 Merton Street # 400  
Toronto ON M4S 2Z2

Barry Paluk  
112 Cunningham Avenue  
Winnipeg MB R2M 0W8

Brad White  
ON

Broadridge  
P.O. Box 416423  
Boston MA 02241-6423

Catherine Schwartz Productions  
1601 Hills Avenue #6  
Los Angeles CA 90024

Change 1 Ltd.  
87 Highland Crescent  
Toronto ON M2L 1G7

Chitiz Pathak LLP  
320 Bay Street Suite 1600  
Toronto ON M5H 4A6

CUSIP  
55 Water Street, 43rd floor  
New York NY 10041

D.Stahl, LLC  
240 Centre Street, Apt 2K  
New York NY 10013

Dardan Bancorp  
73 Richmond Street West Suite PH3  
Toronto ON M5H 1Z4

Datanyze  
4 W. 4th Avenue, Unit 501  
San Mateo CA 94402

David Berry  
124 Park Road  
Toronto ON M4W 2N7

David Wonch  
15 Riva Ridge  
Brantford ON N3P 1R9

E52 Financial  
464-4234 I-75 Bus Spur  
Sault Ste Marie MI 49783

Edgar Agents  
105 White Oak Lane, Suite 104  
Old Bridge NJ 08857

Frontier Development Inc.  
C/O Box 209 Chancery Court, Leeward  
Highway  
Providenciales TC

Gala Globalization and Localization  
Assoc  
P.O. Box 413  
Andover MA 01810

Getty Images  
P.O. Box 953604  
St Louis MO 63195-3604

Gigya  
2513 E. Charleston Suite 200  
Mountain View CA 94043

Gordon Herlands Randolph & Cox LLP  
355 Lexington Avenue, 10th Floor  
New York NY 10017

Gowlings Lafleur Henderson LLP  
1 First Canadian Place, 100 King St West,  
Suite 1600  
Toronto ON M5X 1G5

Grandhill Capital Inc.  
516 Vesta Drive  
Toronto ON M5P 3A8

Hootsuite  
5 East 8th Avenue  
Vancouver BC V5T 1R6

IBEC Holdings  
11D Hawthorn Garden, 70 Sing Woo  
Road  
Happy Valley HK

IMG Fashion DIV of IMG Worldwide,  
LLC.  
304 Park Avenue South, Penthouse North  
New York NY 10010

Jeana Wendel  
8089 Wascana Gardens Crescent  
Regina SK S4V 1G2

Jeff Crane  
14 Fleming Crescent  
Toronto ON M4G 2A8

Jonathan Smith  
10 Indiana Street  
Blind River ON P0R 1B0

Kent Jespersen  
1815-40 Avenue. SW  
Calgary AB T2T 2L7

Loeb & Loeb  
345 Park Avenue  
New York NY 10154

Luiz Vazquez Senties and Oscar Joel  
Christopher Vaquez Callendar  
Av Revoucion No 468 San Pedoro de los  
Pinos  
Mexico City MX 03800

Maletzky Media  
157 Columbus Avenue #502  
New York NY 10023

Maranden Holdings Inc.  
115 Arnold Avenue  
Thornhill ON L4J 1B6

Martin and Millen Inc.  
124 Park Road  
Toronto ON M4W 2N7

Martin Bernholtz  
26 Lesmill Road Unit 3  
Toronto ON M4N 2R6

MBooth  
300 Park Avenue South 12th Floor  
New York NY 10010

Meissner Marketing  
Faithlie, West Street  
Mayfield GB

Microsoft  
One Microsoft Way  
Redmond WA 98052

Mike Florence  
103 Vesta Drive  
Toronto ON M5P 2Z8

MNP LLP  
50 Burnhamthorpe Road West, Suite 900  
Mississauga ON L5B 3C2

NFP Property & Casualty Services, Inc  
707 Westchester Avenue, Suite 201  
White Plains NY 10604

Nora Singh  
28 Normandale Crescent  
Toronto ON M2P 1M8

O&M Partners LLC.  
757 Third Avenue 15th Floor  
New York NY 10017

Paige Capital Inc.  
38 Edmund Seager Drive  
Thornhill ON L4J 4R9

Patricia Martin  
11 Shorthill Place  
Fonthill ON L0S 1E3

Peter Simeon  
2359 North Ridge Trail  
Oakville ON L6H 0B1

Quest Document Solutions  
757 Third Avenue Suite 2127  
New York NY 10017

Ricoh Canada Inc  
5520 Explorer Drive Suite 300  
Mississauga ON L4W 5L1

Rob Cole  
66 Howlett Avenue  
Newmarket ON L3Y 5S5

Ron Santos  
20452 TWP Road 515A  
Sherwood Park AB T8G 1G3

Shaun Henderson  
227 Martindale Avenue  
Oakville ON L6H 4K2

Simon Yakubowicz  
17 Alderbrook Drive  
Don Mills ON M3B 1E3

Stan Bharti  
39 Whitney Avenue  
Toronto ON M4W 2A7

STE Holdings  
Ajay Tandon 845 Third Avenue 6th Floor  
New York NY 10022

Steve Singh  
28 Normandale Crescent  
Toronto ON M2P 1M8

Stu Homuth  
81 Hill Street  
Exeter ON N0M 1S1

Telus  
P.O. Box 5300  
Burlington ON L7R 4S8

Toronto Tree Top Holdings Ltd.  
73 Richmond Street West Suite PH3  
Toronto ON M5H 1Z4

Ventris  
Suite 8, 20F, One International Finance  
Centre, One Harbor View Street  
Central HK

Winterberry Investment Inc.  
124 Park Road  
Toronto ON M4W 2N7

Winterberry Investments Inc., as  
Collateral Agent for each Debenture  
Holder  
124 Park Road  
Toronto ON M4W 2N7

IN THE MATTER OF THE PROPOSAL OF  
YAPPN CANADA INC.  
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO  
  
NOTICE OF PROPOSAL TO CREDITORS  
(Section 51(1) of the *Bankruptcy and Insolvency Act* (Canada))

Take notice that Yappn Canada Inc. (the "Company") of the city of Toronto in the Province of Ontario has lodged with us a Proposal (defined below).

Enclosed please find the following documents:

1. Cover letter prepared by the management of the Company;
2. Proposal, under Part III, Division I of the BIA lodged with Albert Gelman Inc. (the "Proposal Trustee") by the Company and filed with the Official receiver on November 23, 2018 (the "Proposal");
3. Trustee's Report to Creditors on the Proposal dated November 23, 2018;
4. The Company's Statement of Affairs sworn November 23, 2018; and
5. Proof of claim form, voting letter and proxy.


A general meeting of the creditors will be held at 100 Simcoe Street, Suite 125, Toronto, Ontario on December 5, 2018 at 10:00 a.m. (Toronto time).

The creditors or any class of creditors qualified to vote at the meeting may, by resolution, accept the Proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the Court the Proposal is binding on all creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Date at the city of Toronto in the province of Ontario this 23rd day of November, 2018.

**ALBERT GELMAN INC., solely in its  
capacity as Trustee in re the Proposal  
of Yappn Canada Inc. and not in its  
personal capacity**

Per:   
Joe Albert, CPA, CA, DIFA, CIRP, LIT



To the creditors of Yappn Canada Inc.:

Please find enclosed a copy of the Proposal of Yappn Canada Inc. ("Yappn"), filed in the Ontario Superior Court of Justice (the "Proposal") on November 23<sup>rd</sup>, 2018. Currently, Yappn's liabilities exceed its assets and is therefore insolvent. Yappn prepared this Proposal to enable it to continue as a going concern through a restructuring involving 7299362 Canada Inc. o/a Alexa Translations, a company which offers professional translation services, while providing its creditors with an anticipated return greater than the nil return they would receive in a bankruptcy.

The Proposal would see Yappn's creditors exchange their debt for equity participating, non-voting Class "C" Common Shares (the "Shares") in the capital of 2649596 Ontario Ltd. ("596"). For greater information on the share capital of 596, please see below. Currently, 596 holds a 49% voting and equity participating interest in the share capital of 2649699 ("699"). In turn, 699, directly and indirectly through 2249951 Ontario Inc. (a wholly owned subsidiary of 699), owns all of the shares of 7299362 Canada Inc. o/a Alexa Translations. Alexa Translations operates a successful professional translation business with synergies to Yappn. Upon approval of the Proposal process, it is intended that 699 will purchase all of the issued and outstanding shares of Yappn in exchange for \$1.00 and approximately 40,000 Class "C" Common Shares of 596, making Yappn a wholly owned subsidiary and sister company to Alexa Translations (together, the Proposal and purchase of Yappn's Shares, the "Reorganization"). It should be noted that the purchase of Yappn by 699 is entirely contingent on the approval of the Proposal by the creditors. A chart depicting the final structure is attached hereto.

As a result of the Reorganization, Yappn will be given a second chance for success. Upon completion of the Reorganization, the Shares issued to creditors will represent an approximately 25.8% equity interest in 596. It is through this interest that creditors will receive an interest through 596 in a profitable enterprise, Alexa Translations. A vote in favour of the Proposal will avoid Yappn's bankruptcy and the consequent loss to all unsecured creditors; as such, Yappn believes and urges each creditor to vote in favour of the Proposal.

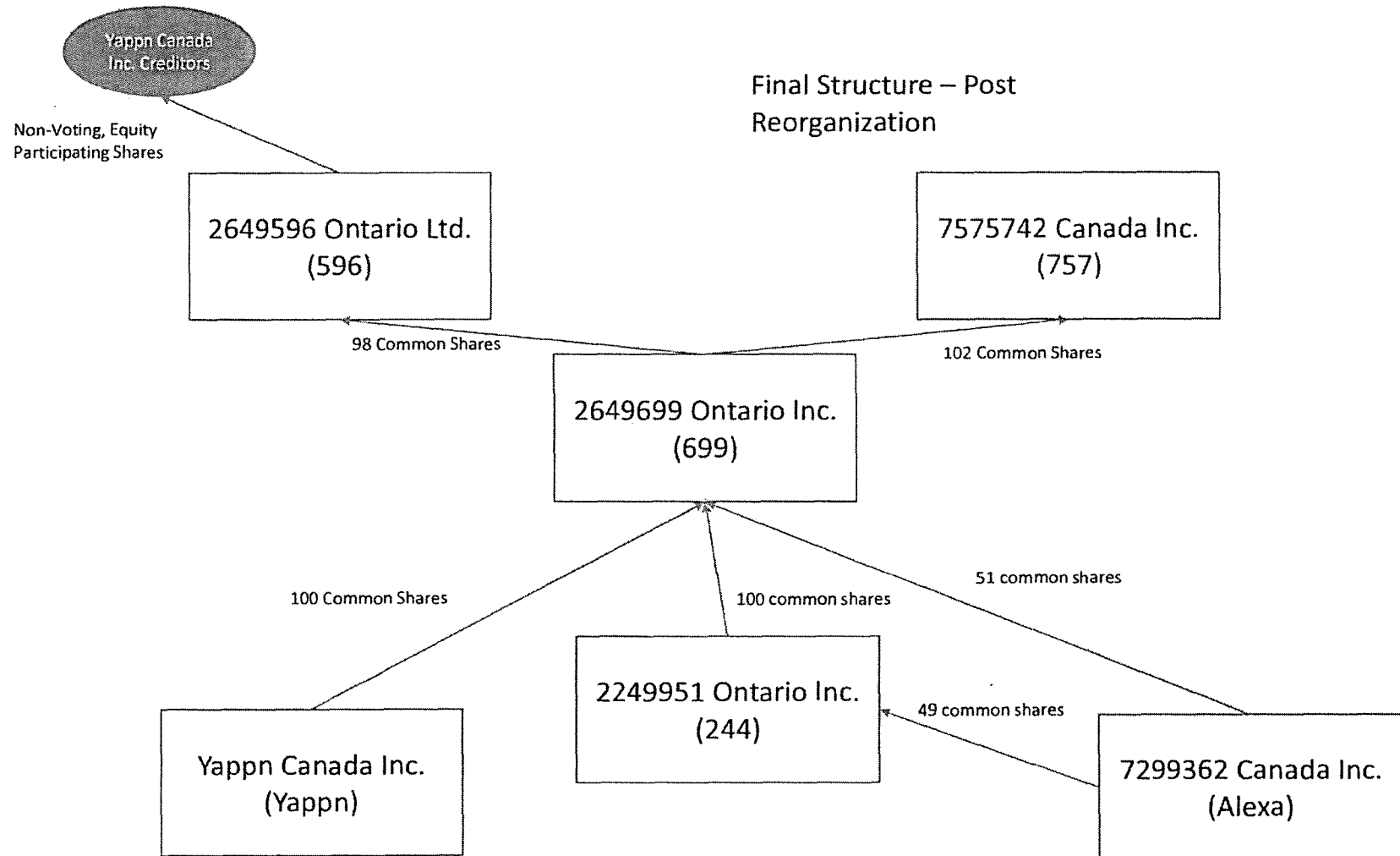
Sincerely,

Yappn Canada Inc.



**SHARE CAPITAL EXPLANATION OF 2649596 ONTARIO LTD.**

<b>Share Class</b>	<b>Issued and Outstanding</b>	<b>Issued and Outstanding (Post-Proposal and Reorganization)</b>	<b>Share Class Rights</b>
Class A Common Shares ("Class A")	1,000,000	1,000,000	Right to Vote; Right to Receive Separate Dividends; Equal Right with Class B and Class C to distribution of assets and equity participation
Class B Common Shares ("Class B")	1,000,000	1,000,000	Right to Vote; Right to Receive Separate Dividends; Equal Right with Class A and Class C to distribution of assets and equity participation
Class C Non-Voting Shares ("Class C")	0	1,000,000 (including shares issued to Yappn Corp and certain key individuals)	No Right to Vote; Right to Receive Separate Dividends; Equal Right with Class A and Class B to distribution of assets and equity participation



Court File No.  
Estate File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE PROPOSAL OF  
YAPPN CANADA INC.  
OF THE CITY OF TORONTO  
IN THE PROVINCE OF ONTARIO**

**PROPOSAL**

Yappn Canada Inc. (the "Debtor") hereby submits the following Proposal pursuant to the *Bankruptcy and Insolvency Act* (Canada).

The purpose of this Proposal is to restructure the business and affairs of the Debtor with the expectation that all Creditors will derive a greater benefit from the continued operation of the Debtor's enterprise in conjunction with a merger with 7299362 Canada Inc. ("Alexa") than would result from a bankruptcy and liquidation of its assets.

2649699 Ontario Inc. ("699") currently holds 100% of the issued and outstanding shares in Alexa. 699 holds 51 common shares directly and 49 common shares through its wholly-owned subsidiary, 2249951 Ontario Inc. ("224"). 699 is currently held 51% by 7575742 Canada Inc. ("757") and 49% by 2649596 Ontario Limited ("596").

The merger contemplates that all of the shares of the Debtor will be transferred by its parent company, Yappn Corp. to 699. Completion of the merger will only occur if all of the Debtor's liabilities are exchanged for non-voting, equity participating shares in 596 and this Proposal is approved by the Creditors and the Court.

## 1. DEFINITIONS

For the purposes of this Proposal, the following terms shall have the following meanings:

- a) "Act" means *The Bankruptcy and Insolvency Act* R.S.C. 1985, c.B.3, as amended;
- b) "Administrative Fees and Expenses" means:
  - i. All proper fees and expenses of the Trustee; and
  - ii. All reasonable legal fees and disbursements of the Trustee on and incidental to any proceedings relating to or arising out of the Proposal;
- c) "Claims" means all claims for any and all debts and liabilities, present and future, including, without limitation, contingent and unliquidated claims to which the Debtor is subject at the Filing Date;
- d) "Court" means the Ontario Superior Court of Justice (In Bankruptcy and Insolvency);
- e) "Creditors" means all Persons with Claims against the Debtor, and for greater certainty, includes Unsecured Creditors, Preferred Creditors and Secured Creditors;
- f) "Debtor" means Yappn Canada Inc.;
- g) "Disputed Claims" means claims that have been disallowed or objected to;
- h) "Distribution Date" means a date selected by the Trustee which shall not be later than thirty (30) days following the later of:
  - i. The date on which all Disputed Claims, if any, have been finally determined; or
  - ii. The Effective Date;
- i) "Effective Date" shall mean the later of thirty (30) days following:
  - i. The date on which the Proposal is approved by the Court and is final and non-appealable; and

- ii. The date on which all other conditions precedent set out in paragraph 15 have been fulfilled.
- j) "Employee Claim" means, in respect of any employee or former employee of the Debtor, a Claim in an amount equal to the amount such employee or former employee would be qualified to receive under paragraph 136 (1) (d) of the Act if the Debtor became bankrupt on the date of Court approval of the Proposal;
- k) "Filing Date" means the date upon which this Proposal was lodged by the Debtor with the Official Receiver;
- l) "Inspector" means an Inspector appointed pursuant to paragraph 14 hereof;
- m) "Meeting of Creditors" means the meeting of creditors scheduled to consider and vote on the Proposal;
- n) "New Shares" means a new unlimited class of non-voting, equity participating shares in 2649596 Ontario Ltd.;
- o) "Performance of the Proposal" means satisfaction of the conditions prescribed at paragraph 15 hereof;
- p) "Person" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- q) "Proposal" means this Proposal of the Debtor, as the same may be amended or altered in accordance with the terms hereof;
- r) "Preferred Claim" means a Claim, which is not a Secured Claim or an Employee Claim, the payment of which the Act directs to be paid after payment of Administrative Fees and Expenses but in priority to all unsecured claims on a proposal made by the Debtor;

- s) "Preferred Creditor" means the holder of a Preferred Claim, in such capacity, but excludes holders of Employee Claims;
- t) "Secured Claim" means the Claim of a Secured Creditor to the extent of the valuation of its security;
- u) "Secured Creditor" means a secured creditor of the Debtor as defined in Section 2 of the Act;
- v) "Secured Equity Distribution Basket" has the meaning ascribed thereto in paragraph 10 (a) hereof;
- w) "Trustee" means Albert Gelman Inc. or its duly-appointed successor;
- x) "Unsecured Claim" means any Claim, other than a Claim that:
  - i. Has been disallowed by the Trustee or expunged by the Court;
  - ii. Is a Secured Claim;
  - iii. Is a Preferred Claim; or
  - iv. Is an Employee Claim;

For greater certainty, an Unsecured Claim includes the portion of the Secured Creditor's Claim to the extent that it exceeds the valuation of its security.

- y) "Unsecured Creditor" is a Creditor with an Unsecured Claim;
- z) ""Unsecured Equity Distribution Basket" has the meaning ascribed thereto in paragraph 10 (b) hereof.

## **2. CLASSES OF CREDITORS**

The classes of creditors of the Debtor established pursuant to the provisions of the Act for the purposes of voting on the Proposal are as follows:

- a) Class 1 – Unsecured Creditors and Preferred Creditors: All Unsecured Creditors and all Preferred Creditors of the Debtor to the extent of their Unsecured Claims and Preferred Claims.
- b) Class 2 – Secured Creditors: All Secured Creditors with proven Secured Claims, to the extent of the valuation of their security.

### 3. PROPOSAL TO SECURED CREDITORS

The Proposal shall apply to Secured Creditors as follows:

- a) Secured Creditors with Secured Claims shall prove the Secured Claims with the Trustee. Where the security interest held by the Secured Creditor is unperfected or invalid for any reason whatsoever, the Trustee shall disallow the Secured Claim;
- b) On the Distribution Date, Secured Creditors of the Debtor, with proven Claims, shall receive their proportionate share of the Secured Equity Distribution Basket in accordance with paragraph 10 (a) hereof; and
- c) Secured Creditors of the Debtor with proven Claims, shall accept the new shares distributed pursuant to paragraph 3 (b) hereof in full and complete satisfaction of their Secured Claims and hereby release the Debtor from any and all claims therefrom.

### 4. ADMINISTRATIVE FEES AND EXPENSES

Payment of the Administrative Fees and Expenses will be made in priority to all other Claims.

### 5. CROWN CLAIMS

All claims of Her Majesty in right of Canada or a province of a kind that could be subject to a demand under,

- a) subsection 224 (1.2) of *The Income Tax Act* (Canada);

- b) any provision of the Canada Pension Plan or 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
- c) 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:
- i. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature as the income tax imposed on individuals under *The Income Tax Act*; or
  - ii. 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;
- and that were outstanding on the Filing Date shall be paid in full within six (6) months of the date of Court approval of this Proposal.

## **6. POST-FILING GOODS AND SERVICES**

All persons who advance money or provide goods, services or credit to the Debtor after the Filing Date shall be paid by the Debtor in the ordinary course, but subsequent to Administration Fees and Expenses. The Debtor shall dispose of no assets other than as contemplated by this Proposal, or other than in the normal and regular course of its ongoing business. The Debtor agrees that the Trustee shall not in any case be responsible for ensuring that payment is duly made pursuant to this Proposal and to all those persons supplying post-filing goods or services.

**7. PREFERRED CLAIMS**

All proven Preferred Claims, if any, without interest from the Filing Date, will be paid in full in cash and in priority to all Unsecured Claims.

**8. EMPLOYEE CLAIMS**

All proven Employee Claims, if any, shall be paid in full immediately following the Effective Date, in accordance with the Act.

**9. PROPOSAL TO UNSECURED CREDITORS**

Unsecured Creditors shall receive the following:

- a) On the Distribution Date, Unsecured Creditors with proven Claims shall receive their proportionate share of the Unsecured Equity Distribution Basket in accordance with paragraph 10 (b) hereof; and
- b) Unsecured Creditors with proven Claims shall accept the New Shares distributed pursuant to paragraph 9 (a) hereof in full and complete satisfaction of their Unsecured Claims, and hereby release the Debtor from any and all claims therefrom.

**10. CORPORATE REORGANIZATION**

As at the Effective Date, the following will occur:

- a) 625,000 New Shares shall be issued and shall comprise the Secured Equity Distribution Basket which shall be available for distribution among the Secured Creditors in accordance with paragraph 3 hereof;
- b) 149,106 New Shares shall be issued and shall comprise the Unsecured Equity Distribution Basket which shall be available for distribution among the Unsecured Creditors in accordance with paragraph 9 hereof; and

- c) The Debtor will cause certificates to be issued to the Secured Creditors and the Unsecured Creditors in respect of the New Shares to be issued to each of them pursuant to the terms of the Proposal, on the Distribution Date.

**11. [INTENTIONALLY DELETED]**

**12. TRANSFER OF ALL YAPPN SHARES TO 2649699 ONTARIO INC.**

Contemporaneously with the issuance and distribution of the New Shares referred to in paragraph 10 of this Proposal to Secured Creditors and to Unsecured Creditors under the Proposal, Yappn Corp. will transfer all of its shares in Yappn to 699.

**13. DISCHARGE OF TRUSTEE**

Following Performance of this Proposal, the Trustee's obligations under this Proposal shall be fully performed and the Trustee shall be entitled to apply for its discharge as Trustee hereunder.

The Trustee is acting in its capacity as Trustee under this Proposal, and not in its personal capacity and shall not be responsible or liable for any obligations of the Debtor.

**14. INSPECTORS**

At the meeting of Creditors held to consider the Proposal, the Creditors may appoint one or more, but not exceeding five, inspectors who shall have all the powers conferred on inspectors by the Act.

**15. CONDITIONS FOR IMPLEMENTATION OF THE PROPOSAL**

Implementation of the Proposal shall be subject to the following conditions precedent:

- a) A resolution of the creditors to accept the Proposal (as made or as altered) at the Meeting of Creditors or any adjournment thereof;
- b) An Order of the Court approving the Proposal;

- c) The taking of all necessary corporate actions and proceedings to approve the Proposal, including the capital reorganization provided for herein;
- d) The issuance and distribution of the New Shares of 2649596 Ontario Ltd. pursuant to paragraphs 10 (a) and (b) and paragraphs 3 and 9 hereof; and;
- e) The performance by the Debtor of all its obligations pursuant to the Proposal.

Once all of the above conditions have been fulfilled or satisfied, when possible, the Proposal shall be deemed to be fully performed and the Trustee will deliver and file with the Court a certificate pursuant to Section 65.3 of the Act.

#### **16. VALUATION OF CLAIMS, VOTING AND APPLICABLE DATES**

- a) Claims of all proven creditors shall be valued as at the Filing Date by the creditors, at or before the Meeting of Creditors.
- b) Proofs of claim, proxies and voting letters intended to be used at the meeting of Creditors must be lodged with the Trustee prior to the Meeting of Creditors.
- c) Creditors must vote their Claims by either returning a properly completed voting letter to the Trustee prior to the Meeting of Creditors, or by attending at the Meeting of Creditors and voting in person or by proxy.

#### **17. AMENDMENT**

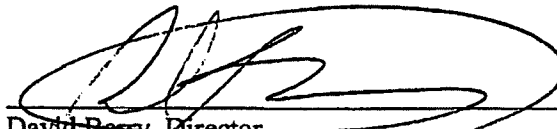
This Proposal may be amended by the Debtor with the consent of the Trustee (i) at the meeting of Creditors called to consider the same or any adjournment thereof, or (ii) at any time prior to and/or thereafter, including after voting and approval by the Creditors but prior to the granting of an Order of the Court approving the Proposal, provided that any such amendment shall not reduce the rights and benefits given to the Creditors under the Proposal before any such amendment. Any and all

amendments made in accordance with the terms hereof shall be deemed to be effective as of the date of the Proposal.

Signed at Toronto, Ontario, this 23<sup>rd</sup> day of November, 2018.

**YAPPN CANADA INC.**

Per:



\_\_\_\_\_  
David Berry, Director  
(I have authority to bind the Corporation)

IN THE MATTER OF THE PROPOSAL OF  
YAPPN CANADA INC.  
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO  
  
TRUSTEE'S REPORT ON PROPOSAL  
(Office of the Superintendent of Bankruptcy Directive No. 24)

The purpose of this report is to provide the creditors of Yappn Canada Inc. ("Yappn" or the "Company") with sufficient information in order for them to properly consider the impact that the Proposal will have on them versus the impact on them in the event that the Company is deemed or otherwise becomes bankrupt.

**Section A – Introduction and Background**

Yappn was incorporated pursuant to the laws of Ontario on May 5, 2013 and is in the software development business. The software developed by Yappn delivers real-time language translation products which enable vendors and consumers to communicate freely with one another, each in their own preferred languages.

Yappn Corp. is the parent company of Yappn and is the sole shareholder of Yappn. Yappn Corp. is a US registered company. Originally Yappn Corp. was the operating company which owned and developed the software. In 2017 Yappn Corp. spun out all of its assets and liabilities into Yappn.

Pursuant to a corporation profile report dated November 14, 2018 Mr. David Berry and Mr. Kent Jespersen are the directors of the Company.

On November 23<sup>rd</sup>, 2018 the Company filed a proposal under Part III Division I of the *Bankruptcy and Insolvency Act* (Canada) to its creditors (the "Proposal"). Albert Gelman Inc. ("Proposal Trustee") has been appointed as Trustee in respect of the Company's Proposal.

**Section B – Summary of Proposal**

The Debtor's proposal contemplates a reorganization of Yappn. Management has prepared a cover letter dated November 23, 2018 (the "Management Letter") which is included with this package. The Management Letter explains the nature and process of the corporate reorganization. A post-reorganization corporate chart is included with the Management Letter.

Pursuant to the Proposal, secured and unsecured creditors would exchange their debt in Yappn for equity participating, non-voting Class "C" Common Shares (the "Shares") in the capital of 2649596 Ontario Ltd. ("596"). Details of the pre- and post-reorganization share capital structure of 569 is included with the Management Letter.

The Proposal contemplates that the Shares to be distributed to creditors will be as follows:

- a) Secured creditors would be entitled to share pro-rata in a distribution of 625,000 Shares; and,
- b) Unsecured creditors would be entitled to share pro-rata in a distribution of 149,106 Shares.

Preferred creditors, if any, would receive cash consideration in respect of their claim(s).

In accordance with the terms of the Proposal after the corporate reorganization is effected, 596 would own 98 of the 200 issued and outstanding common shares of 2649699 Ontario Inc. ("699"). 699 would then own all of the issued and outstanding common shares of Yappn. 699 would also own directly and indirectly (through 2249951 Ontario Inc.) all of the issued and outstanding common shares of 7299362 Canada Inc. ("**Alexa**"). The Proposal Trustee understands that Alexa is a translation business that specializes in translating documents that require a high degree of accuracy (e.g. legal documents). Alexa's financial information will be available at the meeting of creditors, provided that creditors sign a confidentiality agreement restricting who they may share such information with.

Internally prepared balances sheets for both 596 and 699 prepared as at October 31, 2018 will be available to creditors for review at the first meeting of creditors.

### **Section C – Financial Position and Causes of Difficulties**

#### **Financial Position**

The Company has advised the Proposal Trustee that no externally prepared financial statements have ever been prepared for Yappn.

The Proposal Trustee has been provided with the internally prepared balance sheet of the Company dated as at May 31, 2018 as well as the internally prepared income statement for the fiscal year ended May 31, 2018. These internally prepared financial statements are attached hereto as Exhibit "A".

#### **Causes of Financial Difficulties**

Management has advised the Proposal Trustee that its financial difficulties resulted from the fact that Yappn is in the product development stage and has not yet succeeded in generating sufficient revenues to support its ongoing development costs or repay its legacy debt obligations.

### **Section E – Identification and Evaluation of Assets**

Pursuant to the Company's Statement of Affairs sworn on November 23, 2018 (the "SOA") the Company's assets, along with their estimated values, are presented below.

<b>Category</b>	<b>Liquidation value (\$)</b>
Book Debts - Accounts Receivable	34,625
Trade fixtures, etc.	6,603
Machinery, equipment and plant	46,221
Other property - Core Technology, IP and Issued Patents	6,603,000

Further details regarding each class of asset of the Company are set out below.

#### **Accounts Receivable**

The Company has indicated on its SOA that there are accounts receivable of approximately \$34,625 which are owing to the Company from its customers, which the Company advises are collectible in the ordinary course. This represents accounts receivable of USD\$26,219 converted to Canadian dollars at the Bank of Canada exchange rate of 1.3206 as at the close of November 9, 2018.

#### **Trade fixtures, etc. and**

The Company has indicated on its SOA that it owns furniture and fixtures which it has estimated to be approximately \$6,603 in value. This represents a value of USD\$5,000 converted to Canadian dollars at the Bank of Canada exchange rate of 1.3206 as at the close of November 9, 2018.

#### **Machinery, equipment and plant**

The Company has indicated on its SOA that it owns computer hardware and third party computer software which it has estimated to be approximately \$46,221 in value. This represents a value of USD\$35,000 converted to Canadian dollars at the Bank of Canada exchange rate of 1.3206 as at the close of November 9, 2018.

#### **Other Property – Core Technology, IP and Issued Patents**

The Company has indicated on its SOA that it owns intangible assets which it has valued at \$6,603,000. This represents a value of USD\$5,000,000 converted to Canadian dollars at the Bank of Canada exchange rate of 1.3206 as at the close of November 9, 2018.

These intangible assets include Yappn's core software technology, intellectual property and issued patents. Given the fact that these assets are in a development stage and intangible in nature and are not generating sufficient revenue to support ongoing costs, it is difficult to value these types of assets with any degree of certainty. Therefore, these assets have not been valued independently.

#### **Section F – Conduct of Debtor**

##### **Bankruptcy Offences**

The Proposal Trustee is not aware of any offense committed by the Company pursuant to the BIA.

##### **Monitoring**

Since the date of the filing of the Proposal the Proposal Trustee has monitored the cash receipts and disbursements of the Company. The Proposal Trustee will continue to monitor the receipts and disbursements of the Company until such time as the Proposal is approved by the Court or the Company is deemed or otherwise becomes bankrupt.

## Reviewable Transactions

The Proposal Trustee is in the process of completing its review of the Company's financial records to ascertain whether there were any reviewable transactions, as described in sections 95 through 101 of the BIA. The Trustee will update the creditors on its conclusions at the first meeting.

## Section G – Creditors' Claims

A summary of the classes of the Company's creditors listed on its SOA are set out below.

Category	No. of creditors	Amount (\$)
Secured	24	10,471,261
Preferred	0	0
Unsecured	46	7,536,698

### Secured Creditors

The Proposal Trustee conducted search of the *Personal Property Securities Act* online registry on September 28, 2018 (with a file currency date of September 27, 2018) (the "PPSA Search"). The PPSA search identified that one creditor has registered a financing statement against the company as follows:

Registration Date	Creditor	Collateral Classification
December 23, 2015	Winterberry Investments Inc., as Agent	Inventory, Equipment, Accounts, Other, Motor Vehicles

Winterberry Investments Inc. ("**Winterberry**") is acting as collateral agent for each of the holders of debentures subscribed to under a subscription agreement dated July 15, 2015. Pursuant to the SOA there are 24 individual debenture holders (the "**Debenture Holders**") for whom Winterberry is acting as collateral agent. Each of the Debenture Holders is listed on the SOA.

The Proposal Trustee obtained a security opinion dated November 2, 2018 from its independent legal counsel in respect of the validity and enforceability of the security of Winterberry, in its capacity as collateral agent for the Debenture Holders (the "**Security Opinion**"). The Security Opinion indicates that the security of Winterberry, in its capacity as collateral agent for the Debenture Holders, is validly perfected and enforceable.

Creditors may obtain a copy of the Security Opinion directly from the Proposal Trustee upon request.

### Preferred Creditors

According to the SOA, the Company does not have any preferred creditors.

### Unsecured Creditors

Pursuant to the SOA, the Company has creditors with unsecured claims totalling \$7,536,698.

## **Section H – Previous Business Dealings with the Company**

The Proposal Trustee has not previously provided services to Yappn.

## **Section I – Informal Meetings with Major Creditors**

The Trustee has not been involved in any discussion with major creditors as of the date of this report.

## **Section J – Remuneration of Proposal Trustee**

Payment of the fees and expenses of the Proposal Trustee, including its legal fees and disbursements, are provided for in the Proposal.

## **Section K – Other Information**

In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by the Company's representatives, the books and records of the Company and discussions with representatives of the Company, including their internal finance team and legal counsel. The Proposal Trustee has not performed an audit or other verification of such information. Future oriented financial information relied upon in this Report is based on the Companies' representatives' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

Unless otherwise noted, all currency references in this report are to Canadian dollars.

Capitalized terms not otherwise defined in this report have the meanings ascribed to them in the Proposal.

It is expressly noted and should be clearly understood that Albert Gelman Inc., in its capacity as Trustee under this Proposal, assumes no personal liability for any claims against the Company before or after the filing of the Proposal.

## **Section L – Statement of Estimated Realization**

### **Distribution to Unsecured Creditors – Proposal**

The Proposal contemplates that unsecured creditors will share pro-rata in a distribution of 149,106 non-voting Class "C" Common shares (defined above as "Shares") in the capital of 596, which distribution shall occur contemporaneously with the corporate reorganization. In accordance with the post-reorganization corporate chart, 596 will own a 49% interest in 699 and 669 will own 100% of Yappn and, effectively, 100% of Alexa. The Proposal Trustee has not valued the Shares being offered to unsecured creditors due to the fact that the principal assets of both Yappn and Alexa are intangible and difficult to value with any degree of accuracy.

Unsecured creditors may wish to obtain advice from their own financial and/or other professional advisors as to how the Proposal may impact them.

### **Distribution to Unsecured Creditors – Bankruptcy**

In the event that the Proposal is not accepted by Yappn's creditors or the Court, Yappn will be deemed to have made an assignment in bankruptcy.

In the Trustee's opinion, in the event of a bankruptcy of the Yappn it is unlikely that there will be any distribution to unsecured creditors due to quantum of secured claims listed on the SOA as ranking in priority.

#### **Distribution to Secured Creditors – Proposal**

The Trustee does not make any recommendation to secured creditors on the Proposal. Secured creditors should undertake their own due diligence and valuation of their security to determine whether the Proposal is more beneficial to them than a bankruptcy of the Company.

#### **Section M – Recommendation – Unsecured Creditors**

If Yappn is declared bankrupt it is anticipated that unsecured creditors will not receive any distribution. Therefore, the Proposal Trustee recommends acceptance of the Proposal by the unsecured creditors.

#### **Section L – Meeting of Creditors and Procedures for Voting**

The primary purpose of the Creditors Meeting is to permit creditors an opportunity to consider and to accept or reject the Company's Proposal.

To be eligible to vote, creditors must have filed with the Proposal Trustee, before the commencement of the Creditors Meeting, a proof of claim and either attend the meeting in person or by proxy, or complete and submit the attached voting letter prior to the Creditors Meeting.

**The Proposal Trustee prefers that Proofs of Claim, Proxies and Voting Letters be submitted in advance of the meeting by fax at 416-504-1655 or by email at [proofofclaim@albertgelman.com](mailto:proofofclaim@albertgelman.com).**

Documents sent via mail or courier must be received by the Proposal Trustee prior to the commencement of the Creditors Meeting to be considered for voting purposes.

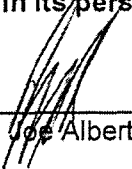
Corporate creditors who will be sending a representative to vote at the meeting must complete the proxy in favour of the representative in attendance, in order to evidence that this person has the authority to vote on behalf of the corporation.

If the Proposal is not accepted by the requisite majority of creditors, the Debtor will be deemed to have made an assignment in bankruptcy. If the Proposal is accepted by the requisite majority of creditors, the Proposal Trustee will then make an application to the Court for approval of the Proposal. Upon the Court approving the Proposal, the Proposal will be binding upon all creditors with provable claims.

\* \* \*

DATED at Toronto, Ontario, this 23rd day of November, 2018.

**ALBERT GELMAN INC., solely in its  
capacity as Proposal Trustee in re  
the Proposal of Yappn Canada Inc. and  
not in its personal or any other capacity**

  
Per: Joe Albert, CPA, CA, DIFA, CIRP, LIT

**Yappn Canada Inc.  
Balance Sheet (CAD)**

As of  
May 31, 2018

**Assets**

Current assets:

Cash	\$ 105,321
Accounts receivable	18,153
Receivable from Yappn Corp	-
Prepaid expenses	<u>67,457</u>
Total current assets	190,932

Equipment, net	4,319
Intangible assets	3,081,523
Patent Rights	208,065

**Total Assets** \$ 3,484,838

**Liabilities and Stockholders' Deficit**

Current liabilities:

Accounts payable	\$ 546,410
Accrued expenses	99,335
Short term accrued interest	355,748
Deferred Revenue	2,230
Short term loans	118,815
Convertible promissory notes and debentures	459,654
Secured short term loan	647,400

Total current liabilities 2,229,592

Other liabilities:

Long term accrued interest	2,966,771
Long term loans	3,487,364
Long term secured debentures	5,891,842
Convertible secured debentures	743,042

**Total Liabilities** 15,318,611

**Stockholders' Deficit**

Additional paid-in capital	(2,056,576)
Deficit	(9,777,197)

**Total Stockholders' Deficit** (11,833,773)

**Total Liabilities And Stockholders' Deficit** \$ 3,484,838

**Yappn Canada**  
**Statements of Operations and Comprehensive Loss (CAD)**

	<u>For the year ended May 31, 2018</u>
Revenues	\$ 273,694
Cost of revenue	<u>100,023</u>
Gross profit	173,671
Operating expenses:	
Marketing	7,227
Research and development expenses	994,281
General and administrative expenses	876,599
Professional fees	3,567
Consulting	27,046
Depreciation	15,171
Amortization	784,392
Stock-based compensation	-
Total operating expenses	<u>2,708,283</u>
Loss from operations	<u>(2,534,611)</u>
Other expense/(income):	
Interest expense	849,223
Change in fair value of convertible debentures and notes	179,156
Miscellaneous (income)	(167,402)
Total other expense	<u>860,978</u>
Net loss before taxes	(3,395,589)
Provision for income taxes	-
Net loss and comprehensive loss	<u>\$ (3,395,589)</u>

District of: Ontario  
 Division No. 09 - Toronto  
 Court No.  
 Estate No.

Original  Amended

- Form 78 -  
 Statement of Affairs (Business Proposal) made by an entity  
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

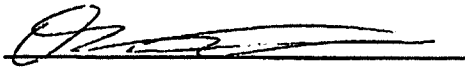
In the matter of the proposal of  
 Yappn Canada Inc.  
 of the City of Markham, in the Province of Ontario

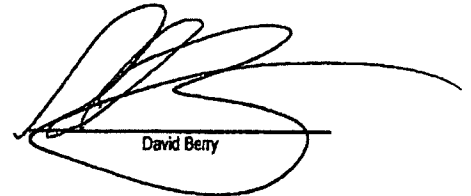
To the debtor:  
 You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal, on the 23<sup>rd</sup> day of November 2018. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A" .....	1. Inventory .....
7,536,698.00	0.00
Balance of secured claims as per list "B" .....	2. Trade fixtures, etc. ....
3,780,812.00	6,603.00
Total unsecured creditors .....	3. Accounts receivable and other receivables, as per list "E"
11,317,510.00	Good .....
2. Secured creditors as per list "B" .....	34,625.00
6,690,449.00	Doubtful .....
3. Preferred creditors as per list "C" .....	0.00
0.00	Bad .....
4. Contingent, trust claims or other liabilities as per list "D"	0.00
estimated to be reclaimable for .....	Estimated to produce .....
0.00	34,625.00
Total liabilities .....	4. Bills of exchange, promissory note, etc., as per list "F" ....
18,007,959.00	0.00
Surplus .....	5. Deposits in financial institutions .....
NIL	0.00
	6. Cash .....
	0.00
	7. Livestock .....
	0.00
	8. Machinery, equipment and plant .....
	46,221.00
	9. Real property or immovable as per list "G" .....
	0.00
	10. Furniture .....
	0.00
	11. RRSPs, RRIAs, life insurance, etc. ....
	0.00
	12. Securities (shares, bonds, debentures, etc.) .....
	0.00
	13. Interests under wills .....
	0.00
	14. Vehicles .....
	0.00
	15. Other property, as per list "H" .....
	6,603,000.00
	If debtor is a corporation, add:
	Amount of subscribed capital .....
	228,406.00
	Amount paid on capital .....
	228,406.00
	Balance subscribed and unpaid .....
	0.00
	Estimated to produce .....
	0.00
	Total assets .....
	6,690,449.00
	Deficiency .....
	11,317,510.00

I, Kent Jespersen, of the City of Delmar in the State of California, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 16<sup>th</sup> day of November 2018 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)  
 before me at the City of Toronto in the Province of Ontario, on this 23<sup>rd</sup> day of November 2018.

  
 David A. Golding  
 A COMMISSIONER, ETC.

  
 David Berry

District of: Ontario  
 Division No. 09 - Toronto  
 Court No.  
 Estate No.

FORM 78 - Continued

List "A"  
 Unsecured Creditors

Yappn Canada Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	2124312 Ontario Inc *Debenture Holder	320 Bay Street Suite 1600 Toronto ON M5H 4A6	1.00	0.00	1.00
2	2648699 Ontario Inc.	120 Eglington Avenue East, Suite 1100 Toronto ON M4P 1E2	265,000.00	0.00	265,000.00
3	Accreive Capital Corp *Debenture Holder	26 Lesmill Road Unit 3 Toronto ON M4N 2R6	1.00	0.00	1.00
4	Alexander MacKey	66 Station Street Welland ON L3C 5K7	38,311.00	0.00	38,311.00
5	Amir Bern *Debenture Holder	Achl, Dakar 42 Ra' Anana IL	1.00	0.00	1.00
6	Apple Rock Displays	7602 Business Park Drive Greensboro NC 27409	620.00	0.00	620.00
7	Avenza Holdings Inc. *Debenture Holder	124 Merton Street # 400 Toronto ON M4S 2Z2	1.00	0.00	1.00
8	Barry Pakuk	112 Cunningham Avenue Winnipeg MB R2M 0W8	20,883.00	0.00	20,883.00
9	Brad White *Debenture Holder	ON	1.00	0.00	1.00
10	Broadridge	P.O. Box 416423 Boston MA 02241-6423	3,145.00	0.00	3,145.00
11	Catherine Schwartz Productions	1601 Hills Avenue #6 Los Angeles CA 90024	3,962.00	0.00	3,962.00
12	Change 1 Ltd. *Debenture Holder	87 Highland Crescent Toronto ON M2L 1G7	1.00	0.00	1.00
13	Chitz Pathak LLP *Debenture Holder	320 Bay Street Suite 1600 Toronto ON M5H 4A6	1.00	0.00	1.00
14	CUSIP	55 Water Street, 43rd floor New York NY 10041	530.00	0.00	530.00
15	D.Stahl, LLC	240 Centre Street, Apt 2K New York NY 10013	2,641.00	0.00	2,641.00
16	Dardan Bancorp *Debenture Holder	73 Richmond Street West Suite PH3 Toronto ON M5H 1Z4	1.00	0.00	1.00
17	Dataryze	4 W. 4th Avenue, Unit 501 San Mateo CA 94402	5,811.00	0.00	5,811.00
18	David Berry *Debenture Holder	124 Park Road Toronto ON M4W 2N7	2,877,857.00	0.00	2,877,857.00
19	David Wonch	15 Riva Ridge Brantford ON N3P 1R9	105,819.00	0.00	105,819.00
20	E52 Financial	464-4234 I-75 Bus Spur Sault Ste Marie MI 49783	26,000.00	0.00	26,000.00
21	Edgar Agents	105 White Oak Lane, Suite 104 Old Bridge NJ 08857	4,072.00	0.00	4,072.00
22	Frontier Development Inc. *Debenture Holder	C/O Box 209 Chancery Court, Leeward Highway Providenciales TC	1.00	0.00	1.00
23	Gala Globalization and Localization Assoc	P.O. Box 413 Andover MA 01810	1,321.00	0.00	1,321.00
24	Getty Images	P.O. Box 953604 St Louis MO 63195-3604	19,017.00	0.00	19,017.00

November 23<sup>rd</sup>, 2018

Date



David Berry

District of: Ontario  
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FORM 78 - Continued

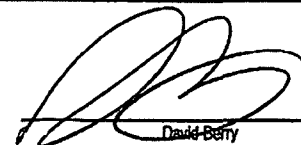
List "A"  
 Unsecured Creditors

Yeppn Canada Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
25	Gigya	2513 E. Charleston Suite 200 Mountain View CA 94043	3,788.00	0.00	3,788.00
26	Gordon Herlands Randolph & Cox LLP	355 Lexington Avenue, 10th Floor New York NY 10017	13,371.00	0.00	13,371.00
27	Gowlings Lafleur Henderson LLP	1 First Canadian Place, 100 King St West, Suite 1600 Toronto ON M5X 1G5	46,617.00	0.00	46,617.00
28	Grandhill Capital Inc. *Debenture Holder	518 Vesta Drive Toronto ON M5P 3A8	1.00	0.00	1.00
29	Hootsuite USD	5 East 8th Avenue Vancouver BC V5T 1R6	2,808.00	0.00	2,808.00
30	IBEC Holdings	11D Hawthorn Garden, 70 Sing Woo Road Happy Valley HK	85,599.00	0.00	85,599.00
31	IMG Fashion DIV of IMG Worldwide, LLC.	304 Park Avenue South, Penthouse North New York NY 10010	22,450.00	0.00	22,450.00
32	Jeana Wendel	8089 Wascana Gardens Crescent Regina SK S4V 1G2	57,066.00	0.00	57,066.00
33	Jeff Crane *Debenture Holder	14 Fleming Crescent Toronto ON M4G 2A8	1.00	0.00	1.00
34	Jonathan Smith	10 Indiana Street Burd River ON P0R 1B0	63,050.00	0.00	63,050.00
35	David Berry	1815-40 Avenue, SW Calgary AB T2T 2L7	122,133.00	0.00	122,133.00
36	Loeb & Loeb	345 Park Avenue New York NY 10154	287.00	0.00	287.00
37	Luz Vazquez Senties and Oscar Joel Christopher Vaquez Callender *Debenture Holder	Av Revolucón No 468 San Pedro de los Pinos Mexico City MX 03800	2,917,926.00	0.00	2,917,926.00
38	Maletzky Media	157 Columbus Avenue #502 New York NY 10023	30,724.00	0.00	30,724.00
39	Maranden Holdings Inc.	115 Arnold Avenue Thornhill ON L4J 1B6	53,210.00	0.00	53,210.00
40	Martin and Millen Inc. *Debenture Holder	124 Park Road Toronto ON M4W 2N7	1.00	0.00	1.00
41	Martin Bernholtz *Debenture Holder	28 Lesmill Road Unit 3 Toronto ON M4N 2R6	1.00	0.00	1.00
42	MBooth	300 Park Avenue South 12th Floor New York NY 10010	38,546.00	0.00	38,546.00
43	Meissner Marketing	Faltheia, West Street Mayfield GB	14,788.00	0.00	14,788.00
44	Microsoft	One Microsoft Way Redmond WA 98052	71,695.00	0.00	71,695.00
45	Mike Florence *Debenture Holder	103 Vesta Drive Toronto ON M5P 2Z8	1.00	0.00	1.00
46	MNP LLP	50 Burnhamthorpe Road West, Suite 900 Mississauga ON L5B 3C2	29,170.00	0.00	29,170.00
47	NFP Property & Casualty Services, Inc	707 Westchester Avenue, Suite 201 White Plains NY 10604	762.00	0.00	762.00

November 23rd, 2018

Date



David Berry

District of: Ontario  
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FORM 78 - Continued


List "A"  
 Unsecured Creditors

Yappi Canada Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
48	Nora Singh	28 Normandale Crescent Toronto ON M2P 1M8	192,438.00	0.00	192,438.00
49	O&M Partners LLC.	757 Third Avenue 15th Floor New York NY 10017	7,924.00	0.00	7,924.00
50	Paige Capital Inc. *Debenture Holder	38 Edmund Seager Drive Thornhill ON L4J 4R9	1.00	0.00	1.00
51	Patricia Martin	11 Shorthill Place Fonthill ON L0S 1E3	31,726.00	0.00	31,726.00
52	Peter Simeon *Debenture Holder	2359 North Ridge Trail Oakville ON L6H 0B1	1.00	0.00	1.00
53	Quest Document Solutions	757 Third Avenue Suite 2127 New York NY 10017	964.00	0.00	964.00
54	Ricoh Canada Inc	5520 Explorer Drive Suite 300 Mississauga ON L4W 5L1	1,906.00	0.00	1,906.00
55	Rob Cole	66 Howlett Avenue Newmarket ON L3Y 5S5	42,028.00	0.00	42,028.00
56	Ron Santos	20452 TWP Road 515A Shenwood Park AB T8G 1G3	31,726.00	0.00	31,726.00
57	Shaun Henderson	227 Martindale Avenue Oakville ON L6H 4K2	31,726.00	0.00	31,726.00
58	Simon Yakubowicz *Debenture Holder	17 Alderbrook Drive Don Mills ON M3B 1E3	1.00	0.00	1.00
59	Stan Bhatti *Debenture Holder	39 Whitney Avenue Toronto ON M4W 2A7	1.00	0.00	1.00
60	STE Holdings	Ajay Tandon 845 Third Avenue 6th Floor New York NY 10022	8,584.00	0.00	8,584.00
61	Steve Singh	28 Normandale Crescent Toronto ON M2P 1M8	236,891.00	0.00	236,891.00
62	Stu Hornuth *Debenture Holder	81 Hill Street Exeter ON N0M 1S1	1.00	0.00	1.00
63	Telus	P.O. Box 5300 Burlington ON L7R 4S8	222.00	0.00	222.00
64	Toronto Tree Top Holdings Ltd. *Debenture Holder	73 Richmond Street West Suite PH3 Toronto ON M5H 1Z4	1.00	0.00	1.00
65	Ventris	Suite 8, 20F, One International Finance Centre, One Harbor View Street Central HK	1,585.00	0.00	1,585.00
66	Winterberry Investment Inc. *Debenture Holder	124 Park Road Toronto ON M4W 2N7	1.00	0.00	1.00
67	Winterberry Investments Inc., as Collateral Agent for each Debenture Holder	124 Park Road Toronto ON M4W 2N7	0.00	3,780,812.00	3,780,812.00
Total:			7,536,698.00	3,780,812.00	11,317,510.00

November 23rd, 2018

Date



David Berry

District of: Ontario  
 Division No. 09 - Toronto  
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FORM 78 - Continued

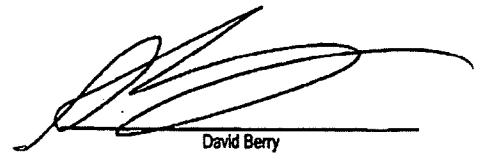
List "B"  
 Secured Creditors

Yappn Canada Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	Winterberry Investments Inc., as Collateral Agent for each Debenture Holder	124 Park Road Toronto ON M4W 2N7	10,471,261.00	Other - Intangible Property - Core Technology, IP and Issued Patents  Business Assets - Machinery - Computer hardware/software  Debts Due - Business - Accounts Receivable - Trade - .  Business Assets - Trade Fixtures - Office furniture and fixtures	23-Dec-2015  23-Dec-2015  23-Dec-2015  23-Dec-2015	6,603,000.00  46,221.00  34,625.00  6,603.00		3,780,812.00
Total:			10,471,261.00			6,680,449.00	0.00	3,780,812.00

November 23rd, 2018

Date



David Berry

District of: Ontario  
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FORM 78 -- Continued


List "C"  
Preferred Creditors for Wages, Rent, etc.

Yappn Canada Inc.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

November 23rd, 2018

Date



David Berry

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FORM 78 - Continued


List "D"  
Contingent or Other Liabilities

Yappn Canada Inc.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

November 23rd, 2018

Date



David Barry

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FORM 78 -- Continued

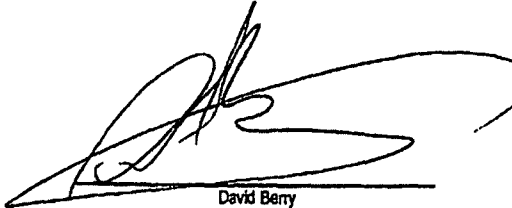
List "E"  
 Debts Due to the Debtor

Yappn Canada Inc.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Accounts Receivable - Trade	ON .	Accounts Receivable - Trade	34,625.00 0.00 0.00		09-Nov-2018	34,625.00	
Total:				34,625.00 0.00 0.00			34,625.00	

November 23rd, 2018

Date



David Berry

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FORM 78 - Continued

List "F"

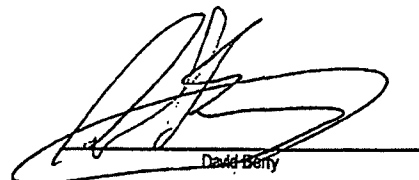
Bills of Exchange, Promissory Notes, Lien Notes, Chattel  
Mortgages, etc., Available as Assets

Yappn Canada Inc.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

November 23rd, 2018

\_\_\_\_\_  
Date



David Berry

District of: Ontario  
Division No. 09 - Toronto  
Court No.  
Estate No.

FORM 78 -- Continued

List "G"  
Real Property or Immovables Owned by Debtor

Yappn Canada Inc.

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
			Total:	0.00	0.00

November 23rd, 2018

Date



David Berry

District of: Ontario  
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FORM 78 - Concluded

List "H"  
 Property

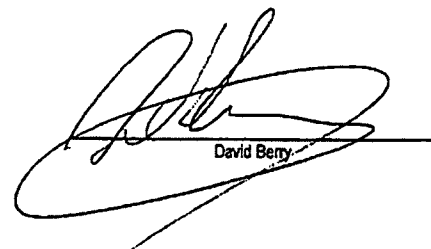
Yappn Canada Inc.

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.		Office furniture and fixtures	0.00	6,603.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant		Computer hardware/software	0.00	46,221.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Intangible Property - Core Technology, IP and issued Patents	0.00	6,603,000.00
			<b>Total:</b>	<b>6,655,824.00</b>

November 23rd, 2018

Date



David Berry

District of: Ontario  
Division No. 09 - Toronto  
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Estate No.

- FORM 31 -  
Proof of Claim  
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),  
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

In the matter of the proposal of  
Yappn Canada Inc.  
of the City of Markham, in the Province of Ontario

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

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

In the matter of the proposal of Yappn Canada Inc. of the City of Markham in the Province of Ontario 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 proposal, namely the 23rd day of November 2018, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit) 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 redetermine 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

\_\_\_\_\_  
 Creditor

Phone Number: \_\_\_\_\_  
 Fax Number : \_\_\_\_\_  
 E-mail Address : \_\_\_\_\_

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 20(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

District of: Ontario  
Division No. 09 - Toronto  
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- FORM 36 -  
Proxy  
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

In the matter of the proposal of  
Yappn Canada Inc.  
of the City of Markham, in the Province of Ontario

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.

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

\_\_\_\_\_  
Witness

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

\_\_\_\_\_  
Witness

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

Per \_\_\_\_\_

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

Return To:

Albert Gelman Inc. - Licensed Insolvency Trustee

\_\_\_\_\_  
100 Simcoe Street, Suite 125  
Toronto ON M5H 3G2  
Phone: (416) 504-1650 Fax: (416) 504-1655  
E-mail: proofofclaim@albertgelman.com

District of: Ontario  
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- FORM 37 -

Voting Letter  
(Paragraph 51(1)(f) of the Act)

In the matter of the proposal of  
Yappn Canada Inc.  
of the City of Markham, in the Province of Ontario

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 proposal of Yappn  
Canada Inc., to record my vote \_\_\_\_\_ (for or against) the acceptance of the proposal as made on  
the 23rd day of November 2018.

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

\_\_\_\_\_  
Witness

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

\_\_\_\_\_  
Witness

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

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

Return To:

Albert Gelman Inc. - Licensed Insolvency Trustee

Per:

\_\_\_\_\_  
Joe Albert - Licensed Insolvency Trustee  
100 Simcoe Street, Suite 125  
Toronto ON M5H 3G2  
Phone: (416) 504-1650 Fax: (416) 504-1655  
E-mail: proofofclaim@albertgelman.com

# EXHIBIT D

District of: Ontario  
Division No.: 09 – Toronto  
Court No.: 31-2447514  
Estate No.: 31-2447514

In the matter of the Proposal of  
**Yappn Canada Inc.**  
of the city of Markham, in the Province of Ontario

**Minutes of the First Meeting of Creditors**

Trustee: Albert Gelman Inc. (the “Trustee”)  
Debtor: Yappn Canada Inc. (the “Debtor”)  
Chairperson: Joe Albert  
Date of First Meeting of Creditors: December 5, 2018 at 10:00 a.m.

Location: Office of the Trustee, Albert Gelman Inc.  
100 Simcoe Street, Suite 125,  
Toronto, ON

Attendees: Joe Albert, Chairperson  
Tom McElroy, representative of the Trustee  
Fay Sulley, counsel to the Trustee  
Fred Tayar, Counsel to the Debtor  
David Goldberg, Counsel to the Debtor  
Anthony Pearlman, creditor  
Howard Manis, Counsel to Anthony Pearlman  
David Berry, representative of the Debtor  
Gary Kalaci, representative of the Debtor

---

**Quorum**

The Chairperson established and announced that there was a quorum of creditors at the meeting.

**Meeting Legally Constituted**

The Chairperson declared the meeting legally constituted and called the meeting to order at 10:00 a.m.

The Chairperson advised the attendees that pursuant to the *Bankruptcy and Insolvency Act*, the Chairperson will decide any questions or disputes that arise at the meeting, subject to the right of any creditor to appeal any decision to the Court.

The Trustee tabled the following documents:

- a) Notice of meeting, including the Statement of Affairs, Proposal and the Trustee’s Report

- to Creditors on Proposal dated November 23, 2018 (the "Report");
- b) Affidavit of Joe Albert confirming the mailing of the notice of the meeting and related documents on November 24 2018;
  - c) Independent legal opinion prepared by Torkin Manes LLP regarding the validity and enforceability of the security of Winterberry Investments Inc.;
  - d) Copies of each of the proofs of claim, voting letters and proxies filed with the Trustee prior to the start of the meeting;
  - e) Externally prepared financial statements of 7299362 Canada Inc. (operating as Alexa Translation) ("Alexa") for the year ended December 31, 2017 and internally prepared financial statements of Alexa for the period ended August 31, 2018; and,
  - f) Internally prepared financial statements for both 2649596 Ontario Ltd. and 2649699 Ontario Inc. for the period August 1 to October 31, 2018.

The Chairperson asked if any attendee wished to inspect the tabled documents. At the request of Mr. Pearlman, the Chairperson called for a short adjournment of the meeting to allow Mr. Pearlman and his counsel to review the tabled documents.

Mr. Kalaci advised that any creditor wishing to review the financial statements of Alexa must sign a drafted confidentiality agreement due to the confidential nature of the financial statements.

#### **Trustee's Report:**

The Chairperson reviewed the Trustee's Report with the attendees.

#### **Question Period:**

The Chairperson asked attendees if they had any questions at this time on the Proposal or the Trustee's Report.

Mr. Pearlman raised a concern that the affidavit supporting the Statement of Affairs appeared to be erroneous because the person named as swearing it, Kent Jesperen, was not the person who appears to have actually sworn it, David Berry. The Debtor's counsel, who also acted as Commissioner to take the affidavit of Mr. Berry, advised that this was a typographical error and that the Statement of Affairs was in fact sworn by Mr. Berry.

At the suggestion of the Chairperson, the Statement of Affairs was re-sworn by Mr. Berry at the meeting so as to ensure there was no misunderstanding.

Mr. Pearlman raised the following additional matters:

- his claim of \$228,714 was not listed on the Statement of Affairs; and
- Neither the Statement of Affairs, nor the Trustee's Report made reference to the fact that he had been terminated two days prior to the filing of the Proposal and that if creditors were aware of his termination, they may have chosen to vote differently on the Proposal.

The Chairperson advised that he considered the matters raised by Mr. Pearlman to not be material irregularities or omissions and therefore the Chairperson will admit the voting letters of creditors who had voted in advance of the meeting.

### **Notice to Creditors of Meeting**

The Chairperson advised the attendees of the following matters that arose prior to the meeting:

- Mr. David Wonch, a creditor, contacted counsel to the Debtor on December 2, 2018 to advise he had not yet received the notice of meeting. The Trustee, on being advised of this by Mr. Tayar, emailed the notice and related documents to Mr. Wonch the same day at approximately 5:00pm.
- In an exchange of several emails between Mr. Wonch, the Debtor's counsel and the Trustee, Mr. Wonch advised that he was aware of other creditors who did not receive the notice of meeting. He claimed that the rotating postal strike is likely preventing creditors from receiving the notice.
- Both counsel to the Debtor and the Trustee himself requested by email that Mr. Wonch advise as to which creditors he claimed did not receive the notice of meeting. Mr. Wonch refused to do so.
- One other creditor, Mr. Alexander Mackay, advised the Trustee on December 4, 2018 that he had not received notice of the meeting, but had learned of it by Mr. Wonch. The Trustee emailed the notice of meeting and related documents to Mr. Mackay on the same day at approximately 1:00pm.
- The Trustee had advised both Mr. Wonch and Mr. Mackay that if they wished to participate and at the meeting, they must ensure their proofs of claim are completed and delivered by email, fax or personally delivery before the start of the meeting and that they should advise the Trustee if they cannot attend in person but would like to attend by conference call-in.

The Chairperson advised that neither Mr. Wonch nor Mr. Mackay filed proofs of claim prior to the start of the meeting and neither were in attendance at the meeting nor requested to arrange to attend the meeting by conference call.

With consideration to the above, the Chairperson considered the issue as to whether the delivery of the notice of meeting and the date of the meeting was in compliance of the notice requirements of the Bankruptcy and Insolvency Act.

The Chairperson pointed out that prior to the meeting 26 of a total of 68 creditors had filed claims which, in aggregate, totaled \$17,743,315.

The Chairperson advised that his position is that the meeting is in compliance with the timing requirements of the BIA and that he was satisfied that the meeting need not be adjourned solely

for the purpose of allowing any other creditor to have further time to file a proof of claim and vote.

Mr. Pearlman tabled a Motion that the vote on the proposal be adjourned. The Trustee asked if any of the attendees would second the Motion. No person seconded the Motion. The Trustee advised the Motion is not carried.

**Vote on Proposal**

The Trustee tabled the Debtor’s Proposal dated November 23, 2018 (the “Proposal”).

Secured Creditor Class

A MOTION was made by David Berry and seconded by Joe Albert, proxy holder for GHRC, to call a vote on the proposal by the secured creditor class. The results of the vote were as follows:

Creditors FOR				Creditors AGAINST				Results	
Votes	%	Value	%	Votes	%	Value	%	Votes	Value
21	100.0%	6,619,917	100.0%	0	0.0%	0	0.0%	Approved	Approved

Unsecured Creditor Class

A MOTION was made by Anthony Pearlman and seconded by Joe Albert, proxy holder for GHRC, to call a vote on the proposal by the unsecured creditor class. The results of the vote were as follows:

Creditors FOR				Creditors AGAINST				Results	
Votes	%	Value	%	Votes	%	Value	%	Votes	Value
25	96.2%	9,980,392	97.8%	1	3.8%	228,714	2.2%	Approved	Approved

The Trustee announced that the Proposal was approved by the requisite majority of both classes of creditors. The Trustee advised he would proceed forthwith to book a hearing for the application for Court approval of the Proposal.

A detailed voting register in attached hereto as **Exhibit “A”**.

**Appointment of Inspectors**

The Chairperson explained to the attendees the purpose and role of Inspectors.

1. Anthony Pearlman put his name forth as a nominee to act as an Inspector. The creditors voted against the appointment of Anthony Pearlman by ordinary resolution.
2. David Goldberg as proxy for Simon Yakubowicz, nominated Jeff Crane, Rob Cole, David Fleck, Simon Yakubowicz and Paul Pathak as Inspectors. The appointment of Jeff

Crane, Rob Cole, David Fleck, Simon Yakubowicz and Paul Pathak as Inspectors was passed by ordinary resolution.

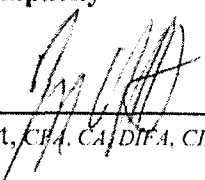
**Adjournment of Meeting:**

The Chairperson asked if any attendee had any other questions or business to raise at the meeting. No person raised any matter.

A MOTION was made by Joe Albert, proxy holder for GHRC, that the meeting be adjourned. The Motion was carried unanimously.

DATED at Toronto this 11<sup>th</sup> day of December, 2018

**ALBERT GELMAN INC., solely in its  
capacity as Trustee of the Proposal of  
Yappn Canada Inc. and not in its personal  
or any other capacity**

  
\_\_\_\_\_  
Per: Joe Albert, *CPA, CA, DIFA, CIRP, LIT*

Proposal of Yappn Canada Inc.  
Voting Register

Exhibit "A"

Creditor Name	Admitted for Voting		Method of Voting	Vote (For or Against)
	Secured Claim	Unsecured Claim		
2124312 Ontario Inc	58,853	33,258	Letter	For
2649699 Ontario Inc.	0	265,000	Letter	For
Accretive Capital Corp	58,853	33,258	Letter	For
Alexander MacKay	0	0		
Amir Bem	229,826	129,876	Letter	For
Anthony Pearlman	0	228,714	In Person	Against
Apple Rock Displays	0	0		
Avenza Holdings Inc.	59,149	33,425	Letter	For
Barry Paluk	0	0		
Brad White	117,707	66,520	Letter	For
Broadridge	0	0		
Catherine Schwartz Productions	0	0		
Change 1 Ltd.	144,497	81,656	Letter	For
Chiliz Pathak LLP	56,561	31,963	Letter	For
CUSIP	0	0		
D.Stahl, LLC	0	0		
Dardan Bancorp	175,080	98,939	Letter	For
Datanyze	0	0		
David Berry	270,935	3,030,964	Letter	For
David Wonch	0	0		
E52 Financial	0	0		
Edgar Agents	0	0		
Frontier Development Inc.	764,188	431,847	Letter	For
Gala Globalization and Localization Assoc	0	0		
Getty Images	0	0		
Gigya	0	0		
Gordon Herlands Randolph & Cox LLP	0	14,491	Letter	For
Gowlings Lafleur Henderson LLP	0	0		
Grandhill Capital Inc.	529,681	299,326	Letter	For
Hootsuite	0	0		
IBEC Holdings	0	0		
IMG Fashion DIV of IMG Worldwide, LLC.	0	0		
Jeana Wendel	0	0		
Jeff Crane	117,707	66,517	Letter	For
Jonathan Smith	0	0		
Kent Jespersen	0	122,133	Letter	For
Loeb & Loeb	0	0		
Luiz Vazquez Senties and Oscar Joel Christopher	591,488	3,252,180	Letter	For
Vaquez Callendar				
Maletzky Media	0	0		
Maranden Holdings Inc.	0	0		
Martin and Millen Inc.	117,707	66,517	Letter	For
Martin Bernholtz	28,372	16,033	Letter	For

Secured Class				Unsecured Class			
Votes For		Votes Against		Votes For		Votes Against	
\$	Number	\$	Number	\$	Number	\$	Number
58,853	1	-	-	33,258	1	-	-
-	-	-	-	265,000	1	-	-
58,853	1	-	-	33,258	1	-	-
-	-	-	-	-	-	-	-
229,826	1	-	-	129,876	1	-	-
-	-	-	-	-	-	228,714	1
-	-	-	-	-	-	-	-
59,149	1	-	-	33,425	1	-	-
-	-	-	-	-	-	-	-
117,707	1	-	-	66,520	1	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
144,497	1	-	-	81,656	1	-	-
56,561	1	-	-	31,963	1	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
175,080	1	-	-	98,939	1	-	-
-	-	-	-	-	-	-	-
270,935	1	-	-	3,030,964	1	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
764,188	1	-	-	431,847	1	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	14,491	1	-	-
-	-	-	-	-	-	-	-
529,681	1	-	-	299,326	1	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
117,707	1	-	-	66,517	1	-	-
-	-	-	-	-	-	-	-
-	-	-	-	122,133	1	-	-
-	-	-	-	-	-	-	-
591,488	1	-	-	3,252,180	1	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
117,707	1	-	-	66,517	1	-	-
28,372	1	-	-	16,033	1	-	-

Proposal of Yappn Canada Inc.  
Voting Register

Exhibit "A"

Creditor Name	Admitted for Voting		Method of Voting	Vote (For or Against)
	Secured Claim	Unsecured Claim		
MBooth	0	0		
Meissner Marketing	0	0		
Microsoft	0	0		
Mike Florence	29,624	16,741	Letter	For
MNP LLP	0	0		
NFP Property & Casualty Services, Inc	0	0		
Nora Singh	0	0		
O&M Partners LLC.	0	0		
Paige Capital Inc.	58,853	33,258	Letter	For
Patricia Martin	0	0		
Peter Simeon	0	0		
Quest Document Solutions	0	0		
Ricoh Canada Inc	0	0		
Rob Cole	0	42,028	Letter	For
Ron Santos	0	0		
Shaun Henderson	0	0		
Simon Yakubowicz	290,043	163,905	Letter	For
Stan Bharti	235,414	133,033	Letter	For
STE Holdings	0	0		
Steve Singh	0	0		
Stu Homuth	0	0		
Telus	0	0		
Toronto Tree Top Holdings Ltd.	1,508,609	852,524	Letter	For
Ventris	0	0		
Winterberry Investment Inc.	1,176,770	665,000	Letter	For
Winterberry Investments Inc., as Collateral Agent for each Debenture Holder	0	0		
	<u>6,619,917</u>	<u>10,209,106</u>		

Secured Class				Unsecured Class			
Votes For		Votes Against		Votes For		Votes Against	
\$	Number	\$	Number	\$	Number	\$	Number
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
29,624	1	-	-	16,741	1	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
58,853	1	-	-	33,258	1	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
290,043	1	-	-	163,905	1	-	-
235,414	1	-	-	133,033	1	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,508,609	1	-	-	852,524	1	-	-
-	-	-	-	-	-	-	-
1,176,770	1	-	-	665,000	1	-	-
-	-	-	-	-	-	-	-
<u>6,619,917</u>	<u>21</u>	<u>0</u>	<u>0</u>	<u>9,980,392</u>	<u>25</u>	<u>228,714</u>	<u>1</u>

# EXHIBIT E

CANADA  
Province of Ontario  
District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2447514  
Estate No. 31-2447514

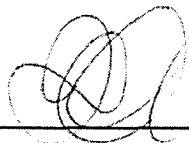
Affidavit of Mailing

In the matter of the proposal of  
Yappn Canada Inc.  
of the City of Markham, in the Province of Ontario

I, Daphna Cherniak, of the Trustee's office of Albert Gelman Inc., 100 Simcoe Street, Suite 125, Toronto, ON, M5H 3G2, hereby make oath (or solemnly affirm) and say:

That on the 6th day of December 2018, I did cause to be sent by prepaid ordinary mail to all parties on the attached mailing list, whose names and addresses appear on the paper writing marked exhibit "A" annexed hereto, a copy of: Notice of hearing of application for court approval of proposal DATED December 6<sup>th</sup>, 2018.

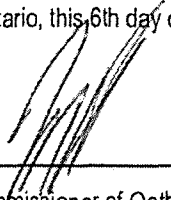
And that, on the 6th day of December 2018, I mailed to the debtor a copy of same.



---

Daphna Cherniak  
Phone: (416) 504-1650  
Fax: (416) 504-1655

SWORN (or SOLEMNLY DECLARED) before me in the City of Toronto in the Province of Ontario, this 6th day of December 2018.



---

Joe Albert, Commissioner of Oaths  
For the Province of Ontario  
Expires November 22, 2019

Joseph Edward Allan Albert,  
a Commissioner, etc.,  
Province of Ontario,  
for Albert Gelman Inc.  
Expires November 22, 2019.

Expires November 25, 2019  
for Albert Gellman Inc.  
Province of Ontario,  
a Commissioner, etc.,  
Joseph Edward Allan Albert

# Schedule "A"

David Berry  
124 Park Road  
Toronto ON M4W 2N7

2124312 Ontario Inc  
320 Bay Street Suite 1600  
Toronto ON M5H 4A6

2649699 Ontario Inc.  
120 Eglinton Avenue East, Suite 1100  
Toronto ON M4P 1E2

Accretive Capital Corp  
26 Lesmill Road Unit 3  
Toronto ON M4N 2R6

Alexander MacKay  
66 Station Street  
Welland ON L3C 5K7

Amir Bem  
Achi, Dakar 42  
Ra' Anana IL

Anthony Pearlman  
Howard Manis  
c/o Macdonald Sager Manis LLP  
150 York St.  
Toronto ON M5H 3S5

Apple Rock Displays  
7602 Business Park Drive  
Greensboro NC 27409

Avenza Holdings Inc.  
124 Merton Street # 400  
Toronto ON M4S 2Z2

Barry Paluk  
112 Cunnington Avenue  
Winnipeg MB R2M 0W8

Brad White  
45 Hazelton Ave, Unit B  
Toronto ON M5R 2E3

Broadridge  
P.O. Box 416423  
Boston MA 02241-6423

Catherine Schwartz Productions  
1601 Hills Avenue #6  
Los Angeles CA 90024

Change 1 Ltd.  
87 Highland Crescent  
Toronto ON M2L 1G7

Chitiz Pathak LLP  
320 Bay Street Suite 1600  
Toronto ON M5H 4A6

CUSIP  
55 Water Street, 43rd floor  
New York NY 10041

D.Stahl, LLC  
240 Centre Street, Apt 2K  
New York NY 10013

Dardan Bancorp  
73 Richmond Street West Suite PH3  
Toronto ON M5H 1Z4

Datanyze  
4 W. 4th Avenue, Unit 501  
San Mateo CA 94402

~~David Berry  
124 Park Road  
Toronto ON M4W 2N7~~

David Wonch  
15 Riva Ridge  
Brantford ON N3P 1R9

E52 Financial  
464-4234 I-75 Bus Spur  
Sault Ste Marie MI 49783

Edgar Agents  
105 White Oak Lane, Suite 104  
Old Bridge NJ 08857

Frontier Development Inc.  
C/O Box 209 Chancery Court, Leeward  
Highway  
Providenciales TC

Gala Globalization and Localization  
Assoc  
P.O. Box 413  
Andover MA 01810

Getty Images  
P.O. Box 953604  
St Louis MO 63195-3604

Gigya  
2513 E. Charleston Suite 200  
Mountain View CA 94043

Gordon Herlands Randolph & Cox LLP  
William B. Randolph  
William B. Randolph  
355 Lexington Avenue, 10th Floor  
New York NY 10017

Gowlings Lafleur Henderson LLP  
1 First Canadian Place, 100 King St West,  
Suite 1600  
Toronto ON M5X 1G5

Grandhill Capital Inc.  
516 Vesta Drive  
Toronto ON M5P 3A8

Hootsuite  
5 East 8th Avenue  
Vancouver BC V5T 1R6

IBEC Holdings  
11D Hawthorn Garden, 70 Sing Woo  
Road  
Happy Valley HK

IMG Fashion DIV of IMG Worldwide,  
LLC.  
304 Park Avenue South, Penthouse North  
New York NY 10010

Jeana Wendel  
8089 Wascana Gardens Crescent  
Regina SK S4V 1G2

Jeff Crane  
c/o Mackie Research Capital Corporation  
199 Bay Street, Suite 4500  
Toronto ON M5L 1G2

Jonathan Smith  
10 Indiana Street  
Blind River ON P0R 1B0

Kent Jespersen  
1815-40 Avenue, SW  
Calgary AB T2T 2L7

Loeb & Loeb  
345 Park Avenue  
New York NY 10154

Luiz Vazquez Senties and Oscar Joel  
Christopher Vaquez Callendar  
Av Revoucion No 468 San Pedoro de los  
Pinos  
Mexico City MX 03800

Maletzky Media  
157 Columbus Avenue #502  
New York NY 10023

Maranden Holdings Inc.  
115 Arnold Avenue  
Thornhill ON L4J 1B6

Martin and Millen Inc.  
124 Park Road  
Toronto ON M4W 2N7

Martin Bernholtz  
26 Lesmill Road Unit 3  
Toronto ON M4N 2R6

MBooth  
300 Park Avenue South 12th Floor  
New York NY 10010

Meissner Marketing  
Faithlie, West Street  
Mayfield GB

Microsoft  
One Microsoft Way  
Redmond WA 98052

Mike Florence  
103 Vesta Drive  
Toronto ON M5P 2Z8

MNP LLP  
50 Burnhamthorpe Road West, Suite 900  
Mississauga ON L5B 3C2

NFP Property & Casualty Services, Inc  
707 Westchester Avenue, Suite 201  
White Plains NY 10604

Nora Singh  
28 Normandale Crescent  
Toronto ON M2P 1M8

O&M Partners LLC.  
757 Third Avenue 15th Floor  
New York NY 10017

Paige Capital Inc.  
38 Edmund Seager Drive  
Thornhill ON L4J 4R9

Patricia Martin  
11 Shorthill Place  
Fonthill ON L0S 1E3

Peter Simeon  
2359 North Ridge Trail  
Oakville ON L6H 0B1

Quest Document Solutions  
757 Third Avenue Suite 2127  
New York NY 10017

Ricoh Canada Inc  
5520 Explorer Drive Suite 300  
Mississauga ON L4W 5L1

Rob Cole  
66 Howlett Avenue  
Newmarket ON L3Y 5S5

Ron Santos  
20452 TWP Road 515A  
Sherwood Park AB T8G 1G3

Shaun Henderson  
227 Martindale Avenue  
Oakville ON L6H 4K2

Simon Yakubowicz  
17 Alderbrook Drive  
Don Mills ON M3B 1E3

Stan Bharti  
39 Whitney Avenue  
Toronto ON M4W 2A7

STE Holdings  
Ajay Tandon 845 Third Avenue 6th Floor  
New York NY 10022

Steve Singh  
28 Normandale Crescent  
Toronto ON M2P 1M8

Stu Homuth  
81 Hill Street  
Exeter ON N0M 1S1

Telus  
P.O. Box 5300  
Burlington ON L7R 4S8

Toronto Tree Top Holdings Ltd.  
73 Richmond Street West Suite PH3  
Toronto ON M5H 1Z4

Ventris  
Suite 8, 20F, One International Finance  
Centre, One Harbor View Street  
Central HK

Winterberry Investment Inc.  
124 Park Road  
Toronto ON M4W 2N7

Winterberry Investments Inc., as  
Collateral Agent for each Debenture  
Holder  
124 Park Road  
Toronto ON M4W 2N7

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2447514  
Estate No. 31-2447514

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

In the matter of the proposal of  
Yappn Canada Inc.  
of the City of Markham, in the Province of Ontario

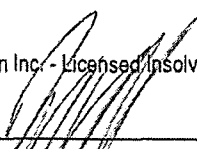
In Ontario Superior Court of Justice.

In the matter of the proposal of Yappn Canada Inc., a debtor.

Take notice that an application will be made to the court, at 330 University Ave., 8th Floor, Toronto, Ontario, on the 21st day of December 2018, at 10:00 AM, to approve the proposal of Yappn Canada Inc., accepted by the creditors at a meeting held on the 5th day of December 2018.

Dated at the City of Toronto in the Province of Ontario, this 6th day of December 2018.

Albert Gelman Inc. - Licensed Insolvency Trustee

  
\_\_\_\_\_  
100 Simcoe Street, Suite 125  
Toronto ON M5H 3G2  
Phone: (416) 504-1650 Fax: (416) 504-1655



Government  
of Canada

Gouvernement  
du Canada

**Update filing - update is confirmed**

Welcome **Thomas John Mcelroy** | [Preferences](#) | [E-Filing helpdesk](#) | [Instructions](#) | [Logout](#)

## Estate Information

Please Note: The following estate(s) were updated:

- **Estate Number:** 31-2447514
- **Estate Name:** Yappn Canada Inc.

## Document(s) submitted

The following document(s) have been successfully submitted

- Form 40.1: Notice of Hearing of Application for Court Approval of Proposal

## Reference

- The Reference Number for this transaction is: **15152537**.
- Submitted by Thomas John Mcelroy.
- 2018-12-06 12:33 EST

[Submit another document for this estate.](#)

If you would like to submit a document against a different estate, please click on the **Update** link in the left hand side menu.

**Date modified:** 2018-09-28

# EXHIBIT F

**Claims Register**  
 In the matter of the proposal of  
 Yappn Canada Inc.  
 of the City of Markham, in the Province of Ontario

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>SOA Amount</i>	<i>Amount Filed</i>
<b>Secured creditors</b>			
1. 2124312 Ontario Inc *Debenture Holder	Yes		58,853.00
2. Accretive Capital Corp *Debenture Holder	Yes		58,853.00
3. Amir Bem *Debenture Holder	Yes		229,826.00
4. Avenza Holdings Inc. *Debenture Holder	Yes		59,149.00
5. Brad White *Debenture Holder	Yes		117,707.00
6. Change 1 Ltd. *Debenture Holder	Yes		144,497.00
7. Chitiz Pathak LLP *Debenture Holder	Yes		56,561.00
8. Dardan Bancorp *Debenture Holder	Yes		175,080.00
9. David Berry *Debenture Holder	Yes		270,935.00
10. Frontier Development Inc. *Debenture Holder	Yes		764,188.00
11. Grandhill Capital Inc. *Debenture Holder	Yes		529,681.00
12. Jeff Crane *Debenture Holder	Yes		117,707.00
13. Luiz Vazquez Senties and Oscar Joel Christopher Vaquez Callendar *Debenture Holder	Yes		591,488.00
14. Martin and Millen Inc. *Debenture Holder	Yes		117,707.00
15. Martin Bernholtz *Debenture Holder	Yes		28,372.00
16. Mike Florence *Debenture Holder	Yes		29,624.00
17. Paige Capital Inc. *Debenture Holder	Yes		58,853.00
18. Simon Yakubowicz *Debenture Holder	Yes		290,043.00
19. Stan Bharti *Debenture Holder	Yes		235,414.00
20. Toronto Tree Top Holdings Ltd. *Debenture Holder	Yes		1,508,609.00
21. Winterberry Investment Inc. *Debenture Holder	Yes		1,176,770.00
22. Winterberry Investments Inc., as Collateral Agent for each Debenture Holder	No	6,690,449.00	
	<b>Secured creditors</b>	<b>6,690,449.00</b>	<b>6,619,917.00</b>

**Unsecured creditors**

**Claims Register**  
 In the matter of the proposal of  
 Yappn Canada Inc.  
 of the City of Markham, in the Province of Ontario

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>SOA Amount</i>	<i>Amount Filed</i>
1. 2124312 Ontario Inc *Debenture Holder	Yes	1.00	33,258.00
2. 2649699 Ontario Inc.	Yes	265,000.00	265,000.00
3. Accretive Capital Corp *Debenture Holder	Yes	1.00	33,258.00
4. Alexander MacKay	No	38,311.00	
5. Amir Bem *Debenture Holder	Yes	1.00	129,876.00
6. Anthony Pearlman	Yes		228,714.02
7. Apple Rock Displays	No	620.00	
8. Avenza Holdings Inc. *Debenture Holder	Yes	1.00	33,425.00
9. Barry Paluk	No	20,883.00	
10. Brad White *Debenture Holder	Yes	1.00	66,520.00
11. Broadridge	No	3,145.00	
12. Catherine Schwartz Productions	No	3,962.00	
13. Change 1 Ltd. *Debenture Holder	Yes	1.00	81,656.00
14. Chitiz Pathak LLP *Debenture Holder	Yes	1.00	31,963.00
15. CUSIP	No	530.00	
16. D.Stahl, LLC	No	2,641.00	
17. Dardan Bancorp *Debenture Holder	Yes	1.00	98,939.00
18. Datanyze	No	5,811.00	
19. David Berry *Debenture Holder	Yes	2,877,857.00	3,030,964.00
20. David Wonch	No	105,819.00	
21. E52 Financial	No	26,000.00	
22. Edgar Agents	No	4,072.00	
23. Frontier Development Inc. *Debenture Holder	Yes	1.00	431,847.00
24. Gala Globalization and Localization Assoc	No	1,321.00	
25. Getty Images	No	19,017.00	
26. Gigya	No	3,768.00	
27. Gordon Herlands Randolph & Cox LLP	Yes	13,371.00	14,490.76
28. Gowlings Lafleur Henderson LLP	No	46,617.00	
29. Grandhill Capital Inc. *Debenture Holder	Yes	1.00	299,326.00
30. Hootsuite	No	2,806.00	
31. IBEC Holdings	No	85,599.00	

**Claims Register**  
 In the matter of the proposal of  
 Yappn Canada Inc.  
 of the City of Markham, in the Province of Ontario

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>SOA Amount</i>	<i>Amount Filed</i>
32. IMG Fashion DIV of IMG Worldwide, LLC.	No	22,450.00	
33. Jeana Wendel	No	57,066.00	
34. Jeff Crane *Debenture Holder	Yes	1.00	66,517.00
35. Jonathan Smith	No	63,050.00	
36. Kent Jespersen	Yes	122,133.00	122,133.00
37. Loeb & Loeb	No	287.00	
38. Luiz Vazquez Senties and Oscar Joel Christopher Vaquez Callendar *Debenture Holder	Yes	2,917,926.00	3,252,180.00
39. Maletzky Media	Yes	30,724.00	30,803.52
40. Maranden Holdings Inc.	No	53,210.00	
41. Martin and Millen Inc. *Debenture Holder	Yes	1.00	66,517.00
42. Martin Bernholtz *Debenture Holder	Yes	1.00	16,033.00
43. MBooth	No	38,546.00	
44. Meissner Marketing	No	14,788.00	
45. Microsoft	No	71,695.00	
46. Mike Florence *Debenture Holder	Yes	1.00	16,741.00
47. MNP LLP	No	29,170.00	
48. NFP Property & Casualty Services, Inc	No	762.00	
49. Nora Singh	No	192,438.00	
50. O&M Partners LLC.	No	7,924.00	
51. Paige Capital Inc. *Debenture Holder	Yes	1.00	33,258.00
52. Patricia Martin	No	31,726.00	
53. Peter Simeon *Debenture Holder	No	1.00	
54. Quest Document Solutions	No	964.00	
55. Ricoh Canada Inc	No	1,906.00	
56. Rob Cole	Yes	42,028.00	42,028.00
57. Ron Santos	No	31,726.00	
58. Shaun Henderson	No	31,726.00	
59. Simon Yakubowicz *Debenture Holder	Yes	1.00	163,905.00
60. Stan Bharti *Debenture Holder	Yes	1.00	133,033.00
61. STE Holdings	No	8,584.00	
62. Steve Singh	No	236,891.00	

### Claims Register

In the matter of the proposal of  
Yappn Canada Inc.  
of the City of Markham, in the Province of Ontario

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>SOA Amount</i>	<i>Amount Filed</i>
63. Stu Homuth *Debenture Holder	No	1.00	
64. Telus	No	222.00	
65. Toronto Tree Top Holdings Ltd. *Debenture Holder	Yes	1.00	852,524.00
66. Ventris	No	1,585.00	
67. Winterberry Investment Inc. *Debenture Holder	Yes	1.00	665,000.00
68. Winterberry Investments Inc., as Collateral Agent for each Debenture Holder	No	3,780,812.00	
	Unsecured creditors	<u>11,317,510.00</u>	<u>10,239,909.30</u>
	Grand Total:	18,007,959.00	16,859,826.30

In the matter of the proposal of  
Yappn Canada Inc.  
of the City of Markham, in the Province of Ontario

Court File No. 31-2447514

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY

**APPLICATION FOR COURT  
APPROVAL OF PROPOSAL**

**ALBERT GELMAN INC.**  
Licensed Insolvency Trustee  
100 Simcoe Street, Suite 125  
Toronto, Ontario  
M5H 3G2

Trustee: Joe Albert  
(416) 504-1650 - 120  
jalbert@albertgelman.com

IN THE MATTER OF THE PROPOSAL OF  
YAPPN CANADA INC.  
OF THE CITY OF TORONTO, PROVINCE OF ONTARIO

Court File No. 31-2447514

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**IN BANKRUPTCY AND INSOLVENCY**

PROCEEDING COMMENCED AT  
TORONTO

**MOTION RECORD**  
(Motion Returnable December 21, 2018)

**TORKIN MANES LLP**  
Barristers & Solicitors  
151 Yonge Street, Suite 1500  
Toronto ON M5C 2W7

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Lawyers for the Trustee, Albert Gelman Inc.