

CANAM - APPRAIZ INC.

APPRAISERS • VALUATORS • STOCK TAKERS • LIQUIDATORS

S. Terry Warren CAGA
Sia Mizrahi BBA, CPPA

APPRAISAL REPORT

SHIELD SPRINKLER FIRE SYSTEMS INC.

Prepared for:

BDO Dunwoody Limited
1 City Centre Drive
Suite 1040
Mississauga, Ontario
L5B 1M2

Attention: Mr. Peter Naumis

Prepared by:

Sia Mizrahi BBA, CPPA

November 7, 2006

Table of Contents

Title page	1
Table of Contents	2
Cover Letter	3
Summary Page	4
Method of valuation	4
Conditions of Appraisal	5
Certification	5
Description	6
Equipment Analysis	6
Comments & Recommendation	6
Schedule 'A'	7
Schedule 'A'	8

CANAM - APPRAIZ INC.

APPRAISERS • VALUATORS • STOCK TAKERS • LIQUIDATORS

S. Terry Warren CAGA
Sia Mizrahi BBA, CPPA

November 7, 2006

BDO Dunwoody Limited
1 City Centre Drive
Suite 1040
Mississauga, Ontario
L5B 1M2

Attention: Mr. Peter Naumis

Re: Shield Sprinkler Fire Systems Inc.

Dear Mr. Naumis:

Further to your instructions we attended the premises of the above captioned company to appraise the assets based on Liquidation Values.

Enclosed please find our detailed appraisal of the assets. Our invoice will be mailed to you along with the original of this letter.

Thank you for retaining our services in this matter, which we trust you have found satisfactory. Please do not hesitate to contact the undersigned if we can be of further service to you. We remain,

Yours very truly,



Sia Mizrahi

Summary

On October 18, 2006 at the request of Mr. Peter Naumis, of BDO Dunwoody Limited, I personally inspected the assets of Shield Sprinkler Fire Systems inc., located at 13 Kenview Blvd., unit 10 and 155 Regina in Brampton, Ontario.

Values

The Liquidation Value is:

\$103,000.00

*Please note that the liquidation value is the estimated gross selling price and cost of sale has to be deducted. Please refer to the "Analysis" for recommendations and cost of sale, if required.

Method of Valuation

Liquidation Value

The definition of Liquidation Value is:

The price at which the property changes hands when there is a financial situation or other circumstances existing at the time of the sale so as to require a sacrifice.

Conditions of Appraisal

The value stated in this appraisal Report is based on the judgement of the appraisers given the facts and conditions available at the date of the valuation.

The use of this report is limited to the purpose of determining the value of the assets of Shield Sprinkler Fire Systems Inc., in Brampton, Ontario, for the receiver and their clients. This report is to be used in its entirety only.

The question of titles, liens, encumbrances, rental or lease agreements that may pertain to any or all of the subject assets in question have not been investigated in this report unless otherwise specifically outlined.

Certification of Report

The values stated are valid for 45 days from the date of the appraisal. Values beyond the time frame indicated should be reviewed & updated.

Neither Sia Mizrahi, Canam-Appraiz Inc. nor any of its employees have any present or future interest in the subject property. At such time as any of this property is available for liquidation, Canam-Appraiz Inc. would like to be considered.

Sia Mizrahi has personally examined the subject property. The statements of facts contained in this report are true and correct to the best knowledge and belief of the appraisers.



Canam-Appraiz Inc.
Per: Sia Mizrahi

Description

Office furniture and equipment, warehouse equipment, vehicles, inventory of steel fittings and associate parts, and tools. For a complete listing of the fixed assets please refer to Schedule 'A'.

Analysis

The equipment seems to be in good working order. The vehicles are well used, and two of them are in need of repairs.

Comments & Recommendations

Our values are based on similar type equipment sold in auctions in the past year and based on the equipment being sold on location through an auction sale.

The best results are achieved if sold en bloc.

The second choice for liquidation is to conduct an auction sale on site.

However we are capable of removing the assets to our warehouse to conduct an auction sale.

Schedule 'A'

<u>ASSET DESCRIPTION</u>	<u>SERIAL OR VIN NUMBER</u>	<u>QUANTITY</u>	<u>LIQ VALUE</u>
<u>13 KENVIEW BLVD, UNIT 10</u>			
NEC ELITE 1PK TELEPHONE SYSTEM		1	\$ 250.00
NEC TELEPHONES DTERM 80		20	\$ 500.00
APC 725 UPS		1	\$ 25.00
HPIII VECTRA SERVER		1	\$ 50.00
3COM 16PORT HUB		1	\$ 10.00
DLINK 16PORT HUB		1	\$ 10.00
TRIPLITE UPS		1	\$ 20.00
APC350 UPS		1	\$ 10.00
PC AMD1.9 AND MONITORS		4	\$ 400.00
L-SHAPED OFFICE DESKS		4	\$ 200.00
CHAIRS		11	\$ 70.00
GUEST CHAIRS		2	\$ 40.00
XEROX WORKCENTRE PRO 123		1	\$ 300.00
PC CELERON 2.6 WITH MONITOR		1	\$ 150.00
CANON MP700 3IN1		1	\$ 150.00
2DR CABINET		2	\$ 40.00
2DR LATERAL WOOD FILING CABINET		1	\$ 40.00
U-SHAPED DESK		1	\$ 50.00
4DR LATERAL FILING CABINET		2	\$ 200.00
3DR LATERAL FILING CABINET		2	\$ 120.00
2DR METAL CABINET SMALL		1	\$ 50.00
4DR FILING CABINET		3	\$ 75.00
LACASSE DESK		1	\$ 200.00
P4 PC AND MONITOR		2	\$ 350.00
PIII PC AND MONITOR		1	\$ 50.00
BAR FRIDGE, MICROWAVE, TOASTER		2	\$ 200.00
OVAL MEETING TABLE		1	\$ 100.00
SMALL DESKS		4	\$ 40.00
LEATHER CHAIRS		2	\$ 175.00
COMPUTERS ASSORTED GUTTED		4	\$ -
HP DESIGN JET 500		1	\$ 300.00
XEROX XD155DF		1	\$ 100.00
CONTENTS OF VANS		1	\$ 1,250.00
2002 GMC SAVANA 3500	1GTHG39F521170133	1	\$ 10,000.00
2004 GMC C5500 DURAMAX	1GBE5C1264F516766	1	\$ 27,500.00
2005 GMC SAVANA 3500	1GTHG35U551256101	1	\$ 14,000.00
2004 GMC SAFARI VAN	1GTDM19X64B507233	1	\$ 7,000.00
2005 GMC SAVANA 3500	1GTHG35U851256173	1	\$ 14,000.00
2000 GMC SAFARI VAN	1GTDM19W6YB540861	1	\$ 2,500.00
2000 GMC SAVANA 2500	1GTFG25W9Y1149446	1	\$ 4,500.00
1998 GMC SAVANA 2500	1GTFG25W1W1090177	1	\$ 3,500.00
TOTAL			\$ 88,525.00

CANAM - APPRAIZ INC.

<u>ASSET DESCRIPTION</u>	<u>SERIAL OR VIN NUMBER</u>	<u>QUANTITY</u>	<u>LIQ VALUE</u>
155 REGINA			
PANASONIC FAX KX-FL511		1	\$ 30.00
NEC TELEPHONES DTERM 80		6	\$ 150.00
NEC ELITE 1PK TELEPHONE SYSTEM		1	\$ 250.00
PC P4 2.0 GIG		1	\$ 200.00
L-SHAPED DESKS		3	\$ 120.00
CHAIRS		4	\$ 20.00
ELECTRIC GOLF CART		1	\$ 300.00
ASSORTED VALAVES		1	\$ 1,000.00
ASSORTED FITTINGS		1	\$ 1,000.00
JOB BOXES		3	\$ 300.00
SCAFOLDING		1	\$ 50.00
CAMPBELL HAUSFELD AIR COMPRESSOR		1	\$ 250.00
RIGID 300 PIPE THREADER		2	\$ 1,200.00
LADDERS		16	\$ 320.00
YALE PROPANE FORKLIFT	E187V06765V	1	\$ 5,000.00
ASSRTD STEEL PIPES		1	\$ 1,000.00
STEEL BAND SAW		1	\$ 500.00
BUSY BEE DRILL PRESS		1	\$ 150.00
RIGID 535 PIPE T READERS		2	\$ 2,000.00
POWER TOOLS		10	\$ 250.00
PIII SERVER		1	\$ 30.00
BARFRIDGE, MICROWAVAE, TOASTER		1	\$ 80.00
FOUR WHEEL CARTS		3	\$ 75.00
FIRE EXTINGUISHERS		20	\$ 200.00
TOTAL			\$ 14,475.00