

Clerk's Stamp:

COURT FILE NUMBER BK NO: 25-1642764
COURT COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY
PROCEEDING IN THE MATTER OF THE BANKRUPTCY OF POYNT CORPORATION
DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Burnet, Duckworth & Palmer LLP
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Email Address: dsn@bdplaw.com
File No. 58297-53

AFFIDAVIT OF ANDREW OSIS

Sworn on July 26, 2012.

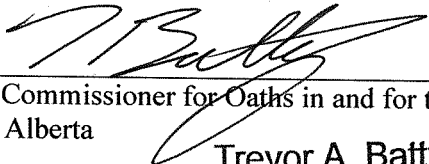
I, ANDREW OSIS, of the City of Calgary, in the Province of Alberta, Businessman, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Chief Executive Officer of Poynt Corporation (the "**Applicant**") and as such I have personal knowledge of the matters hereinafter deposed to except where stated to be based upon information and belief, in which case I believe the same to be true.
2. The Applicant has been diligently pursuing activities aimed at presentation of a proposal (the "**Proposal**") to its creditors under the *Bankruptcy and Insolvency Act* ("**BIA**"). Such activities include:
 - (a) Preparing and analyzing the list of creditors to whom the Proposal will apply;
 - (b) Providing the Trustee, Hardie and Kelly Inc. (the "**NOI Trustee**"), with access to the Applicant's premises, property and books and records;

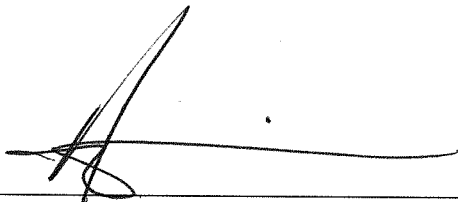
- (c) Working with the NOI Trustee and counsel to prepare a cash flow projection and to identify issues with respect to the financial condition of the Applicant and the status of its creditors;
 - (d) Investigating and obtaining a letter agreement and term sheet for interim financing and pursuing other interim financing arrangements;
 - (e) Responding to inquiries from various creditors regarding the status of the proceedings; and
 - (f) Holding preliminary discussions regarding potential alternatives with respect to the framework of a Proposal.
3. The Applicant expects to have the final form of the Proposal prepared and issued in the coming weeks, and will thereafter schedule a meeting of creditors to consider the Proposal within 21 days after issuing the Proposal.
 4. The current stay of proceedings expires on August 4, 2012. In order to continue to work towards the formulation and filing of a Proposal, the Applicant requests an extension of the stay to August 12, 2012, as permitted under s. 50.4(9) of the BIA.
 5. To the best of my knowledge, information and belief, none of the Applicant's creditors will be materially prejudiced if the Court grants the extension the Applicant is seeking.
 6. Based upon my review of the finances of the Applicant, and the cash flow projection prepared by the Applicant with the assistance of the NOI Trustee, it is apparent that the Applicant is in immediate need of interim financing in order to carry out a restructuring under the BIA. Most urgently, interim financing is required in order to allow the Applicant to fund its payroll obligations that have accrued and are payable on July 31, 2012. That cash flow projection is attached as **Exhibit "A"**.
 7. I understand that BlueCrest Re-Insurance Company Ltd. is prepared to provide such interim financing on a debtor-in-possession basis in the amount of \$300,000 (the "**Initial DIP Financing**"), provided such financing is protected by a priority charge pursuant to 50.6 of the BIA ranking ahead of all other creditors, but subject to the Administration Charge (as defined below) and the security held by Intertainment Media Inc. Attached as **Exhibit "B"** is a true copy of a letter outlining the terms of the interim financing.

8. Based on the cash flow projection attached as Exhibit A, the Initial DIP Financing will allow the Applicant to make payroll on July 31, 2012 and otherwise operate until the week ending August 12, 2012. The Applicant will require further interim financing after that date (in the approximate amount of \$900,000) to allow the Applicant enough time to develop a Proposal and complete its restructuring. The Applicant is currently negotiating additional interim financing with a number of parties and anticipates that it will secure that additional financing, and be in a position to apply for a further Order approving the additional financing, prior to August 12, 2012.
9. The Applicant requires the assistance of counsel and the NOI Trustee to prepare, present and implement the Proposal. The Applicant lacks the cash resources required to pay the ongoing fees of these professional advisors. Without their continued involvement, the Applicant will not be able to restructure its affairs. The Applicant therefore requests that a priority charge (the **Administration Charge**) be granted in accordance with s. 64.2 in respect of the fees and disbursements of those parties, ranking ahead of all other creditors.
10. I make this affidavit in support of the application of the Applicant for an Order permitting interim debtor-in-possession financing on terms to be presented to this Honourable Court, the extension of the stay of proceedings and approving an administration charge against the assets of the Applicant.

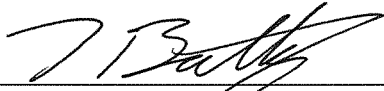
SWORN BEFORE ME at the City of Calgary, in)
the Province of Alberta this 26th day of July, 2012.)


A Commissioner for Oaths in and for the Province)
of Alberta)

Trevor A. Batty
Barrister and Solicitor


ANDREW OSIS

This is Exhibit "A" referred to in the affidavit of Andrew Osis, sworn before me on July 26, 2012.



A Commissioner for Oaths for the Province of
Alberta

Name: _____ **Trevor A. Batty** _____
Expiry: _____ **Barrister and Solicitor** _____

Poynt Corporation
Cash Flow Forecast
for the period
July 23 - August 12, 2012
(unaudited)

	<u>Week ending</u> <u>Jul-29</u>	<u>Week ending</u> <u>Aug-05</u>	<u>Week ending</u> <u>Aug-12</u>	<u>Total</u>
<u>RECEIPTS</u>				
Receivable Collection	\$ 13,886	\$ 47,780	\$ -	\$ 61,666
DIP Financing	-	300,000	-	300,000
	<u>13,886</u>	<u>347,780</u>	<u>-</u>	<u>\$ 361,666</u>
<u>DISBURSEMENTS</u>				
Data Costs	2,000	31,850	6,600	40,450
Finance Lease	-	23,717	-	23,717
Payroll	-	181,083	44,187	225,271
Benefits/parking/business tax	-	14,015	-	14,015
Consultants	-	53,900	-	53,900
Investor/Public relations	-	-	1,400	1,400
Rent	-	19,040	-	19,040
Internet	3,087	15,569	-	18,656
Miscellaneous	3,950	5,632	-	9,582
Selling Expenses	-	-	8,000	8,000
Insurance	-	-	-	-
Restructuring Fees	-	-	-	-
Professional Fees	4,000	10,000	-	14,000
Total disbursements	<u>13,037</u>	<u>354,806</u>	<u>60,187</u>	<u>428,031</u>
Net cash flow	849	(7,026)	(60,187)	(66,364)
Opening cash	<u>74,369</u>	<u>75,218</u>	<u>68,192</u>	<u>74,369</u>
Closing cash	<u>\$75,218</u>	<u>\$68,192</u>	<u>\$8,004</u>	<u>\$8,004</u>

Please refer to accompanying assumptions set out on schedule A

POYNT CORPORATION
CASH FLOW FORECAST ASSUMPTIONS

The Cash Flow Forecast (the "Forecast") dated July 26, 2012 has been prepared by the management ("Management") of Poynt Corporation ("Poynt" or the "Company") to demonstrate how the Company plans to fund operations during the forecast period.

In preparing the Forecast, Management considered recent historical operating results and the estimated effect of the restructuring proceedings. The Forecast is based on probable and hypothetical assumptions regarding future events. Actual events will vary from these projections and the variances may be material.

Receipts

1. Accounts Receivable Collection - the Company anticipates continuing to collect accounts receivable from its existing customers in the ordinary course.
2. DIP Financing – Management is currently negotiating the terms of DIP financing. It is assumed the Company will secure \$300,000 in DIP financing in the week ending August 5, 2012.

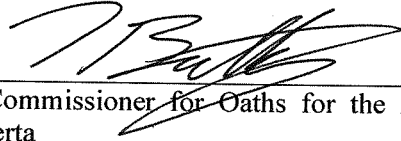
Disbursements

- Data costs – the Company anticipates pre-paying post-filing data costs in the month the services are incurred.
- Finance Lease – the Company has three finance leases which total \$23,717 and which are automatically withdrawn at the end of every month.
- Payroll – the payroll figure for the week ending August 5 includes source deductions for the June 30 and July 15 payroll. The source deductions for the July 31 payroll will be paid in the week ending August 12.
- Consultants – the Company currently engages seven individuals on a full-time basis to provide various services from finance and accounting to monetization duties. It is assumed that post-filing services will be paid in the month incurred.
- Internet - the Company anticipates paying post-filing internet charges in the month the services are incurred.
- Selling Expenses – the Company anticipates continuing to reimburse certain employees and consultants for costs related to selling the Company's product.

POYNT CORPORATION
CASH FLOW FORECAST ASSUMPTIONS

- Professional Fees – costs associated with patent maintenance and DIP lender fees.
- Restructuring Costs – costs associated with restructuring including those of the Company's legal counsel, the Trustee and legal counsel for the Trustee.
- Insurance – represents Property and Liability insurance

This is Exhibit "B" referred to in the affidavit of
Andrew Osis, sworn before me on July 26, 2012.



A Commissioner for Oaths for the Province of
Alberta

Name: Trevor A. Batty
Barrister and Solicitor

Expiry: _____

July 25, 2012

Poynt Corporation
Suite 700, 5940 Macleod Trail SW
Calgary, AB T2H 2G4

Attention: Mr. Andrew Osis, President and CEO

Dear Sirs:

Re: DIP Financing Facility

1. Poynt Corporation, an Alberta corporation (the "**Company**") has advised BlueCrest Re-Insurance Corporation Ltd. ("BlueCrest", hereinafter referred to as the "**Lender**") that:
 - (a) the Company has filed a Notice of Intention to Make a Proposal (the "**Proposal Proceedings**") under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") and
 - (b) the Company needs a debtor-in-possession loan facility (the "**DIP Facility**") in the amount \$300,000 for general working capital purposes in connection with its operations during the pendency of the Proposal Proceedings. The Lender is pleased to advise you that the Lender is willing to provide the Company, as debtor-in-possession, with the DIP Facility, substantially on the terms and conditions set forth in the Outline of Terms and Conditions attached hereto as Exhibit A (the "**Term Sheet**"). The obligations of the Company under the DIP Facility will be secured by liens on, and security interests in, all now owned or hereafter acquired assets of the Company, including, without limitation, all accounts receivable, inventory, equipment, general intangibles, intellectual property, real property and all other assets of the Company with the priority of such liens and security interests set forth in the Term Sheet. The Lender's obligation to provide the DIP Facility shall be subject in all respects to satisfaction of, among other things, the terms and conditions contained in this letter (the "**Commitment Letter**") and in the Term Sheet.
2. The Lender understands that, pursuant to the BIA and the applicable rules thereunder, the Proposal Proceedings and the DIP Facility require the approval of, and entry of an order by, the Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (the "**Bankruptcy Court**") having jurisdiction over the Proposal Proceedings, which order shall be, in respect of the DIP Facility, in a form and substance satisfactory to the Lender (the "**Approval Order**").
3. By its execution hereof and its acceptance of this Commitment Letter, the Company agrees to indemnify and hold harmless the Lender, any other entity that becomes a lender as contemplated by the Term Sheet and each of their respective assignees and affiliates and their respective directors, officers, employees and agents (each, an "**Indemnified Party**") from and against any and all losses, claims, damages, liabilities or other expenses to which such Indemnified Party may become subject, insofar as such losses, claims, damages, liabilities (or actions or other proceedings commenced or threatened in respect thereof) or other expenses arise out of or in any way relate to or result from, this Commitment Letter or the extension of the DIP Facility contemplated by this Commitment Letter, any other documentation hereafter provided, the negotiation, preparation, execution or delivery of, any of the foregoing, or the Proposal Proceedings, or in any way arise from any use or intended use of this Commitment Letter or the proceeds of the DIP Facility, other than for any breaches by the Indemnified Party of this

Commitment Letter, the formal documents entered into by the Indemnified Party regarding the DIP Facility or any other documents contemplated hereunder, and other than any of the Indemnified Party's acts of negligence or wilful misconduct and the Company agrees to reimburse each such Indemnified Party for any legal or other expenses incurred in connection with investigating, defending or participating in any such loss, claim, damage, liability or action or other proceeding (whether or not such Indemnified Party is a party to any action or proceeding out of which indemnified expenses arise), but excluding therefrom all expenses, losses, claims, damages and liabilities which are finally determined in a non-appealable decision of a court of competent jurisdiction to have resulted solely from the negligence or willful misconduct of such Indemnified Party. In the event of any litigation or dispute involving this Commitment Letter, the DIP Facility, formal documents entered into by the Indemnified Party regarding the DIP Facility or any other documents contemplated hereunder, the Lender shall not be responsible or liable to the Company, or any other person or entity for any special, indirect, consequential, incidental or punitive damages. The Company agrees to reimburse Lender for its reasonable fees and expenses in connection with the DIP Facility, but not more than \$25,000.00 in the aggregate (the "Expenses"). The obligations of the Company under this paragraph shall remain effective whether or not the transactions contemplated in this Commitment Letter are consummated or the DIP Facility is provided or the transactions contemplated thereby are consummated and notwithstanding any termination of this Commitment Letter.

4. The Lender's willingness to advance funds under the DIP Facility is subject to:
 - (a) the negotiation, execution and delivery of any documentation requested by the Lender in form and substance satisfactory to the Lender and its counsel including, but not limited to, the form and substance of the Approval Order;
 - (b) the satisfaction of the Lender that since the date of this Commitment Letter there has not occurred or become known to the Lender any material adverse change with respect to the condition, financial or otherwise, business, operations, assets, liabilities or prospects of the Company, as determined by the Lender in its sole discretion (a "Material Adverse Change"); and
 - (c) satisfaction of the conditions set forth in the Term Sheet.
5. If at any time the Lender shall determine (in its sole and absolute discretion) that either:
 - (a) the Company will be unable to fulfill any condition set forth in this Commitment Letter or in the Term Sheet; or
 - (b) any Material Adverse Change has occurred;

the Lender may terminate this Commitment Letter by giving notice thereof to the Company (subject to the obligation of the Company to pay all Expenses and other payment obligations expressly assumed by the Company hereunder, which shall survive the termination of this Commitment Letter).

6. The Company represents and warrants that to the best of its knowledge and belief that:
 - (a) all written information and other materials concerning the Company (collectively, the "Information") which has been, or is hereafter, made available by, or on behalf of the Company at the time so represented was, is, or when delivered will be, when considered

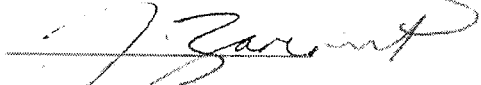
as a whole, complete and correct in all material respects and does not, or will not when delivered, contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statement has been made; and

- (b) to the extent that any such Information contains projections, such projections were prepared in good faith on the basis of:
 - (i) assumptions, methods and tests stated therein which are believed by the Company to be reasonable; and
 - (ii) information believed by the Company to have been accurate based upon the information available to the Company at the time such projections were furnished to the Lender. The Company agrees that if at any time prior to the Closing Date (as set forth in the Term Sheet), any of the representations in the preceding sentence would be incorrect in any material respect if the information and projections were being furnished, or such representations were being made, at such time, then the Company will promptly supplement, or cause to be supplemented, the information and projections so that such representations will be correct in all material respects under those circumstances.

- 7. This Commitment Letter is delivered to the Company upon the condition that, prior to its acceptance, neither the existence of this Commitment Letter nor the Term Sheet, nor any of their contents, shall be disclosed by the Company, except as may be compelled to be disclosed in a judicial or administrative proceeding or as otherwise required by law (including as may be required by the Bankruptcy Court or as required pursuant to the Company's continuous disclosure obligations under the relevant securities legislation) or, on a confidential and "need to know" basis, solely to the directors, officers, employees, advisors and agents of the Company. In addition, the Company agrees that (other than as required by the Bankruptcy Court or applicable law) it will obtain the prior approval of the Lender before releasing any public announcement in which reference is made to the Lender or to the commitment contained herein.
- 8. Unless agreed to by the Company in writing, this Commitment Letter shall expire at 4:30 p.m. (Mountain Time) on July 31, 2012.
- 9. Should the terms and conditions of the offer contained herein meet with your approval, please indicate your acceptance by signing and returning a copy of this Commitment Letter to the Lender.

10. This Commitment Letter, including the attached Term Sheet:
- (a) supersedes all prior discussions, agreements, commitments, arrangements, negotiations or understandings, whether oral or written, of the parties with respect thereto;
 - (b) shall be governed by the laws of the Province of Alberta;
 - (c) shall be binding upon the parties and their respective successors and assigns;
 - (d) may not be relied upon or enforced by any other person or entity; and
 - (e) may be signed in multiple counterparts and delivered by facsimile or electronic transmission, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

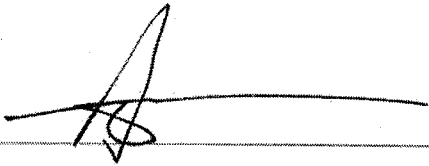
Very truly yours,



Per: John Zammit, President

Agreed and accepted on this 26 day of July 2012

Poynt Corporation

Per: 

Poynt Corporation

Outline of Terms and Conditions

This Outline of Terms and Conditions is part of the Commitment Letter, dated July 25, 2012 (the "**Commitment Letter**") addressed to Poynt Corporation ("**Borrower**") by Blue Crest ReInsurance ("**Blue Crest ReInsurance**", hereinafter referred to as the "**Lender**") and is subject to the terms and conditions of the Commitment Letter. Capitalized terms used herein shall have the meanings set forth in the Commitment Letter unless otherwise defined herein.

Borrower: Poynt Corporation, as a debtor-in-possession in the Proposal Proceedings.

Lender: Blue Crest ReInsurance.

DIP Facility: The DIP Facility shall provide for a committed term loan of \$• (the "**Loan**") from the Closing Date, as defined below, to the expiry of the term, provided that (i) at the time of the making the Loan, no default or event of default under the DIP Facility shall exist or be continuing, and (ii) the Borrower shall be in compliance with the Budget (as hereinafter defined). Any amounts repaid under the Loan may be reborrowed pursuant to the Budget.

Term: The Loan is repayable on demand by the Lender following an event of default. In any event, it will be repaid in full at the earliest of the following:

- (i) 12 months following the Closing Date;
- (ii) the date on which the Borrower completes all requirements of a Proposal that has been accepted by its creditors and approved by an Order of the Bankruptcy Court in the Proposal Proceedings; and
- (iii) the fifth business day following the date on which the stay of proceedings ordered in the Proposal Proceedings is terminated or lifted.

Closing Date: The DIP Facility shall close on the first date, which date shall not be later than July 31, 2012, on which (i) all requested loan documentation, in form and substance satisfactory to the Lender (the "**Loan Documents**"), have been executed by the Borrower and the Lender and all conditions precedent to the effectiveness of the DIP Facility have been satisfied; and (ii) the Approval Order shall have been entered by the Bankruptcy Court (the "**Closing Date**").

Interest Rate: The Loan shall bear interest at a base rate of 14%.

Use of Proceeds:

The proceeds of the Loan advances shall be deposited in a cash collateral account. Subject to compliance with the covenants set forth in the credit agreement governing the DIP Facility and withdrawals set forth in the Budget, the Borrower may access the cash collateral account as needed in the ordinary course of business.

Collateral:

All obligations of the Borrower to the Lender shall be: (i) entitled to a super-priority charge under s. 50.6(3) of the BIA (the "**DIP Charge**"), subject only to (a) the payment of professional fees and disbursements incurred by the Borrower as approved by the Bankruptcy Court (the "**Administration Charge**"); and, (b) the security held by the Borrower's current senior secured creditor, Intertainment Media Inc. (the "**Intertainment Security**") (ii) secured by a security interest in and lien on all now owned or hereafter acquired assets and property, real and personal, tangible or intangible, of the Borrower, including, without limitation, all accounts receivable, inventory, property, plant and equipment, intellectual property, real estate, leasehold interests, avoidance actions, and all of the stock of each subsidiary of the Borrower. The security interests in and liens on all assets and property of the estate of the Borrower shall be subject to the Administrative Charge, the Intertainment Security and any permitted liens as determined by the Lender (the "**Permitted Liens**").

All borrowings by the Borrower, the Expenses of the Lender and all other obligations owed to the Lender under the DIP Facility shall be secured as described above and shall be charged to the cash collateral account to be established under the DIP Facility.

Conditions:

The obligation of the Lender to make any loans under the DIP Facility will be subject to customary conditions precedent, including, without limitation, the following special conditions precedent:

- (i) Any required loan documents shall have been executed and delivered by the Borrower and the Lender, and the conditions precedent contained therein shall have been satisfied in a manner satisfactory to the Agents and the Lender.
- (ii) No Material Adverse Change shall have occurred since the date of the Commitment Letter, and any audit opinion containing a going concern statement shall not be deemed a Material Adverse Change.
- (iii) No default or event of default shall exist under the loan documents.
- (iv) The Approval Order shall have been entered by the Bankruptcy Court no later than July 31, 2012. The Approval Order shall provide that the liens granted in favour the Lender shall have the priority set forth in the "Collateral" section of this Outline of Terms and Conditions.

- (v) The Lender shall have received a budget for the Borrower, in form and substance satisfactory to the Lender, including weekly (for the next succeeding six weeks) and monthly (for the months thereafter through the term of the DIP Facility) projections, including cash flow statements, and a statement of operations on a consolidating basis (the "**Budget**").
- (vi) The Lender shall have completed confirmatory diligence with respect to the Budget, with results satisfactory to the Lender.
- (vii) The Lender shall be satisfied in their reasonable discretion with the Borrower's having required governmental and third party approvals, consents, licenses and permits to conduct their business and to borrow under the DIP Facility.

Events of Default:

An Event of Default under the DIP Facility shall occur if: (i) the Proposal Proceedings are dismissed or, without the prior written consent of the Lender, converted to a Receivership or Bankruptcy; (ii) the Bankruptcy Court grants a superpriority claim, other than the Administration Charge and the Intertainment Security, that is senior to or *pari passu* with the DIP Charge; (iii) the Approval Order is stayed, amended or modified in a manner materially adverse to the Lender, reversed or vacated; (iv) a Proposal is confirmed in the Proposal Proceedings which does not provide for termination of the commitment under the DIP Facility and payment in full in cash of the Borrower's obligations thereunder; (v) the Borrower takes any action, including the filing of an application, in support of any of the foregoing, or any person or entity other than the Borrower does so, and any such application is not contested in good faith by the Borrower and the relief requested in such application is granted in an order that is not stayed pending appeal; or (vi) the Bankruptcy Court enters an order granting relief from the automatic stay under the Proposal Proceedings to the holder of any security interest in any asset of the Borrower.

Governing Law:

All documentation in connection with the DIP Facility shall be governed by the laws of the Province of Alberta.

Assignments and Participations:

The Lender may sell or assign to one or more other persons their loans or commitments under the DIP Facility, and participations in their loans and commitments under the DIP Facility, in each case without the consent of the Borrower.

Expenses:

Subject to Section 3 and 5 of the Commitment Letter, the Borrower shall reimburse the Lender for all of the Lender's out-of-pocket costs and expenses relating to this financing transaction, and the transactions contemplated thereby and the Proposal Proceedings, including solicitor-client fees and disbursements.