

District of BRITISH COLUMBIA
Division No. 03-VANCOUVER
Court No. B081842
Estate No. 11-1139839

NOTICE OF PROPOSAL TO CREDITORS
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

TAKE NOTICE THAT:

1. Merit Mining Corp. has lodged with us a proposal under the *Bankruptcy and Insolvency Act*. The proposal was lodged with the Official Receiver on the 23rd day of March 2009.
2. A copy of the proposal, a condensed statement of the debtor company's assets and liabilities and a list of the creditors affected by the proposal whose claims amount to \$250.00 or more, and the Trustee's Report to the creditors are enclosed herewith.
3. The general meeting of creditors of the debtor will be held at:

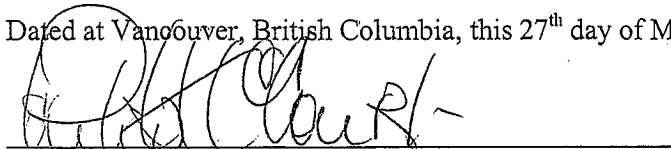
XChange Conference Centre
2nd Floor – 888 Dunsmuir Street
Vancouver, British Columbia

On the 14th day of April 2009 at 1:30 PM.

4. The creditors or any class of creditors qualified to vote at the meeting may by special resolution accept the proposal 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. Creditors may vote in person, by proxy, or by voting letter.
5. Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior hereto. Blank forms are enclosed with this mailing.

If you have any questions or concerns please contact Philip McCourt at our office at 604-689-4255.

Dated at Vancouver, British Columbia, this 27th day of March 2009.



Abakhan & Associates Inc.
Suite 1120, 625 Howe Street
Vancouver, BC V6C 2T6
Telephone: 604-689-4255
Fax: 604-689-4277



Office of the Superintendent
of Bankruptcy Canada

Bureau du surintendant
des faillites Canada

An Agency of
Industry Canada

Un organisme
d'Industrie Canada

District of British Columbia
Division No. 03 - Vancouver
Court No. 11-1139839
Estate No. 11-1139839

In the Matter of the Proposal of:

Merit Mining Corp.

Debtor

ABAKHAN & ASSOCIATES INC.

Trustee

Date of Proposal:	March 23, 2009	Security:	\$
Meeting of Creditors:	April 14, 2009, 13:30 XChange Conference Centre 2nd Floor - 888 Dunsmuir Street VANCOUVER, British Columbia Canada,		
Chairman:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: March 24, 2009, 16:58

E-File/Dépôt Electronique

Official Receiver

#2000 - 300 W. Georgia St., Vancouver, British Columbia, Canada, V6B6E1, (604)666-5007

Canada

Estate No. 11-1139839
Action No. B081842
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.**

PROPOSAL

OF

MERIT MINING CORP.

DATED FOR REFERENCE MARCH 23, 2009

**MADE PURSUANT TO PART III DIVISION 1 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 Definitions

In this Proposal, including any attached schedules:

“2007 METC Refund” means the British Columbia Mineral Exploration Tax Credit for eligible Canadian exploration expenses incurred by the Company for the period ended December 31, 2007.

“2008 METC Refund” means the British Columbia Mineral Exploration Tax Credit for eligible Canadian exploration expenses incurred by the Company for the period ended December 31, 2008.

“Approval Order” means the court order made in the Insolvency Proceeding approving the Proposal and directing the implementation of the Proposal.

“**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended.

“**Business Day**” means a date other than a Saturday, Sunday or statutory holiday in British Columbia.

“**Claimant**” means a person that has filed a Proof of Claim with the Company but whose claim is not yet a Proven Claim.

“**Class**” means the class comprised of the General Creditors.

“**Company**” means Merit Mining Corp.

“**Court**” means the Supreme Court of British Columbia.

“**CRA**” means Canada Revenue Agency

“**Debenture Holders**” means those persons holding 3-Year Secured Convertible Debentures issued by the Company.

“**Employee**” means any person currently or previously employed by the Company.

“**Employee Claims**” means all claims of the Employees, including any Employee Termination Claims. For clarity, Employee Claims shall not include claims for outstanding wages as at the Filing Date as set out in Sections 60(1.3)(a) and 136(1)(d) of the BIA, as well as wages, salaries, commissions and compensation to employees for services rendered after that date and before Court Approval, and any disbursements properly incurred by any traveling salesperson employed by the Company during that time period, and not otherwise paid by the Company.

“**Employee Termination Claims**” means the claims of Employees arising from the termination of their employment with the Company, whether such termination occurred before or after the Filing Date, which shall be limited to the amount each Employee is entitled to under section 63 of the British Columbia *Employment Standards Act*. For assistance, the Company has calculated and set forth in Schedule “A” attached to this Proposal what it believes to be the amount of the Employee Termination Claim of each Employee.

“**Executive Creditors**” means Fred Sveinson, Sandy Sveinson, Paul Cowley, Ron MacArthur and Jim Walchuck with respect to their outstanding claims for wages, consulting fees and/or director’s fees against the Company as of the Filing Date.

“**Filing Date**” means December 3, 2008, the date when the Notice of Intention to File a Proposal was filed.

“**General Creditors**”:

- (a) means those creditors of the Company as at the Filing Date who have a Provable Claim but do not hold a registered and/or otherwise valid security interest, mortgage, charge or encumbrance in the assets or property of the Company as at the Filing Date, other than the Executive Creditors;

- (b) includes the Employees for their Employees' Claims, if any;
- (c) includes the Landlord for the amount of the Landlord's Disclaimer Claim; and
- (d) does not include Post Filing Creditors, all of which are unaffected by this Proposal.

"Implementation Date" means the first Business Day after the date the Court approves the Proposal.

"Insolvency Proceeding" means the proceeding commenced by the Company under the BIA in Action No. B081842 in the Vancouver Registry of the Court.

"Landlord" means Dunsmuir & Hornby Ltd.

"Landlord's Disclaimer Claim" means the claim of the Landlord related to the Company's disclaimer of the Lease, which shall be limited to the lesser of: (i) the Landlord's actual damages; (ii) the aggregate of (A) the rent provided for in the lease for the first year of the lease following the date on which the disclaimer or resiliation becomes effective (\$33,719.16), and (B) fifteen percent for the remainder of the term of the lease after that year (\$3,371.92) for a total of \$37,091.08; and (iii) three years' rent.

"Lease" means that certain lease between the Landlord and the Company dated 10th day of July 2007, being a lease of premises situated at Suite 520 - 580 Hornby Street, Vancouver, British Columbia.

"Lease Disclaimer Effective Date" means February 28, 2009.

"Meeting" means the meeting of the Class to be held pursuant to Section 51(1) of the BIA for the purpose of considering, and if thought fit, voting to approve the Proposal, as same may be amended at any such Meeting, and agreeing to the compromise and arrangement constituted thereby, and any adjournment thereof.

"Post Filing Creditor" means any person who has supplied goods or services to or who has an entitlement to receive sales or excise taxes, source deductions or assessments and premiums from the Company arising subsequent to the Filing Date in relation to any unpaid amounts relating to such Post Filing Creditor Claims, but, for clarity, does not include Employees for any Employees' Claims arising from the termination of Employees' employment after the Filing Date. Post Filing Creditors are not included in General Creditors and are unaffected by this Proposal.

"Post Filing Creditor Claims" means all claims of Post Filing Creditors for amounts owed to them arising after the Filing Date that are not made in respect to an obligation incurred prior to the Filing Date which is payable after the Filing Date.

"PPSA" means the *Personal Property Security Act* of British Columbia.

“Preferred Creditor” means all creditors of the Company entitled to priority over the General Creditors pursuant to Section 136 of the BIA.

“Proof of Claim” means the prescribed form of document required under the BIA to evidence the Provable Claim of a Creditor under Part III of the BIA prior to the date of the Meeting.

“Proposal” means this proposal among the Company and the General Creditors, as from time to time amended, modified or supplemented pursuant to an order of the Court, or pursuant to an agreement among the Company and the General Creditors or Class, as provided for herein or pursuant to any Meeting of the Class.

“Provable Claim” means a claim for an amount alleged by a person to be owed to it, or any obligation, enforceable right, duty or liability, contingent or otherwise, (including any claim whether contingent or accrued on behalf of Her Majesty the Queen in right of the Dominion of Canada or any Province or any municipality), or any cause of action against the Company or its respective assets and property calculated either as at the Filing Date or claims arising after the Filing Date in respect of obligations incurred prior to the Filing Date, pursuant to executory contracts in effect at the Filing Date, or pursuant to the termination of any Employees’ employment by the Company after the Filing Date, which:

- (a) in the case of an Employee, is set forth in Schedule “A” hereto and the Employee has not delivered a Proof of Claim to the Trustee;
- (b) after the delivery of a Proof of Claim, has been admitted by the Trustee in whole or in part; or
- (c) after the delivery of a Proof of Claim, has been disallowed by the Trustee, which disallowance has subsequently been set aside in whole or in part by the Court,

provided that a Provable Claim shall not include the amount due to a Post Filing Creditor in respect of Post Filing Creditor Claims. Provable Claims shall not include interest for the period subsequent to the Filing Date.

“Secured Creditors” means the Debenture Holders and Wega/Munday.

“Secured Creditors’ Security” means:

- (a) in the case of the Debenture Holders, the security held by the Debenture Trustee in trust of the Debenture Holders, consisting of a security interest granted by the Company in favour of the Debenture Holders’ over all gold and copper, including gold and copper concentrates, extracted by the Company and the proceeds thereof as security for the Company’s indebtedness to the Debenture Holders; and
- (b) in the case of Wega/Munday, the security interest granted by the Company in favour of Wega/Munday over all of the Company’s mobile equipment and certain lands owned by the Company as security for the Company’s indebtedness to Wega/Munday.

“**Trustee**” means Abakhan & Associates Inc., appointed as Trustee of the Proposal in the Insolvency Proceeding.

“**Trustee’s Fees**” means all proper fees, expenses and legal costs of the Trustee of and incidental to the Insolvency Proceeding together with such fees of the Trustee incidental to and arising in relation to the Proposal.

“**Wega/Munday**” means, together, Wega Mining ASA and Munday Home Sales Ltd.

1.2 Headings

The division of the Proposal into Sections and the insertion of headings are for convenience only and do not form part of the Proposal and will not be used to interpret, define or limit the scope, extent or intent of the Proposal.

1.3 Section Reference

Unless otherwise specified, references in the Proposal to “Sections” and “Schedules” are to sections of and schedules to the Proposal.

1.4 Statutory Reference

Unless otherwise specified, each reference to a statute is deemed to be a reference to that statute and to the regulations made under that statute, as amended or re-enacted from time to time.

1.5 Number and Gender

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.6 Currency

All references to amounts of money means lawful currency of the Dominion of Canada unless otherwise expressly indicated. All Proofs of Claim submitted by General Creditors in U.S. dollars will be converted to Canadian dollars at the rate of exchange applicable at the Filing Date.

ARTICLE 2 PURPOSE AND EFFECT OF THE PROPOSAL

2.1 Purpose of the Proposal

The purpose of the Proposal is to permit the Company to settle payment of its liabilities as at the Filing Date and to compromise the indebtedness owed to General Creditors of the Company on a fair and equitable basis and to enable the Company to carry on business.

2.2 Trustee Under the Proposal

Subject to the provisions of the BIA the Trustee shall act as the administrator for all purposes connected with the Proposal including management of the claims process, administration of the Meeting and any adjournments thereto and distribution of dividends to General Creditors.

ARTICLE 3 OVERVIEW OF THE PROPOSAL

3.1 Treatment of General Creditors

The Company will pay to the Trustee sufficient funds such that each General Creditor will receive 30% of the amount of their Provable Claim.

The payments shall be made as follows:

- (a) 15% of the amount of their Provable Claim payable from the 2007 METC Refund; and
- (b) 15% of the amount of their Provable Claim payable from the 2008 METC Refund.

At any time, the Company may satisfy its obligations to all General Creditors by paying to each of them the amount necessary to bring their total recovery to 30% of the amount their Provable Claims.

3.2 Funding of Payments Under the Proposal

Funding for the payments to the General Creditors under this Proposal shall come from the 2007 METC Refund and the 2008 METC Refund or from such other source of funds as may become available to the Company subsequent to the Implementation Date.

ARTICLE 4 CREDITOR CLASSES AND PRIORITY OF PAYMENTS

4.1 Class of Creditors

There will be one class of creditors for the purpose of considering and voting upon the Proposal consisting of the General Creditors.

4.2 Treatment of the Secured Creditors

Concurrent with the implementation of this Proposal, and conditional upon its approval by the General Creditors, the Company is entering into agreements with each of the Secured Creditors under which the Company's obligations to the Secured Creditors will be amended. Accordingly, the Secured Creditors are not included under this Proposal.

4.3 Treatment of Executive Creditors

Executive Creditors claims for unpaid wages and director's fees shall be Provable Claims. Executive Creditors will be treated the same as General Creditors under this Proposal but shall not be entitled to vote in favour of this Proposal.

4.4 Payments to CRA

CRA shall be paid directly from the Company in respect of any amounts due Her Majesty the Queen in Right of Canada or a Province of a kind which could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* or under any substantially similar provision of provincial legislation and that were outstanding at the time of the Filing Date. These payments shall be made within six (6) months of the Approval Order.

4.5 Preferred Payments in Priority to the General Creditors Under the Proposal

The Trustee shall make the following preferred payments from the amounts paid to the Trustee with respect to this Proposal before making any distribution to the General Creditors:

- (a) payment of the Trustee's Fees (all payments of the Trustee's Fees are subject to taxation);
- (b) payment of the claims of employees and former employees as at the Filing Date as set out in Sections 60(1.3)(a) and 136(1)(d) of the BIA, as well as wages, salaries, commissions and compensation to employees for services rendered after that date and before Court Approval, and any disbursements properly incurred by any traveling salesperson employed by the Company during that time period, and not otherwise paid by the Company, shall be paid forthwith upon Court Approval of this Proposal;
- (c) all other preferred claims are to be paid in priority to all claims of General Creditors pursuant to sections 60(1) and 136 of the BIA.

All of the foregoing payments are in addition to the amounts to be paid to each General Creditor and will not impact on the recoveries of the General Creditors under this Proposal.

4.6 Payment of Funds

If the General Creditors vote in favour of the Proposal, the Company will pay monies to the Trustee as follows (with the payment of such monies being subject to the terms of this Proposal and of the BIA):

- (a) unless the Company's obligations to the General Creditors have already been satisfied, within thirty (30) days of the date on which the 2007 METC Refund is received by the Company, the Company will pay or cause to be paid to the Trustee the amount necessary to make the following payments, and the funds shall be applied as follows:

- (i) firstly, an amount sufficient to pay the Trustee's Fees;
 - (ii) second, an amount sufficient to make all payments due to Preferred Creditors; and
 - (iii) third, an amount sufficient to pay each General Creditor 15% of the amount of their Provable Claim; and
- (b) unless the Company's obligations to the General Creditors have already been satisfied, within thirty (30) days of the date on which the 2008 METC Refund is received by the Company, the Company will pay or cause to be paid to the Trustee the amount necessary to make the following payments, and the funds shall be applied as follows:
- (i) first, an amount sufficient to pay the Trustee's Fees; and
 - (ii) second, an amount sufficient to pay each General Creditor 15% of the amount of their Provable Claim.

4.7 Effect on General Creditors

Upon the payment by the Company to the Trustee of the amounts as set forth in Section 4.6:

- (a) the Company shall be released from all claims, liabilities and obligations to the General Creditors and the claims of the General Creditors will be restricted to the monies paid by the Company to the Trustee in accordance with section 4.6; and
- (b) any claims against directors and officers of the Company that arose before the Filing Date regardless of the date of crystallization of such claims and that relate to the obligations of the Company which relate to the time period before that date, where the directors or officers are by law liable in their capacity as directors or officers for payment of such obligations, shall be deemed to be fully satisfied by the terms hereof and shall not be enforceable against those directors or officers in law or in equity.

ARTICLE 5

5.1 BIA Sections 91 to 101

It is a term of this Proposal that sections 91 to 101, inclusive, of the BIA shall not apply with respect to the Proposal and the Company.

**ARTICLE 6
TIMING OF PAYMENTS UNDER PROPOSAL**

6.1 Payments to Post Filing Creditors

The Company shall pay Post Filing Creditors in the ordinary course of business, or in accordance with present arrangements existing between the Company and the Post Filing Creditors, as amended from time to time or as may be arranged in the future between the Company and the Post Filing Creditors. Post Filing Creditors are unaffected by this Proposal.

6.2 Payments to CRA

Amounts owing to CRA in accordance with Article 4.4 will be paid directly by the Company within six months of the date of Court Approval of this Proposal.

**ARTICLE 7
PAYMENT OF DIVIDENDS**

7.1 Payments to Preferred Creditors

Payments to Preferred Creditors shall be paid in accordance with the terms of Article 4.6(a) of this Proposal.

7.2 Dividends to General Creditors

Interim dividends to the General Creditors will be paid in accordance with the terms of Articles 4.6(a) and (b) of this Proposal..

7.3 Superintendent's Levy

A Superintendent levy determined in accordance with BIA shall be deducted from and paid on all dividends made by the Trustee to the Preferred Creditors and the General Creditors.

**ARTICLE 8
MEETING OF THE GENERAL CREDITORS**

8.1 General

In order to be eligible to vote at the Meeting a General Creditor must have delivered to the Trustee prior to the commencement of the Meeting a Proof of Claim which has not been disallowed by the Trustee.

The procedure dealing with the allowance and disallowance of Proofs of Claim will be as set out in the BIA.

At the Meeting of the Class held to consider this Proposal the General Creditors may appoint one or more but not exceeding five Inspectors under this Proposal whose duties will be restricted to the following:

- (a) to advise the Trustee in connection with its actions under this Proposal or any amendment thereto as the Trustee may, from time to time, request;
- (b) to advise the Trustee concerning any dispute which may arise as to the validity of claims of General Creditors under this Proposal;
- (c) to advise the Trustee in respect of such other matters as may be referred to the Inspectors by the Trustee;
- (d) if in the opinion of a majority of the Inspectors it is in the interest of the General Creditors that any of the times for payment of their Provable Claims by cash be extended, the Inspectors will be entitled, without further reference or notice to the General Creditors, to extend the time for payment of General Creditors' Provable Claims; and
- (e) to provide such advice to the Trustee as to the timing of payments to the General Creditors hereunder, having in mind the amount of funds available for distribution and the costs of making the distributions.

That in the event that no Inspectors are appointed under this Proposal, the Trustee shall be entitled to take advances toward its charges for services rendered pursuant to this Proposal from the funds paid to the Trustee pursuant to article 4.6 herein and that all advances so taken by the Trustee shall be subject to taxation by the Supreme Court of British Columbia upon completion of the Proposal

The Trustee and the Inspectors, should any be appointed, shall be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon them by this Proposal or generally in carrying out of the terms of this Proposal by wrongful act, default or neglect.

8.2 Meeting

The Meeting shall be conducted in accordance with Division 1 – General Scheme for Proposals of the BIA.

8.3 Voting

Except as provided in Section 8.4, for the purposes of voting as a member of the Class, each General Creditor shall have one vote for the purposes of determining a majority in number and each General Creditor shall be entitled to one vote for each \$1.00 of its Provable Claim as set forth in Schedule "A" or as allowed by the Trustee.

8.4 Proxies and Voting Letters

General Creditors will be entitled to vote at the Meeting by proxy or voting letter. The particulars with respect to voting by proxy or voting letter will be detailed in the Proof of Claim and will be binding upon all General Creditors.

ARTICLE 9 AMENDMENTS AND MODIFICATIONS

9.1 Amendment of Proposal

The Company reserves the right, with the consent of the Trustee, to amend this Proposal at any time prior to the Meeting, and after the Meeting to amend any approved Proposal and re-submit it to the General Creditors and an amended Proposal may be amended among the Company and the Class at any meeting of the Class.

9.2 Modification of Proposal

After the Meeting, the Proposal may be modified from time to time:

- (a) if the amendment is considered by the Trustee and the Inspectors to be non-substantive in nature, with the approval of the Trustee and the majority of the Inspectors;
- (b) upon a vote conducted by the Trustee at a further meeting of General Creditors and upon Court Approval;
- (c) by the Court at any time on application of the Company or the Trustee and upon notice to those determined by the Company to be directly affected by the proposed modification, whether a General Creditor or not.

9.3 Waivers

Any provision of this Proposal may be waived, with the consent of the Trustee, by the Class or a General Creditor affected by the provision.

ARTICLE 10 APPLICATION FOR FINAL ORDER

10.1 Application for Final Order

Upon the conclusion of the Meeting, if the Proposal has been approved by the Class by the requisite percentages in relation both to numbers of General Creditors and to dollar amounts of Provable Claims of General Creditors, the Company will forthwith apply to the Court for the Approval Order.

10.2 Continuation of the Stay of Proceedings

The stay of proceedings provided for in Section 69.1(1) of the BIA will be continued in full force and effect save as is expressly provided herein.

**ARTICLE 11
GENERAL**

11.1 Further Actions

The Company will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Proposal to give effect to the transactions contemplated hereby.

11.2 Notices

All notices, Proofs of Claim, and payments required, permitted or desired to be made pursuant to the Proposal shall be in writing and shall be delivered personally or by telecopy or mail by regular or registered or certified mail, return receipt requested, to the Company at the following address:

c/o Abakhan & Associates Inc.
Trustee under the proposal of
Merit Mining Corp.
Suite 1120 – 625 Howe Street
Vancouver, B.C. V6C 2T6

Attention: Phil McCourt

Telephone: (604) 689-4255
Facsimile: (604) 689-4277

and if to a General Creditor or Claimant, at its address set forth in the last Proof of Claim deposited with the Company.

11.3 Date and Reference

The Proposal may be referred to as being the Proposal of the Company dated for reference the 23rd day of March 2009.

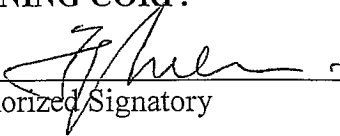
11.4 Successors and Assigns

The Proposal is binding upon the Company, the General Creditors and their respective heirs, executors, administrators, successors and assigns.

DATED at the City of Vancouver, Province of British Columbia this 23rd day of March 2009.

MERIT MINING CORP.

Per:



Authorized Signatory

**IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.
an Insolvent Company
carrying on business in the City of
Vancouver in the Province of British Columbia
TRUSTEE'S REPORT ON THE PROPOSAL**

INTRODUCTION

Merit Mining Corp. (the "Company") filed a Notice of Intention to make a Proposal ("NOI") with the office of the Superintendent of Bankruptcy in accordance with Sec 50.4 of the Bankruptcy & Insolvency Act ("BIA") on December 3rd, 2008. After being granted two extensions of the time for filing the Proposal by the Supreme Court of British Columbia, the Company filed its Proposal to its creditors on March 23, 2009.

Abakhan & Associates Inc. is named as Trustee in the Proposal.

BACKGROUND

The Company was incorporated on June 16th, 1986 as Jantri Resources Inc. ("Jantri"). In December 2004 Jantri acquired a 100% interest in Gold City Industries Ltd.'s BC and Washington State mining interests and became Merit Mining Corp. The Company's shares are traded on the TSX Venture Exchange.

In May of 2008 the Company received permits to operate the Lexington-Grenoble mine and Greenwood mill (near Greenwood BC) at 72,000 tonnes per annum (gold-copper). With financial backing from Norwegian mining company WEGA Mining ASA the company had also begun the process of acquiring the J & L Polymetallic project (gold-silver-lead-zinc) near Revelstoke BC.

The Company achieved commercial production at the Greenwood mine on June 1st, 2008. During late summer and fall 2008 commodities prices decreased significantly and by late November the Company had not been able to achieve positive cash flow at the Greenwood mine. The J & L Project was in exploration mode, not slated to begin production until 2012 at the earliest. The Company was unable to continue operations at Greenwood and was unable to secure necessary further financing for the J & L project.

Unable to pay its debts as they came due, the Company filed the NOI on December 3rd, 2008. The Greenwood mine and mill operations were shut down and put on a care and maintenance protocol. The camp and exploration work at J & L were also shut down.

Management have been working to develop a Proposal to the Company's creditors and are of the opinion that the creditors will have more certainty of recovery through a proposal than would be the case if the Company were Bankrupt.

THE PROPOSAL

The Proposal, a copy of which is included with this report, provides for payment to creditors as follows:

- i. **Secured Creditors** - Secured creditors are to be paid in accordance with existing security agreements or other arrangements as may be agreed to between the parties (see "Secured Creditors" section below).
- ii. **Employee wage claims** – The Company shall continue to pay its employees any ongoing wages in the normal course of business as such amounts become due. Management advises that there are no outstanding wage claims.
- iii. **Source Deduction Arrears** – Canada Revenue Agency ("CRA") is to be paid its source deduction arrears either six months following court approval of the Proposal or in accordance with any other arrangements that may be made between the Company and CRA. All other Statutory Claims rank with the general unsecured creditors behind the secured creditors. Management advises that there are no source deduction arrears.
- iv. **General Unsecured Creditors** – In summary, payment to the Trustee of funds for the benefit of the claims of general unsecured creditors are to be made as follows:
 - A. **2007 METC** – Upon receipt of its 2007 Mining Exploration Tax Credit ("METC"), anticipated to be in the Spring of 2010, the Company shall pay to the Trustee funds equal to 15% of all valid and proven unsecured claims.
 - B. **2008 METC** - Upon receipt of its 2008 METC, anticipated to be in the Fall of 2010, the Company shall pay to the Trustee funds equal to 15% of all valid and proven unsecured claims.

Such that the Trustee will receive funds representing 30% of all valid proven general unsecured creditors.

SECURED CREDITORS

From a search of the Personal Property Security Registry and other information, the secured creditors of the Company are as follows:

- i. **Wega Mining ASA/Munday Home Sales Ltd. Investments** –
 - Combined secured interest with Wega Mining having funded approximately 75% of the loan and Munday Home Sales the 25% balance.
 - The security was signed on October 23, 2008 with the secured interest having been registered in the Personal Property Registry of BC on October 14, 2008.
 - Estimated total claim per the statement of affairs - \$4.0 million.
 - First ranking specific security against all Rolling Stock, mining equipment, a motel Located in Greenwood (used to house mine workers) and all camp trailers and equipment at the J & L project.
 - Also claims a secured interest in the Company's interest in the option to purchase the J & L Claims referred to in the asset section below. This secured interest related to the J & L Claims is not registered in the PPSA. If not registered at the time of a bankruptcy the secured interest could be void thereby leaving any value for the benefit of unsecured creditors.
 - Management has attributed no value to the J & L Claims on the statement of affairs (see asset section below)

- Management advises that of the \$4.0 mil provided for in the security, \$2.0 mil was advanced in cash at the time of the issuance of the security document. At the same time Wega Mining, which held a \$2.0 mil debenture due from the Company on September 30, 2008, provided that the further \$2.0 mil provided for in the security represented an advance to the Company which resulted in the payout, by way of set-off of the amount owing under the September 30, 2008 debenture.
 - The estimated unsecured deficiency per the statement of affairs (if the company were bankrupt and the security enforced) is \$2,412,500.
- ii. **Computershare Trust Company of Canada (Jory Capital Inc.) –**
- Jory Capital Inc. brokered the funding of this loan which includes 68 separate investors.
 - Computershare acts as the Trustee on behalf of the investors.
 - First ranking specific security over all ore produced at the Greenwood project (and proceeds thereof). Registered on August 1st, 2008.
 - Estimated claim per the statement of affairs - \$4.5 million.
 - There are no assets subject to this security currently available leaving the entire claim as an unsecured deficiency per the statement of affairs.
- iii. **Specific Secured Creditors** – There are various financing companies with specific security over various vehicles and pieces of equipment. As it is estimated there will be no equity from the equipment after payment of the secured claims, secured creditors have been permitted to seize their security.
- iv. **Lien against Greenwood mine lands** – We understand that Kootenay Waste Water Solutions may have registered a Builder's Lien against the Greenwood mine and/or mill lands. As there is no value attributed to these assets this registration has no impact on the recovery to unsecured creditors.

The Trustee does not have an opinion from independent legal counsel as to whether or not these various secured charges would be valid and enforceable against a Trustee in Bankruptcy.

STATUTORY CLAIMS

The estimated amounts due to priority statutory claims are as follows.

- i. **Canada Revenue Agency (“CRA”) - Payroll Deductions: NIL**
- ii. **Employment Standards Branch: Wage claims NIL. Any severance claims rank as unsecured.**

UNSECURED CREDITORS

Based on the company's statement of affairs, the estimated claims of unsecured creditors total approximately \$2.7 million before consideration of the estimated unsecured deficiencies to the two major secured creditors.

ASSETS

The company's assets, as set out in the Statement of Affairs are as follows:

“Hard” Assets:

- **Rolling Stock and Mining Equipment** – Recent valuations solicited by the Company give an estimated range of values from a high of \$1,928,000 to a low of \$1,250,000. Management has used the low value in the statement of affairs. These assets are subject to the security held by Wega/Munday.
- **Greenwood Motel Property** – An opinion of value provided by a local realtor suggests listing the property for \$295,000. A separate valuation provided by a supplier to the Company valued the motel property at \$237,500. Management puts the value on the statement of affairs at \$237,500. These assets are subject to the security held by Wega/Munday.
- **Camp Trailers and equipment** – Recent valuations solicited by the company indicate that the camp is worth between a high of \$200,000 and a low of \$100,000. Management has used the low valuation in the statement of affairs. These assets are subject to the security held by Wega/Munday.
- **Greenwood Mill Equipment** – Management had two recent valuations performed by suppliers of the equipment. Estimated Realizable Value (“ERV”) is between a high of \$1,243,000 to a low of \$500,000. Management has used the low estimated value in the Company’s statement of affairs. These assets are not subject to any secured claim.

Miscellaneous mineral claims:

- The Company has various mineral claims in BC not including the J & L Project in Revelstoke BC and the Greenwood mining operation near Greenwood BC (both discussed below). Management advises that there have been no offers to buy any of the claims. Accordingly, they attribute no value to the claims, particularly given the current financial climate.

Greenwood Mining Operation:

- **Claim** – Production at Greenwood began in June 2008. The mine and mill were shut down in December 2008 largely due to the drop in copper prices. As with the other mineral claims, management advises that no offers have been received to purchase the Greenwood claim or mining operation. It is valued at NIL on the statement of affairs.
- **Greenwood Mine and Mill properties** – The Trustee understands that the Company’s interest in the Land has no resale value and, as noted above, the value of the mine itself is dependent on commodity prices and is valued at NIL on the statement of affairs.

J & L Project:

- **Claims** – The J & L project is made up of a number of claims in the Revelstoke area of BC. Management advises that the claims remain in the exploration phase and would not be expected to begin production until 2012 at the earliest, and only then after substantial further investment (estimated as high as \$150.0 mil), not including the balance required to complete the 100% purchase of the option to purchase the claims.
- **Option to Purchase the Claims** – The option was entered into in April 2007. To date \$5.0 mil has been paid, giving the company an 85% stake in the claims. A further \$5.8 mil is required to complete the purchase of the further 15% option. The Trustee’s reading of the agreement indicates that the further \$5.8 mil is payable in a cash lump sum and/or through royalty payments and, subject to certain conditions, 50% can be paid in shares of Merit Mining Corp. The Company must exercise the 15% further option and pay the funds required to complete that option or it forfeits its 85% interest. The details of the option agreement cannot be provided in this report.
- **Offers** – The Trustee has been told by management that a recent offer of \$2.0 mil for the 15% balance of the option to purchase was presented to the Company. The offer included a

requirement that the \$2.0 mil be full and final payment to the vendor for the 15% further option in lieu of paying the \$5.8 million referred to above. The result of that offer, unless the vendor agreed to share, would be that none of the purchase price would be to the account of the Company and it would relinquish all interest in the property. Management advises that the vendor is unlikely to accept \$2.0 mil for the balance of the option price in any event. At this time it is unknown if other offers will be forthcoming.

- **Value** - Management attributes a value of NIL to the J & L claims on the statement of affairs.

Mining Exploration Tax Credits ("METC's"):

- Management advises that the Company is due approximately \$1.0 mil for an METC related to its 2007 year end. That amount is anticipated to be received in Spring 2010.
- Management advises that the Company is due a further approximately \$1.0 mil for an METC related to its 2008 year end. That amount is anticipated to be received in Fall 2010.
- A review of the application for the 2007 METC indicates that the amount applied for was \$1,465,000 rather than \$1.0 mil. Management advises that the application in 2008 will be for a similar amount.
- Management advises that they have been told by the accountants preparing the application that, based on their experience, the Company should anticipate receiving in the range of 50% to 75% of the amount applied for. Hence the total of \$2.0 mil valuation on the statement of affairs.
- The actual value of the METC's is subject to the completion of audits by Canada Revenue Agency
- The METC's are not subject to any secured claim.

Cash:

- The projected cash flow filed by the Company on March 24, 2009 indicates that it will have estimated cash on hand at April 15, 2009 of approximately \$108,000.
- The cash balance was inadvertently not included on the filed statement of affairs.

Reclamation Bonds:

- The Company has Term Deposit Receipts in the amount of \$580,000 with the Bank of Montreal in the name of the Ministry of Energy and Mines to support potential environmental clean up costs related to its mining activity.
- \$530,000 relates to the Greenwood project and \$50,000 to the J & L project.
- Management is of the opinion that no part of these funds would ever be available to the Company or its creditors and, accordingly, they were not included in the statement of affairs.

REVIEWABLE TRANSACTIONS

The Trustee has not conducted a detailed review of Company bank accounts and cancelled cheques and, accordingly, cannot report on any transactions which could be considered subject to review pursuant to the BIA.

This matter will be discussed with the Estate Inspectors should same be elected.

TRUSTEE FEES & COSTS

The Trustee's fees and costs for the administration of the Proposal are to be paid by the Company in addition to other payments made pursuant to the proposal. The total fees and costs are estimated to be in the range of \$30,000 to \$50,000. The Trustee's fees are subject to approval by the creditors and are subject to taxation by the court.

The Trustee has received payment from the Debtor of \$20,000 as its initial retainer.

STATEMENT OF ESTIMATED REALIZATION

We provide below a comparison of estimated realization in the proposal versus the estimated realization if the Company were bankrupt. The assessments of value of the realizable physical assets in a bankruptcy are based on the recent valuations requested by management.

In the matter of the Proposal of
Merit Mining Corp.
Statement of Estimated Realizable Value
Comparison of Bankruptcy to Proposal
(Based on statement of affairs values and/or valuations solicited by the Company) (Note 1)

		<u>Bankruptcy</u>		
		Estimated High	Estimated Low	Proposal
Estimated Proceeds (Note 2)				
Rolling Stock	Secured to Wega/Munday	1,928,000.00	1,250,000.00	N/A
Motel Land	Secured to Wega/Munday	295,000.00	237,500.00	N/A
J & L Camp Trailers	Secured to Wega/Munday	200,000.00	100,000.00	N/A
Mill Equipment		1,243,000.00	500,000.00	N/A
Mineral Claims (Including J & L and Greenwood)		NIL	NIL	N/A
Reclamation Bonds		NIL	NIL	N/A
Cash		108,000.00	108,000.00	N/A
METC's (Note 3)		2,000,000.00	1,500,000.00	N/A
		<u>5,774,000.00</u>	<u>3,695,500.00</u>	N/A
Less: Estimated Costs and Priority Claims				
Receivership Costs		75,000.00	125,000.00	N/A
Secured creditor (Wega/Munday) (note 4)		2,423,000.00	1,587,500.00	N/A
		<u>2,498,000.00</u>	<u>1,712,500.00</u>	N/A
Estimated Net Realization		<u>\$3,276,000.00</u>	<u>\$ 1,983,000.00</u>	N/A
Estimated Unsecured Creditors:				
Trades/Leases/Interest/Accruals, etc (note 5).		2,325,000.00	2,600,000.00	
Wega Munday Shortfall		1,577,000.00	2,412,500.00	
Jory Shortfall		4,500,000.00	4,500,000.00	
Estimated Interest to Secured Creditors		485,000.00	485,000.00	
Contingent Liability Environmental		100,000.00	100,000.00	
Contingent Creditors (Employees)		124,000.00	124,000.00	
		<u>\$9,111,000.00</u>	<u>\$10,221,500.00</u>	
Est. Dividend Rate for Unsecured Creditors		<u>35.96%</u>	<u>19.40%</u>	30%

- Notes:
1. No formal appraisals of assets have been conducted
 2. Assumes estimated proceeds are net of sales costs
 3. Allows for possible reduction of METC claims re CRA Audits
 4. Secured claim is equal to the estimated value of the equipment secured
 5. Allows for possible reduction in claims due to amendment or dispute resolution

RECOMMENDATION AND CONCLUSION

The Proposal of Merit Mining Corp. provides that the Trustee is to receive funds equal to 30% of the claims of the general unsecured creditors. As noted in the schedule above it is estimated that there would be approximately between 19% and 36% recovery to the creditors if the proposal were not approved and the company deemed bankrupt.

In the event of a bankruptcy, the secured creditor Wega/Munday would likely appoint a receiver to realize on its security. The METC's and the Greenwood mill equipment would be the only assets with attributed values on the statement of affairs not to be realized on by the Receiver. The unsecured deficiencies of both major secured creditors (totalling approximately \$7.0 mil) would substantially dilute the benefit of the proceeds from the realization of the mill equipment. Accordingly, in a bankruptcy as in the proposal, until the receipt of the METC's (in 2010) there would be no sizable recovery to the unsecured creditors.

In deciding whether or not to approve the proposal the creditors need to make an assessment of the value of the assets of the company:

- Given the current financial climate the value of the "Hard Assets" including the rolling stock, mill equipment, camp trailers and motel land is less than certain.
- The values may go up but if so when and, equally as possible, the values may go down.
- Similarly, the values of various mineral claims are an issue.
- Based on the information that the Trustee has, the current valuations of NIL for all of the mineral claims assets, as set out in the statement of affairs, do not seem unreasonable. Particularly given the current financial climate and, as management advises, there have been no offers.
- It is apparent that anyone buying any of the mineral claims would be subject to various degrees of additional and continued financial commitment in order to realize a return on the investment.

Based upon this information and assessment, the Trustee recommends that the creditors accept the Proposal as there is some certainty of recovery from the Proposal. It is not dependent on the realizable value of assets. The primary recovery to the unsecured creditors is to come from the METC's. That would also be substantially the case if the Proposal were not approved and the Company were deemed bankrupt. The timing of recovery would also be the same in proposal or bankruptcy as the METC's will be realized at the same time regardless of whether it is a proposal or a bankruptcy.

Also, should the proposal prevail and if market conditions improve, the Company could resume its operations which could provide ongoing business to suppliers of goods and services.

This concludes the Trustee's report on the Proposal of Merit Mining Corp. this ^{3th} day of March 2009.

ABAKHAN & ASSOCIATES INC. – Trustee


Per: PHILIP MCCOURT CGA, CIRP

STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

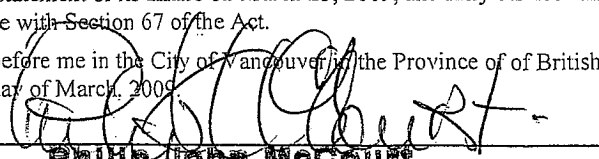
To the Debtor:

You are required to carefully and accurately complete this form and the applicable attachments, showing the state of your affairs on the date of your proposal, March 23, 2009. When completed, this form and the applicable attachments will constitute your Statement of Affairs and must be verified by oath or solemn declaration:

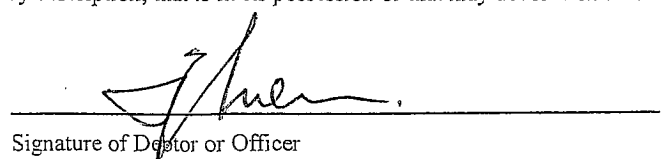
Liabilities		Assets	
(as stated and estimated by debtor)		(as stated and estimated by debtor)	
1. Unsecured creditors as per list 'A'	9,608,281.98	1. Inventory	NIL
2. Secured creditors as per list 'B'	1,587,500.00	2. Trade fixtures, fittings, utensils, etc.....	NIL
3. Preferred creditors as per list 'C'	NIL	3. Accounts Receivable, etc. as per list 'E'	
4. Contingent or other liabilities as per list 'D'	NIL	Good	NIL
estimated to be reclaimable for		Doubtful	NIL
		Bad	NIL
		Estimated to produce	NIL
Total Liabilities	11,195,781.98	4. Bills of exchange, promissory notes, etc. as	
Surplus	NIL	per list 'F'	NIL
		5. Deposits in Financial Institutions.....	NIL
		6. Cash	NIL
		7. Livestock	NIL
		8. Machinery, equipment and plant	NIL
		9. Real property or immovable as per list 'G'	237,500.00
		10. Furniture.....	NIL
		11. RRSPs, RRIFs, Life Insurance, etc	NIL
		12. Securities (Shares, bonds, debentures, etc)	NIL
		13. Interest under wills	NIL
		14. Vehicles	NIL
		15. Other Property as per list 'H'.....	
		Greenwood Gold Project claims	0.00
		METC's	2,000,000.00
		Mill Equipment	500,000.00
		J & L Camp Trailers	72,380.00
		J & L Camp Trailers	27,620.00
		Caramelia claims	0.00
		Other mineral claims	0.00
		Rock Creek and Old Nick claims	0.00
		Welbar claims	0.00
		J&L mineral property claims	0.00
		Rolling Stock	904,750.00
		Rolling Stock	345,250.00
		If Bankrupt is a Corporation add:	
		Amount of capital subscribed	NIL
		Amount paid thereon	NIL
		Balance subscribed and unpaid	NIL
		Estimated to produce	NIL
		Total Assets	4,087,500.00
		Deficiency	7,108,281.98

I, Frederick J. Sveinson President of Merit Mining Corp. , do swear that this statement and attached lists are to the best of my knowledge a full, true and complete statement of its affairs on March 23, 2009, and fully disclose all property of every description, that is in its possession or that may devolve on it in accordance with Section 67 of the Act.

SWORN before me in the City of Vancouver in the Province of of British Columbia
this 23rd day of March, 2009.


Philip John McCourt

**A Commissioner for Taking Affidavits
Within the Province of British Columbia
#1120-625 Howe St. Vancouver, BC**


Signature of Debtor or Officer

STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

List 'A'

Unsecured Creditors

No	Name	Address	Account No.	Amount of claim
1	06 Control Services	230 Sanderson Road Quesnel BC V2J 5V9		3,029.00
2	A J Papp	1340 E. 35th Ave. Vancouver BC V5W 1C1		6,552.59
3	A. Shelton Fire & Electrical Services	PO Box 4 Greenwood BC V0H 1J0		2,562.00
4	A.C.E Courier Services	Bay 8, 925 30th Street NE. Calgary AB T2A 5L7		28.40
5	Abrahamse, Martin	676 North Kimberley Ave. Greenwood BC V0H 1J0		1,830.81
6	Acklands - Grainger Inc.	PO Box 2008 Vancouver BC V6B 3R1		41,352.00
7	Advanced Storage Centres	12100 Riverside Way Richmond BC V6W 1K5		.00
8	Air Liquide Canada Inc.	23231 Fraserwood Way Richmond BC V6V 3B3		2,590.25
9	Albinet Plumbing & Heating	PO Box 247 Greenwood BC V0H 1J0		4,034.49
10	ALS Canada Ltd.	212 Brooksbank Ave. North Vancouver BC V7J 2C1		23,797.67
11	Amalgamated Mining Equipment Ltd.	9615 37th Ave. N.W. Edmonton AB T6E 6V9		22,450.06
12	Anachemia Science	10 - 3571 Viking Way Richmond BC V6V 1W1		18,096.26
13	Anfield Sujir Kennedy & Durno	1600 - 609 Granville Street PO Box 10068 Pacific Centre Vancouver BC V7Y 1C3		59,997.13
14	Arbortec Design Services Ltd.	PO Box 314 Christina Lake BC V0H 1E0		4,240.95
15	Arkel Contracting Ltd.	PO Box 2338 Revelstoke BC V0E 2S0		1,258.94
16	Arrow Reload Systems Inc.	11580 Mitchell Road Richmond BC V6V 1T7		24,281.56
17	Arvortec Design Services Ltd.	PO Box 314 Christina Lake BC V0H 1E0		4,240.95
18	Assayers Canada	8282 Sherbrooke Street Vancouver BC V5X 4R6		3,017.70
19	Avenue Machinery Corp.	7155 Meadowlark Road Vernon BC V1Z 1A3		17,162.25
20	AVRD Services	1435 Mt. Dufferin Drive Kamloops BC V2E 1A1		236.59

Dated: March 23, 2009



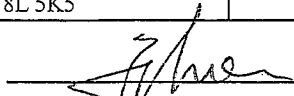
Signature of Debtor or Officer

STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

List 'A'
Unsecured Creditors

No	Name	Address	Account No.	Amount of claim
21	Bagwell Supply Ltd.	138 - 14273 Knox Way Richmond BC V6V 2Z4		1,008.00
22	Bara, Darrell	PO Box 2592 6629 Kettle River Drive Grand Forks BC V0H 1H0		2,315.00
23	Bearing & Transmission	PO Box 2026 Vancouver BC V6B 3P8		35,132.92
24	Belterra	155 Cambro Road Kelowna BC V1X 7T2		5,525.80
25	Benefits by Design Inc.	500 - 2755 Lougheed Highway Port Coquitlam BC V3B 5Y9		.00
26	BFL Canada Insce Services Inc.	200 - 1177 W. Hastings Street Vancouver BC V6E 2K3		77,211.65
27	Big Eddy Fuel Services Ltd.	Box 1740 Revelstoke BC V0E 2S0		6,093.47
28	Blomberg, Morris	56 Moqwen Place Deroche BC V0M 1G0		977.77
29	Boart Longyear Canada	PO Box 330, 1111 Main Street W. North Bay ON P3B 8H6		20,699.72
30	Boundary Creek Times	PO Box 99 Greenwood BC V0H 1J0		40.95
31	Boundary Electric (1985) Ltd.	PO Box 758, 7990 Columbia Drive Grand Forks BC V0H 1H0		21,551.58
32	Boundary Home Bldg Centre	PO Box 1118, 1538 W. Central Ave. Grand Forks BC V0H 1H0		16,179.30
33	Boundary Septic Service	10540 Granby Road Grand Forks BC V0H 1H1		3,934.50
34	Boundary Signs Ltd.	PO Box 428 Greenwood BC V0H 1J0		887.89
35	Boundary Tool Rental	PO Box 248, 265 Dominion Street Midway BC V0H 1M0		1,638.00
36	Bresco Industries Ltd.	PO Box 320, 210 Hwy 23 N. Revelstoke BC V0E 2S0		411.36
37	Buena Tierra Developments Ltd	27B Glenmore Drive West Vancouver BC V7S 1A5		16,170.00
38	Burridges Enterprises Ltd.	PO Box 1180 Revelstoke BC V0E 2S0		13,513.46
39	Buster's Excavating (1986)	PO Box 355, 1340 Hwy 3 Greenwood BC V0H 1J0		115,355.62
40	CAC Industrial Equipment Ltd.	Unit A - 484 Hasqiat North Saanich BC V8L 5K5		5,823.30

Dated: March 23, 2009



Signature of Debtor or Officer

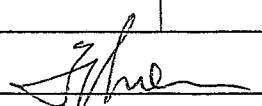
STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

List 'A'

Unsecured Creditors

No	Name	Address	Account No.	Amount of claim
41	Caliper Machine & Hydraulics	3 - 807 Industrial Road Cranbrook BC V1C 4E1		3,422.98
42	Campbell, Gregg	623 Trail Street Kimberley BC V1A 2M3		4,983.49
43	Canadian Safety Garment	10645 - 102 Street Edmonton AB T5H 2T6		707.49
44	Cast Resource Equipment	100 Mumford Road Lively ON P3Y 1L2		3,469.45
45	CAT Rental Store	1822 Spall Road Kelowna BC V1Y 4R1		29,321.11
46	CDN Resource Laboratories Ltd.	10945-B River Road Delta BC V4C 2R8		28,448.00
47	CEM Inc.	6927 Antrim Ave. Burnaby BC V5J 4M5		6,704.26
48	Central Interior Catering & Consulting	570 - 3rd Avenue Prince George BC V2L 3C3		6,065.01
49	Centurion Fire Protection	PO Box 26101 Westbank BC V4T 2G3		1,528.09
50	Century Vallen	PO Box 1218 Edmonton AB T5J 2M6		2,495.83
51	Chapman Jr., Dave	3124 Ward Road Grand Forks BC V0H 1H0		1,937.43
52	Cheveldave, Jordan	200 Benchview Road Kelowna BC V1X 1M5		983.97
53	Cheveldave, Thomas	200 Benchview Road Kelowna BC V1X 1M5		1,865.38
54	Christina Lake Gravel & Ready Mix Ltd.	PO Box 83 Christina Lake BC V0H 1E0		2,520.00
55	Christmann, Jillian	23 - 2495 Davies Ave. Port Coquitlam BC V3C 0B2		3,000.00
56	Chung Chun International Trading Ltd.	138 - 11180 Coppersmith Place Richmond BC V7A 5G8		857.30
57	CIT Financial Ltd.	PO Box 5060 - 5035 South Service Road Burlington ON L7R 4C8		20,268.00
58	City Transfer/Ophir City Enterprises Ltd.	777 Begbie Road, PO Box 9011 Revelstoke BC V0E 3K0		21.00
59	CNW Group	1500 - 20 Bay Street Toronto ON M5J 2N8		179.55
60	Computershare	Accts. Rec. Dept. 100 University Ave., 11th Floor Toronto ON M5J 2Y1		4,119.15

Dated: March 23, 2009


Signature of Debtor or Officer

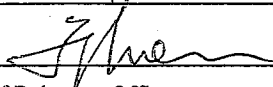
STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

List 'A'

Unsecured Creditors

No	Name	Address	Account No.	Amount of claim
61	Computershare Trust Company of Canada	3rd Fir - 510 Burrard Street Vancouver BC V6C 3B9		4,470,000.00
62	Conlon, Cal	144 Chase Road, Box 452 Christina Lake BC V0H 1E0		5,621.90
63	Cookson Motors Ltd.	1150 Gordon Drive Kelowna BC V1Y 3E4		5,876.23
64	Copy Cat Printing	PO Box 2349 284 Market Avenue Grand Forks BC V0H 1H0		582.18
65	Cordillera Consulting Inc.	7311 Huddleston Road Summerland BC V0H 1Z6		14,175.00
66	Coueffin Contruction Ltd.	PO Box 976 Revelstoke BC V0E 2S0		1,008.00
67	Cover All Buildings - BC	3901 Trans Canada Highway Tappen BC V0E 2X3		32,293.49
68	Crowie, Shane Tad	75 - 11757 236th Street Maple Ridge BC V4R 2E4		4,961.54
69	Deakin Industries	1361 Powell Street Vancouver BC V5L 1G8		4,566.77
70	DMAC Drilling Ltd.	55 - 3347 262nd Street Surrey BC V4W 3V9		20,417.76
71	Donald, Brent	8099 19th Street Grand Forks BC V0H 1H2		5,618.06
72	Drager Safety Canada Ltd.	7555 Danbro Crescent Mississauga ON L5N 6P9		2,088.53
73	Drinkwater, Darryl	101 South Kimberley Ave. PO Box 501 Greenwood BC V0H 1J0		5,126.31
74	Dunsmuir & Hornby Ltd	230 - 830 W. Pender Street Vancouver BC V6C 1J8		37,091.08
75	Dyno Nobel Canada Inc.	3200 114th Ave. S.E. Calgary AB T2Z 3V6		169,872.37
76	Dywidag - Systems International	1638 Alberta Ave. Saskatoon SK S7K 1R6		48,399.34
77	E.B. Horseman & Son	17855 66th Ave. Surrey BC V3S 7X1		14,744.27
78	Echo Bay Minerals Company	Kettle River Operations 363 Fish Hatchery Road Republic WA 99166		29,165.00
79	EcoTech Laboratory Ltd.	10041 Dallas Drive Kamloops BC V2C 6T4		25,180.52
80	Edge Transportation	3550 Idylwyld Drive N.		2,806.65

Dated: March 23, 2009



Signature of Debtor or Officer

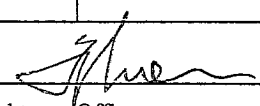
STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

List 'A'

Unsecured Creditors

No	Name	Address	Account No.	Amount of claim
81	Eecol Electric Corp.	Saskatoon SK S7L 6G3 101 - 19505 56th Ave. Surrey BC V3S 6K3		5,638.08
82	Fedex	PO Box 4626, Toronto Stn A Toronto ON M5W 5B4		44.01
83	Fedun, Ross	624 301 Street Marysville BC V1A 3K3		1,870.69
84	Fish River Contracting Ltd.	PO Box 1002 Revelstoke BC V0E 2S0		2,179.80
85	Ford Credit Canada Ltd.	Customer Service Centre PO Box 2400 Edmonton AB T5J 5C7		111,527.00
86	FortisBC Inc.	PO Box 8970, Stn Main Vancouver BC V6B 4E2		.00
87	G4S Cash Services	PO Box 5770 Stn F Toronto ON M4Y 2T1		1,039.50
88	Galaxy Broadband Communications Inc.	4 - 4020A Sladeview Crescent Mississauga ON L5L 6B1		.00
89	GE Canada Equipment Financing G.P.	PO Box 37 Stn A Mississauga ON L5A 2Y9		756.00
90	GMAC Financial Services	2400, 10155 - 102nd Street Edmonton AB T5J 4G8		101,445.07
91	Golder Associates Ltd.	500 - 4260 Still Creek Drive Burnaby BC V5C 6C6		17,149.78
92	Goodall Rubber	3181 Thunderbird Crescent Burnaby BC V5A 3G1		15,185.72
93	Granby Container Sales & Rentals	PO Box 2007 Grand Forks BC V0H 1H0		7,504.00
94	Grand & Toy	4560 Tillicum Street Burnaby BC V5L 5L4		109.20
95	Grand Forks Home Hardware	PO Box 790 Grand Forks BC V0H 1H0		2,678.97
96	Grand Forks Realty Ltd.	PO Box 2050 Grand Forks BC V0H 1H0		.00
97	Grand Forks Shell Convenience	PO Box 2766 Grand Forks BC V0H 1H0		.00
98	Great West Equipment	1600 Kosmina Road Vernon BC V1T 8T2		151.33
99	Greyhound Courier Express	Bag 2577 Calgary AB T2P 4N4		12,082.87
100	Guillevin International Co.	PO Box 2102		28,698.70

Dated: March 23, 2009


 Signature of Debtor or Officer

STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

List 'A'

Unsecured Creditors

No	Name	Address	Account No.	Amount of claim
101	Hall, Martin	Vancouver BC V6B 3T2 356 Marguerite Ave. Greenwood BC V0H 1J0		4,809.76
102	Hallmark, Oliver	2427 39th Street SE. Calgary AB T2B 1A8		2,652.00
103	Hardy, Joseph L.	PO Box 488 Greenwood BC V0H 1J0		504.00
104	HCN Publications	Business Information Group 800 - 12 Concorde Place Toronto ON M3C 4J2		409.00
105	Heichert, Lee	PO Box 388 New Denver BC V0G 1S0		5,076.92
106	Hogarth, Steve	6846 Galena Road Grand Forks BC V0H 1H0		5,832.34
107	Holloway, Randolph	3150 Hardy Mountain Road Grand Forks BC V0H 1H2		5,690.50
108	Hoppe, Brant	5800 Gibbs Creek Road Grand Forks BC V0H 1H5		1,476.92
109	Howatt, Tab	2741 Soderholm Road Campbell River BC V9W 1M2		4,888.75
110	Hurley Mining Equipment & Services	PO Box 220, 10 Nelson Road Lively ON P3Y 1M3		29,811.60
111	Hydraulics Unlimited	PO Box 519 Cranbrook BC V1C 4J1		4,793.55
112	Hyundai			122,444.00
113	Internet-Exposure	209 - 727 E. 7th Ave. Vancouver BC V5T 1P3		36.70
114	J. Warren	4550 Centre Road, RR 5 Grand Forks BC V0H 1H5		.00
115	Jeff Berryman	PO Box 228 Greenwood BC V0H 1J0		1,780.80
116	Kal Tire	2691 Highway #3 Grand Forks BC V0H 1H0		4,408.92
117	Kala Groundwater Consulting Ltd.	1314 McGill Road Kamloops BC V2C 6N6		22,395.52
118	Kalawsky Pontiac Buick GMC (1989) Ltd.	1700 Columbia Ave. Castlegar BC V1N 2W4		.00
119	Kettle Valley Electric Ltd.	RR # 1 S#1 C#25 Rock Creek BC V0H 1Y0		5,086.73
120	Kienas, Trevor S.	PO Box 2767 Grand Forks BC V0H 1J0		2,719.69

Dated: March 23, 2009


 Signature of Debtor or Officer

STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

List 'A'

Unsecured Creditors

No	Name	Address	Account No.	Amount of claim
121	Knelson	19855 98th Ave. Langley BC V1M 2X5		17,914.27
122	Kootenay Wastewater Solutions	Dan Wolkosky PO Box 1046 Grand Forks BC V0H 1H0		13,876.80
123	La Van & Company	704 - 1478 W. Hastings St. Vancouver BC V6G 3J6		2,197.70
124	Leavitt Machinery General Partnership	2200 Taft Ave. Coquitlam BC V3K 5Y1		2,383.19
125	Lindquist, Wilfred	PR#2 S-40 C-17 Rock Creek BC V0H 1Y0		1,109.53
126	Locher Evers International	456 Humber Place Annacis Island New Westminster BC V3M 6A5		226.92
127	Lordco Auto Parts	22866 Dewdney Trunk Road Maple Ridge BC V2X 3K6		12,138.45
128	MacArthur, Ronald G.	1208 - 1328 Homer Street Vancouver BC V6B 6A7		4,000.00
129	Machell, Stephen	1101 Cherbrooke Ave. Kamloops BC V2B 1W6		1,538.46
130	Malaspina Consultants Inc.	880 - 580 Hornby St. Vancouver BC V6C 3B6		8,849.75
131	Manitoulin Transport	585 Michel Creek Road, RR 1 Sparwood BC V0B 2G1		11,416.38
132	Markin, Bill	PO Box 163 Greenwood BC V0H 1J0		3,050.25
133	Martech Electrical Systems Ltd.	1700 Woodland Drive Castlegar BC V1N 4J4		*200,090.36
134	McNeil, Ken	1522 McIntyre Road Christina Lake BC V0H 1E2		3,118.50
135	Mesh Environmental Inc.	500 - 1045 Howe St. Vancouver BC V6C 3B6		356.90
136	Metso Minerals Canada Inc.	c/o HSBC Bank of Canada PO Box 3710 Markham ON L3R 4N5		474.88
137	Mid-Nytes Towing	1835 Coalchute Road Grand Forks BC V0H 1H2		6,280.25
138	Midway Spot Holdings Ltd.	PO Box 390, 728 Palmerston Ave. Midway BC V0H 1M0		82,249.51
139	Mincon Mining Equipment Inc.	2354 Maley Drive PO Box 2698 Stn A		16,253.01

* Amount Subject to Dispute

Dated: March 23, 2009

Signature of Debtor or Officer

STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

List 'A'

Unsecured Creditors

No	Name	Address	Account No.	Amount of claim
140	Mine Supply Company of Saskatchewan	Sudbury ON P3A 5J2 818 45th Street E. Saskatoon SK S7K 0W5		24,322.58
141	Mini Bulk Inc.	207, 1410 - 11th Avenue SW Calgary AB T3C 0M8		Unknown
142	Minister of Finance	PO Box 9990 Stn Prov Govt Victoria BC V8W 9R7		3,176.40
143	Moorman, Merle	PO Box 2115 Grand Forks BC V0H 1H0		3,676.63
144	Moritz, Allan	88 - 7545 Dallas Drive Kamloops BC V2C 6X9		3,716.41
145	Munday Home Sales Ltd.	206 - 4400 Dominion Street Burnaby BC V5G 4G3		666,532.50
146	Napa Auto Parts (3725)	PO Box 3048, 288 Big Bend Highway Revelstoke BC V0E 2S0		1,121.32
147	National Mine Service of Canada ULC	7 - 401 Pakwa Place Saskatoon SK S7L 6A3		997.50
148	National Oilwell Canada	PO Box 664 Stn M Calgary AB T2P 2J3		6,627.14
149	Nelson Machinery & Equipment Ltd.	1470 Rupert Street North Vancouver BC V7J 1E9		14,296.31
150	Nepa Trucking Co.	PO Box 731 Stn A Grand Forks BC V0H 1H0		771.75
151	Nesbitt's Drilling Ltd.	PO Box 1 Silverton BC V0G 2B0		1,890.00
152	New Line Products Ltd.	2515 Eastbrook Parkway Burnaby BC V5C 5W2		2,444.83
153	Northwest Hydraulic Consultants	9819 12th Ave. SW. Edmonton AB T6X 0E3		3,346.35
154	OK Tire Stores	2923 Central Ave. Grand Forks BC V0H 1H2		7,461.73
155	Okanagan Audio Lab Ltd.	6048 Star Road Vernon BC V1B 3P4		1,911.00
156	Osoyoos Indian Band	Brian Titus, CFO RR #3, Site 25, Comp. 1 Oliver BC V0H 1T0		56,242.73
157	Overland West Freight Lines Ltd.	PO Box 2069 Stn Main Winnipeg MB R3C 3R4		14,926.31
158	P.B. Hughes & Associates	307 - 2525 W. 4th Vancouver BC V6K 1P5		5,642.37
159	Pacific Air Filter Ltd.	2809 Norland Ave.		300.17

Dated: March 23, 2009


Signature of Debtor or Officer

STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

List 'A'
Unsecured Creditors

No	Name	Address	Account No.	Amount of claim
160	Pacific Bit of Canada Inc.	Burnaby bc V5B 3A9 204 - 9485 189th Street Surrey (Port Kells) BC V4N 5L8		29,374.23
161	Pacific Coastcom Communications Inc.	111 - 3823 Henning Dr. Burnaby BC V5C 6P3		1,634.01
162	Panasonic Document Systems Direct	12111 Riverside Way Richmond bc V6W 1K8		297.41
163	Parkland Industries	236 - 4919 59th Street Red Deer AB T4N 6C9		9,929.67
164	PerkinElmer LAS Canada Inc.	6 - 501 Rowntree Dairy Road Woodbridge ON L4L 8H1		30,168.33
165	Pesonen, Petri	PO Box 723, 470 Dundee Ave. Greenwood BC V0H 1J0		3,800.22
166	Pontell Bit Grinding	582 Gatensbury Street Coquitlam BC V3J 5G3		538.13
167	Praxair Distribution	PO Box 400 Stn D Scarborough ON M1R 5M1		596.56
168	Premier Wood Products Inc.	12123 Old Yale Road Surrey BC V3V 3X6		9,878.40
169	Pro J Fire Extinguisher Service	PO Box 1990 Grand Forks BC V0H 1H0		3,401.92
170	Process Research Associates Ltd.	11620 Horseshoe Way Richmond BC V7A 4V5		2,670.94
171	Prolabec Scientific	2213 Rue Le Chatelier Laval QC H7L 5B3		2,526.30
172	Quality Sales & Service Ltd.	1635 Autumn Road Kelowna BC V1P 1E8		2,112.59
173	R.A.P.I.D. Services	PO Box 277 Midway BC V0H 1M0		493.50
174	Rebel Boom Truck Service Ltd.	PO Box 1785 Revelstoke BC V0E 2S0		462.00
175	Receiver General - Source Deduction	CCRA 875 Heron Road Ottawa ON K1A 1B1		.00
176	Revelstoke Excel Tire Centres	401 First Street, PO Box 111 Revelstoke BC V0E 2S0		94.08
177	Revenue Services of British Columbia	PO Box 9482 Stn Prov Govt Victoria BC V8W 9W6		3,138.00
178	Roper Greyell LLP	800 Park Place, 666 Burrard Street Vancouver BC V6C 3P3		5,487.45
179	Rotary Club of Grand Forks	c/o Box 1374		250.00

Dated: March 23, 2009


Signature of Debtor or Officer

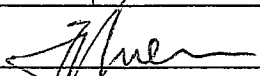
STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

List 'A'

Unsecured Creditors

No	Name	Address	Account No.	Amount of claim
180	S. McKenzie Contracting Ltd.	Grand Forks bc V0H 1H0 PO Box 820 REvelstoke BC V0E 2S0		1,787.69
181	Sagamore Properties Ltd.	PO Box 820 Grand Forks BC V0H 1H0		.00
182	Savona Equipment Ltd.	PO Box 176, 6351 West Trans Canada Hwy. Savona BC V0K 2J0		36,684.02
183	Schneider, Erich	3000 Lind Creek Road, PO Box 621 Greenwood BC V0H 1J0		2,006.81
184	Schulz, Ronald	PO Box 495 Greenwood BC V0H 1J0		2,320.57
185	Select Office Products	PO Box 1055 Grand Forks BC V0H 1H0		63.17
186	Selkirk Mountain Helicopters Ltd.	530 Westside Road, PO Box 2968 Revelstoke BC V0E 2S0		.00
187	Shaw Lease	4620 Blackfoot Trail SE. Calgary AB T2G 4G2		32,189.00
188	Shell Canada Products	PO Box 8, Postal Stn M Calgary AB T2P 2G9		463.75
189	Silverton Transport Limited	522 Lake Ave., Box 70 Silverton BC V0G 2B0		1,932.00
190	Skiftun, John	1622 McKinnon Road Revelstoke BC V0E 2S1		5,021.03
191	Skywaywest	3644 Beach Ave. Roberts Creek BC V0N 2W2		229.89
192	SouthComm Communications Ltd.	10370 Monte Bella Road Winfield BC V4V 1K7		1,481.76
193	Spalek, Alan	3425 Regin Road Rock Creek BC V0H 1Y0		5,354.25
194	Spring Fuel Distributors Inc.	275 Champion Street Kelowna BC V1X 7S9		2,630.60
195	Star Choice Television Network Inc.	PO Box 2530 Stn M Calgary AB T2P 0C2		518.55
196	Stone & Kann	PO Box 76 Rock Creek BC V0H 1Y0		531.08
197	Striker Industries	PO Box 820 GRand Forks BC V0H 1H0		9,465.09
198	Superior Propane	PO Box 2875, Stn M Calgary AB T2P 5G1		.00
199	Sure Haul Transportation Ltd.	PO Box 870, 1801 Boruch Road Revelstoke BC V0E 2S0		3,967.86

Dated: March 23, 2009



 Signature of Debtor or Officer

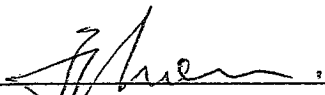
STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

List 'A'

Unsecured Creditors

No	Name	Address	Account No.	Amount of claim
200	Surinak, Nathan	6466 8th Street Grand Forks BC V0H 1H4		4,775.19
201	Sveinson Mineral Services Inc.	4655 Britannia Drive Richmond BC V7E 6B1		5,950.00
202	Sveinson, Fred	4655 Britannia Drive Richmond BC V7E 6B1		18,958.33
203	Telman, Gheorghe	1504 - 290 Newport Drive Port Moody BC V3H 5N2		1,669.23
204	Telus	PO Box 7575 Vancouver BC V6B 8N9		.00
205	Terasen Gas	PO Box 6666, Stn Terminal Vancouver BC V6B 6M9		.00
206	Terravage Systems Inc.	110 - 30799 Simpson Road Abbotsford BC V2T 6X4		48,693.75
207	The Boundary Creek Times	PO Box 99 Greenwood BC V0H 1J0		40.95
208	Thiel, Paulette	PO Box 308 Greenwood BC V0H 1J0		1,008.75
209	Thompson, Kenneth	Box 32, 817 Strathmore Ave. Greenwood BC V0H 1J0		1,008.00
210	Tom Williams Contracting			24,000.00
211	Tool Time Supplies Ltd.	Leigh Wilson Starchuck Box 727 Grand Forks BC V0H 1H0		24,939.28
212	Unifab Industries Ltd.	PO Box 2048, 6050 2nd Street. Grand Forks BC V0H 1H0		15,264.90
213	Univar Canada Ltd.	PO Box 2009 Vancouver BC V6B 3R2		7,274.40
214	V.I.P. Transport Ltd.	PO Box 28 Kamloops BC V2C 5K3		1,785.00
215	Van Kam Freightways Ltd.	10155 Grace Road Surrey BC V3V 3V7		3,601.19
216	VBS	202 - 3306 32nd Ave. Vernon BC V1T 2M6		137.03
217	Visser Machining 2007 Ltd.	5900 Darcy Road Grand Forks BC V0H 1H4		9,219.14
218	Walchuck, James	2601 - 717 Jervis Street Vancouver BC V6E 4L5		49,500.00
219	Water Pure & Simple	PO Box 328 Grand Forks BC V0H 1H0		1,042.40

Dated: March 23, 2009



 Signature of Debtor or Officer

STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

List 'A'

Unsecured Creditors

No	Name	Address	Account No.	Amount of claim
220	Watson, Tracy	Box 517, 364 N. Copper Street Greenwood BC V0H 1J0		2,127.00
221	Wega Mining ASA, Fornebuveien 1	PO Box 137, 1325 Lysaker Baerum Norw		1,745,967.50
222	Welco	6 - 7003 30th Street SE. Calgary AB T2C 1N6		144.75
223	Westarm Truck Lines	1077 Columbia Road Castlegar BC V1N 4K5		10,688.85
224	Western Equipment	1046 Middleton Way Vernon BC V1B 2P1		322.18
225	Western Group Signs & Screenprinting	500573 BC Ltd. PO Box 1522, 970 Carson Road Grand Forks BC V0H 1H0		250.00
226	Westwood Printing	100 - 1030 Westwood Street Coquitlam BC V3C 4E4		700.00
227	Wilkinson Steel & Metals	888 S.E. Marine Drive Vancouver BC V5X 2V3		18,034.32
228	Winn Rentals Ltd.	910 McCurdy Road Kelowna BC V1X 2P7		105.28
229	Woodland Equipment Inc.	2015 West Trans Canada Hwy Kamloops BC V1S 1A7		2,270.40
230	Workers' Compensation Board of BC	PO Box 9600, Stn Terminal Vancouver BC V6B 5J5		32,142.04
231	Wright Machine Works Ltd.	PO Box 2898 Revelstoke BC V0E 2S0		5,358.05
232	Xplornet	300 Lockhart Mill Road PO Box 9060 Woodstock NB E7M 5C3		Unknown
233	Y & R Water Sales & Service Inc.	PO Box 488, 7708 Donaldson Drive Grand Forks BC V0H 1H0		6,290.77
234	Ziegler, Ted	PO Box 517 Greenwood BC V0H 1J0		3,982.50
	TOTAL			9,608,281.98

Dated: March 23, 2009



 Signature of Debtor or Officer

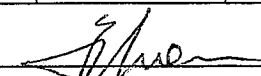
STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

List 'B'

Secured Creditors

No	Name & Address Nature of Claim Particulars of Security	Amount of Claim	When Given	Estimated Value of Security	Estimated Surplus from Security	Balance of Claim Unsecured
1	Computershare Trust Company of Canada 3rd Flr - 510 Burrard Street Vancouver BC V6C 3B9	4,470,000.00		0.00	0.00	4,470,000.00
2	Hyundai	122,444.00		0.00	0.00	122,444.00
3	Munday Home Sales Ltd. 206 - 4400 Dominion Street Burnaby BC V5G 4G3 + interest of \$87 671.24 Rolling Stock J & L Camp Trailers Motel Land	1,105,000.00		438,467.50	0.00	666,532.50
4	Wega Mining ASA, Fornebuveien 1 PO Box 137, 1325 Lysaker Baerum Norw Norway- + interest of \$87 671.24 Rolling Stock J & L Camp Trailers Motel Land	2,895,000.00	01-01-01 01-01-01 01-01-01 01-01-01 01-01-01 01-01-01	1,149,032.50	0.00	1,745,967.50
	TOTAL	8,592,444.00				7,004,944.00

Dated: March 23, 2009



 Signature of Debtor or Officer

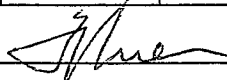
STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

List 'D'

Contingent or Other Liabilities

No	Name of Creditor or Claimant Address and Occupation	Amount of Liability or Claim	Amount Expected to Rank for Dividend	Date Liab Incurred Mo Yr	Nature of Liability
1	Adams, Paul 3027 Country Close Campbell River BC V9W 6X6	Unknown	0.00		
2	Badari, Lezle 3364 Eastlake Drive Christina Lake BC V0H 1E1	Unknown	0.00		
3	Barnesky, Gary 101 26th Ave. N. Creston BC V0B 1G5	Unknown	0.00		
4	Berard, Douglas 7782 Berard Road Kimberley BC V1A 3L8	Unknown	0.00		
5	Berard, Terrance 7777 Berard Road Kimberley BC V1A 3L8	Unknown	0.00		
6	Buck, Christopher 2702 South Main Street Penticton BC V2A 7H3	Unknown	0.00		
7	Bunn, James 7 - 41050 Tantalus Road Squamish BC V8B 0M6	Unknown	0.00		
8	Carr, Derek PO Box 242 Rosthern SK S0K 3R0	Unknown	0.00		
9	Castle, Robin PO Box 348, 444 Hartland Ave. Midway BC V0H 1M0	Unknown	0.00		
10	Chapman, David J. Box 2592, 6629 Kettle River Drive Grand Forks BC V0H 1H0	Unknown	0.00		
11	Condon, John 5650 Burton Road, RR #1, S #1, C #25 Rock Creek BC V0H 1Y0	Unknown	0.00		
12	Daradics, Glen PO Box 463 Greenwood BC V0H 1J0	Unknown	0.00		250-445-6115
13	Dennis, Nicholas PO Box 44 Iskut BC V0J 1K0	Unknown	0.00		
14	Ficher, William 2845A Richter	Unknown	0.00		

Dated: March 23, 2009



 Signature of Debtor or Officer

**STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.**

List 'D'

Contingent or Other Liabilities

No	Name of Creditor or Claimant Address and Occupation	Amount of Liability or Claim	Amount Expected to Rank for Dividend	Date Liab Incurred Mo Yr	Nature of Liability
	Kelowna BC V1Y 2R7				
15	Hadikin, Michael PO Box 272 Midway BC V0H 1M0	Unknown	0.00		
16	Hashimoto, Yasu c/o Ann Holland 101 - 3800 32nd Ave. Vernon BC V1T 2N3	Unknown	0.00		
17	Jacob, John PO Box 137 Greenwood BC V0H 1J0	Unknown	0.00		
18	Kapinus, Vince 829 Dever Drive Kamloops BC V2B 6P9	Unknown	0.00		
19	Lindsay, James 9325 Granby Road Grand Forks BC V0H 1H1	Unknown	0.00		
20	Ludwar, Kenneth L. 3195 Koftinoff Road Grand Forks BC V0H 1H0	Unknown	0.00		
21	MacKinnon, Bruce PO Box 20115, Station A Campbell River BC V9W 7Z5	Unknown	0.00		
22	Martin, Suzanne PO Box 2115 Grand Forks BC V0H 1H0	Unknown	0.00		
23	Morits, Derrick 2320 Abbeyglen Way Kamloops BC V1S 1V6	Unknown	0.00		
24	Nickiford, Gerald 6155 Kenmore Road Grand Forks BC V0H 1H4	Unknown	0.00		
25	Petek, Anton 9 - 5965 Jinkerson Road Chilliwack BC V2R 5Z7	Unknown	0.00		
26	Phelps, Robert 10505 Hwy 3 W. Grand Forks BC V0H 1H5	Unknown	0.00		
27	Phillips, Kory PO Box 175 Grand Forks BC V0H 1H0	Unknown	0.00		

Dated: March 23, 2009


Signature of Debtor or Officer

STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

List 'D'

Contingent or Other Liabilities

No	Name of Creditor or Claimant Address and Occupation	Amount of Liability or Claim	Amount Expected to Rank for Dividend	Date Liab Incurred Mo Yr	Nature of Liability
28	Prokopchuk, dave PO Box 1855 Revelstoke BC V0E 2S0	Unknown	0.00		
29	Robinson, Kenneth 202 - 20443 53rd Ave. Langley BC V2A 7A6	Unknown	0.00		
30	Roll, Brad 1662 Chandler Road Christina Lake BC V0H 1E3	Unknown	0.00		
31	Rus, Ioan Dinutu 3 - 1222 Cameron Street New Westminster BC V2M 1W6	Unknown	0.00		
32	Smith, Nicholas 215 Utah Drive Campbell River BC V9W 7K3	Unknown	0.00		
33	Smith, Westly Shayne 510 Cadogan Street Nanaimo BC V9S 1T4	Unknown	0.00		
34	Soenen, David 9674 Porteous Road Kimberley BC V1A 3K8	Unknown	0.00		
35	Switzer, Christopher PO Box 1892 Grand Forks BC V0H 1H0	Unknown	0.00		
36	Terris, Trenton 946 Stockwell Ave. Kelowna BC V1Y 6W2	Unknown	0.00		
37	Van Baarsen, Amanda 1762 E. 15th Ave. Vancouver BC V5N 2G3	Unknown	0.00		
38	White, Leo PO Box 465 Oliver BC V0H 1T0	Unknown	0.00		
	TOTAL		0.00 \$0.00		

Dated: March 23, 2009



 Signature of Debtor or Officer

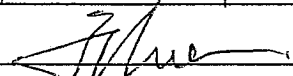
STATEMENT OF AFFAIRS (Sec 158)
 IN THE MATTER OF THE PROPOSAL OF
 MERIT MINING CORP.

List 'E'

Debts Due to the Estate

No	Name, Address & Occupation of Debtor	Nature of Debt		Contracted		Estimated to Produce
		Particulars of Security		Yr	Mo	
		Folio Ledger for Particulars				
				Bad		
						\$0.00
TOTAL						\$0.00

Dated: March 23, 2009



 Signature of Debtor or Officer

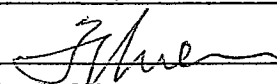
STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

List 'F'

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

No	Name of all Promissors, Acceptors, Endorsers, Mortgagors and Guarantors Address and Occupation	Amount of Bill or Note	Date When Due	Estimated to Produce	Particulars held as Security for Payment of Bills or Notes
	TOTAL			\$0.00	

Dated: March 23, 2009



Signature of Debtor or Officer

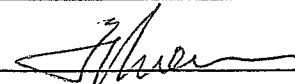
STATEMENT OF AFFAIRS (Sec 158)
 IN THE MATTER OF THE PROPOSAL OF
 MERIT MINING CORP.

List 'G'

Real Property or Immovable Owned by debtor

No	Description of Property Nature of debtor's Interest In Whose Name Does Title Stand	Total Value	Particular of Mortgages, Hypothecs or other Encumbrances		Equity or Surplus
			Name & Address	Amount	
1	Motel Land	171,902.50	Wega Mining ASA, Fornebuveien 1 PO Box 137, 1325 Lysaker Baerum Norw	2,895,000.00	0.00
2	Motel Land	65,597.50	Munday Home Sales Ltd. 206 - 4400 Dominion Street Burnaby BC V5G 4G3	1,105,000.00	0.00
TOTAL		237,500.00			

Dated: March 23, 2009



 Signature of Debtor or Officer

STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
MERIT MINING CORP.

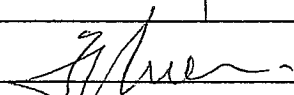
List 'H'

Property

Give full particulars of property of every description that is in the debtor's possession, or that may devolve on the debtor in accordance with section 67 of the act and that are not included in any other list.

Nature of Property	Location Details of Property	Original Cost	Estimated to Produce
(a) Stock-in-Trade			NIL
(b) Trade fixtures, etc.			NIL
(c) Cash in financial institutions			NIL
(d) Cash on Hand			NIL
(e) Livestock			NIL
(f) Machinery, equipment and plant			NIL
(g) Furniture			NIL
(h) Life insurance policies, RRSPs, etc.			NIL
(i) Securities			NIL
(j) Interests under wills, etc.			NIL
(k) Vehicles			NIL
(l) Taxes			NIL
(m) Other property	Greenwood Gold Project claims	Unknown	NIL
	METC's	Unknown	2,000,000.00
	Mill Equipment	Unknown	500,000.00
	J & L Camp Trailers (encumb.)	Unknown	72,380.00
	J & L Camp Trailers (encumb.)	Unknown	27,620.00
	Caramelia claims	Unknown	NIL
	Other mineral claims	Unknown	NIL
	Rock Creek and Old Nick claims	Unknown	NIL
	Welbar claims	Unknown	NIL
	J&L mineral property claims	Unknown	NIL
	Rolling Stock (encumb.)	Unknown	904,750.00
	Rolling Stock (encumb.)	Unknown	345,250.00
TOTAL			3,850,000.00

Dated: March 23, 2009



 Signature of Debtor or Officer

VOTING LETTER
(Paragraphs 51(1)(f) and 66.15(3)(c) of the Act)

In the matter of the proposal of **Merit Mining Corp.**

I, _____, creditor
(NAME AND/OR CORPORATION)

(or, I, _____, representative of _____),
(NAME) (CREDITOR)

of _____, a creditor in the above
(NAME OF CITY OR TOWN)

matter for the sum of \$ _____, hereby request the trustee acting with respect

to the proposal of **Merit Mining Corp.**, to record my vote:

FOR or AGAINST the acceptance of the proposal as made on the 23rd day of
March, 2009.

Dated at the City of _____, in the Province of _____ this _____ day of _____,
2009.

Signature of witness

Signature of creditor

Name of witness

Name and title of signing officer

IMPORTANT NOTE

Please circle FOR / AGAINST



Suite 1120 – 625 Howe Street
 Vancouver, BC V6C 2T6 Canada
 Tel: (604) 689 – 4255 T.F.(BC): 1-877-308-8877
 Fax: (604) 689 – 4277

**BANKRUPTCY &
 INSOLVENCY ACT**
 George Abakhan, CA, CRRP
 Philip McCourt, CGA, CRRP

PROOF OF CLAIM FORM

Subsections 50(13), 50.1(1) and 65.2(4), Paragraphs 51(1)(e) and 66.14(b), Subsections 81.2(1), 102(2), 124(2) and 128(1) of the Act

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

IN THE MATTER OF THE BANKRUPTCY / PROPOSAL / RECEIVERSHIP OF _____

Merit Mining Corp.

(NAME OF DEBTOR)

of the City of _____

(CITY & PROVINCE)

and the claim of _____

(NAME OF CREDITOR)

I, _____, residing in the City of _____

in the Province of _____

Postal Code _____

DO HEREBY CERTIFY THAT:

1. I am a creditor of the above-named debtor (or that I am _____ of _____ (POSITION OR TITLE) _____ (NAME OF CREDITOR))
2. I have knowledge of all circumstances connected with the claim referred to below.
3. The said debtor was, at the date of the bankruptcy (or the date of the receivership or, in the case of a proposal, the date of the notice of intention or of the proposal if no notice of intention was filed), namely the _____ 3rd _____ day of _____ December, 2008 and still is indebted to the above-named creditor in the sum of \$ _____ as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A," after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit or solemn declaration must specify the vouchers or other evidence in support of the claim.)

4. Check and complete appropriate category:

A.1 UNSECURED CLAIM OF \$ _____

That in respect of this debt, I do not hold any assets of the debtor as security and:

- Regarding the amount of \$ _____, I do not claim a right to a priority.
- Regarding the amount of \$ _____, I claim a right to a priority under Section 136 of the Act.

A.2 CLAIM OF LANDLORD FOR DISCLAIMER OF A LEASE OF \$ _____

That I hereby make a claim under Subsection 65.2(4) of the Act, particulars of which are as follows: (Attach full particulars of the claim, including calculations upon which the claim is based.)

B. 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: (Attach 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 document.)

C. 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 the sales agreement and delivery receipts.)

D. CLAIM AGAINST DIRECTOR of \$ _____ (To be filed when a proposal provides for the compromise of claims against directors.) That I hereby make a claim under Subsection 50(13), particulars of which are as follows: (Attach full particulars of the claim, including the calculations upon which the claim is based.)

5. To the best of my knowledge and belief, I AM I AM NOT related to the debtor within the meaning of Section 4 of the Act.
6. The following are the payments I have received from and the credits I have allowed to the debtor within the three months (or, if the creditor and the debtor are related within the meaning of Section 4 of the Act within the twelve months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Attach details of payments and credits.)

APPLICABLE ONLY IN THE CASE OF BANKRUPTCY OF AN INDIVIDUAL:

- I request to be advised of any material change in the financial situation of the bankrupt, pursuant to Subparagraph 102(3)(b)(i) of the Act.
- I request to be advised of any amendment made regarding the amount that the bankrupt is required to pay, pursuant to Subsection 68(4) of the Act.
- 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 _____, 2009.

(CITY & PROVINCE)

 (SIGNATURE OF WITNESS)

 (SIGNATURE OF INDIVIDUAL COMPLETING THIS FORM)

CREDITOR'S PHONE NUMBER: _____

CREDITOR'S FACSIMILE NUMBER: _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits or solemn declarations.
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 security by the secured creditor.
 Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

GENERAL PROXY

(with Power of Substitution)

WHERE A CREDITOR IS A CORPORATION, THE PROXY MUST BE COMPLETED AND SIGNED IN THE CORPORATE NAME

IN THE MATTER OF THE BANKRUPTCY / PROPOSAL / RECEIVERSHIP OF _____

Merit Mining Corp.

(NAME OF DEBTOR)

I, _____, of the City of _____

in the Province of _____

(PROVINCE)

a creditor in the above matter, hereby appoint _____

(NAME OF PROXY)

of _____

(NAME OF COMPANY)

to be my general proxy in the above matter except as to the receipt of dividends with / without power to appoint another general proxy in his/her place.

Dated at the City of _____ in the Province of _____ this _____ day of _____, 2009.

 (SIGNATURE OF WITNESS)

 (CORPORATE NAME)

 (ADDRESS)

 (SIGNATURE OF PROXY GRANTOR)

Please refer to directions on reverse.

DIRECTIONS AS TO COMPLETING PROOF OF CLAIM FORM

Proof of Claim - Checklist	If applicable, Proxy - Checklist
<input type="checkbox"/> Proof of Claim completed	<input type="checkbox"/> Proxy Form completed
<input type="checkbox"/> Para 5. Circle(tick) either "I am / am not related..."	<input type="checkbox"/> Circle either: "with / without power to appoint..."
<input type="checkbox"/> The P.O.C. has been signed	<input type="checkbox"/> The Proxy has been signed
<input type="checkbox"/> The P.O.C. has been witnessed	<input type="checkbox"/> The Proxy has been witnessed
<input type="checkbox"/> Attach a copy of Schedule "A"	

CLAIMS NOT COMPLETED CORRECTLY IN EVERY RESPECT WILL BE RETURNED

Every creditor who does not prove a claim is not entitled to share in any distribution.
The checklist below is provided to assist you in preparing the Proof of Claim and, where required, Proxy in a complete and accurate manner.
Please check each requirement.

GENERAL

- The signature of a witness is required.
- This document must be signed personally by the person completing the Proof of Claim.
- Give the complete address, including postal code, where any notice or correspondence is to be forwarded.
- The amount on the Statement Account must correspond with the amount indicated on the Proof of Claim.

PARAGRAPH 1

- The creditor must state the full and complete legal name of the company or firm.
- If the individual completing the Proof of Claim is not the creditor himself, he must state his position or title.

PARAGRAPH 3

- The Schedule A or Statement of Account must be complete and detailed, showing the date, number and amount of all invoices or charges, together with the date, number and amount of all creditors or payments. A Statement of Account is not complete if it begins with an amount brought forward.

PARAGRAPH 4

- A secured creditor must provide a certified true copy of the security instrument as registered, together with full particulars of the security, including the date on which the security was given and the value at which the creditor assesses the security.
- A claim by a farmer, fisherman or aquaculturist must attach a copy of the sales agreement and delivery documents.

PARAGRAPH 5

- All claimants must indicate if they are / are not related to the debtor, as defined in Section 4 of the Bankruptcy and Insolvency Act. "If you are related by blood or marriage to the bankrupt, then you should consider yourself to be a related person pursuant to Section 4. If the bankrupt is a corporation, you would be considered to be related to it if you were a shareholder or if your company was controlled by the same shareholders as the bankrupt corporation."

PARAGRAPH 6

- All claimants must attach a detailed list of all payments or credits received or granted as follows:
 - Within the three months preceding the bankruptcy / proposal, in the case where the claimant and debtor are not related;
 - Within the twelve months preceding the bankruptcy / proposal, in the case where the claimant and debtor are related.

DIRECTIONS AS TO COMPLETING PROXY

The Bankruptcy and Insolvency Act permits a Proof of Claim to be made by a duly authorized agent of a creditor, however, this does not give such a person power to vote at the First Meeting of Creditors or to act as the proxy of the creditors.

GENERAL

- A creditor may vote either in person or by proxy.
- The Trustee may be appointed as a proxy for any creditor.
- A Corporation may vote an authorized agent at a meeting of creditors.
- Debtors may not be appointed a proxy to vote at any meeting of their creditors.
- In order for a duly authorized person to have a right to vote, they must be a creditor themselves or be the holder of a property executed proxy, showing the name of the creditor.

ORDER OF DISTRIBUTION – SECTION 136(1) (Condensed)

- (b) The cost of administration of the estate:
 - i. The expenses and fees of the Trustee;
 - ii. Legal Costs.
- (d) Wages, salaries, commissions or compensation of any clerk, servant or employee of a company to a maximum of \$2,000. In the case of travelling salespeople, an additional claim of \$1,000 is allowable for expenses incurred in and about the business of the bankrupt. This includes wages, commissions and holiday pay earned in only the six months preceding the date of bankruptcy. If wages, commissions or holiday pay are owing outside the six-month limit, you may claim for same as an unsecured creditor.
- (d.1.) Periodic amounts of spousal and child support payments accrued in the year before the date of the bankruptcy that are payable, plus any lump sum amount that is payable.
- (e) Municipal taxes.
- (f) The landlord for arrears of rent for a period of three months preceding the bankruptcy and accelerated rent for a period not exceeding three months subsequent to the bankruptcy, if provision is made for same in the lease. The landlord's preferred claim is limited to the value of the assets on the premises under lease and any payments made by the Trustee on account of accelerated rent shall be credited by the landlord against the amount payable by the Trustee for occupation rent.
- (g) One solicitor's bill of costs, including sheriff's fees and land registration fees, shall be payable to the creditor who has first attached by way of garnishment or lodged with the sheriff an attachment, execution or other process against the property of the bankrupt.
- (i) Claims resulting from injuries to employees of the bankrupt to which the provisions of any Workers' Compensation Act do not apply but only to the extent of monies received from persons or companies guaranteeing the bankrupt against damage resulting from such injuries, such as liability insurance policies.

A creditor whose rights are restricted by this section is entitled to rank as an unsecured creditor for any balance of his claim.