

XMT LIQUIDATIONS INC.
1155, boul. René-Lévesque ouest, bureau 2010
Montréal Québec H3B 2J8

February 11, 2009

To The Shareholders of 6356095 Canada Inc. ("Excapsa")

Our last report to shareholders was issued in early November 2008 after the completion and funding of the settlement with Blast Off Limited ("Blast Off").

We are pleased to report that the initial two payments from Blast Off totalling US\$1 million were made on schedule in early January 2009. Monthly payments begin at the end of February 2009. We have established regular lines of communication with Blast Off's management and have been advised that Blast Off's business is performing well.

As advised in our last communication, we are attending to certain post-closing matters in connection with the Blast Off settlement, including pledges of the stock of Blast Off's operating subsidiaries and security on certain domain names. Legal documentation is underway and we expect these items to be completed shortly. Pursuant to the Blast Off settlement, approximately 6.9 million Excapsa shares were cancelled, reducing the total number of issued shares to approximately 194,880,000.

Now that the settlement is completed and the holiday season is behind us, our primary objective will be to obtain the Canada Revenue Agency ("CRA") certificates as soon as possible in order to permit distributions to shareholders. CRA has recently submitted a list of questions and formal responses have been provided. We are making every effort to expedite this process and will report to shareholders regularly as matters progress.

For your information, we have enclosed copies of the unaudited balance sheet and statement of income of Excapsa for the year ended June 30, 2008 and an interim accounting of revenue and expenses and reconciliation of cash for the period July 1, 2008 to December 31, 2008.

Yours truly,

XMT LIQUIDATIONS INC.,
in its capacity as liquidator of
6356095 CANADA INC.
and not in its personal capacity

By: 

~~Name:~~ Sheldon Krakower, CA
Title: Director

6356095 Canada Inc.

Balance sheet

June 30, 2008

	<u>2008</u>	<u>2007</u>
Assets		
Current assets		
Cash	76,443	1,543,983
Short-term investments	42,804,726	38,307,465
Trust funds	5,398,675	5,372,550
Prepaid expenses	202,318	174,375
Interest receivable	328,149	353,033
Other receivables	2,399	13,809
	<hr/> 48,812,711	<hr/> 45,765,215
Long-term assets		
Note receivable	111,014,009	119,632,500
	<hr/> 159,826,720	<hr/> 165,397,715
Liabilities		
Current Liabilities		
Accounts Payable and accrued liabilities	17,519,600	-
Income taxes payable	3,000,000	-
	<hr/> 20,519,600	<hr/> -
Shareholders' equity		
Share Capital	45,711,265	45,711,265
Retained earnings	93,595,855	119,686,450
	<hr/> 139,307,120	<hr/> 165,397,715
	<hr/> 159,826,720	<hr/> 165,397,715

6356095 Canada Inc.

Statement of income
year ended June 30, 2008

	Year ended June 30, 2008	Year ended June 30, 2007
Revenue		
Gain on sale	-	144,249,537
Dividend	-	16,884,723
Interest	2,467,811	2,467,037
	2,467,811	163,601,297
Expenses		
Accounting fees	118,846	209,361
Automobile	-	658
Bank and interest charges	1,006	5,313
Capital taxes	160,862	92,758
Consulting fees	-	921,091
Contractors	-	318,624
Depreciation of tangible assets	-	593
Director fees	121,895	222,100
Insurance	376,692	271,726
Interest	-	1,206
Legal fees	857,221	776,906
Meals and entertainment	-	4,458
Office	765	130,621
Trustee fees	110,531	10,285
Other employee expenses	-	301,433
Rental	-	20,363
Salaries	-	1,431,609
Telecommunication	9,980	12,550
Travel	-	17,386
Wages and benefits	3,456	41,614
	1,761,253	4,790,655
Other income (expense)		
Other	-	21,479
Provision for income taxes	(2,985,825)	(827)
Realized Foreign exchange loss	(2,706,628)	(8,452)
Unrealized Foreign exchange loss	(4,495,087)	(6,535,944)
	(10,187,540)	(6,523,744)
Net (loss) income	(9,480,982)	152,286,898
Retained earnings (deficit), beginning of year	119,686,450	(2,006,173)
Prior period adjustment	(16,609,613)	
Dividends paid	-	(30,594,275)
Retained earnings, end of year	93,595,855	119,686,450

6356095 Canada Inc.
Reconciliation of Cash
for the Period July 1, 2008 - December 31, 2008

	All Currencies \$		Canadian currency converted \$		
Opening cash July 1, 2008					
Toronto account (RBC)	39,770	cdn	39,770		
Toronto account (RBC)	35,965	us	36,674		
Investment certificate (RBC)	21,111,031	gbp	42,804,726		
Funds in trust (Cassels Brock)	2,662,594	gbp	5,398,676		
				(1)	48,279,846
Receipts					
Interest on term deposits			1,019,960	(2)	
Other			445		
					1,020,405
Disbursements					
Corporate tax instalments for 2008			(5,600,000)	(3)	
Settlement with Blast Off (US\$)	(15,000,000)	us	(17,025,019)	(4)	
Professional fees paid			(1,701,261)	(5)	
Other:			(63,957)		
					(24,390,237)
Foreign exchange gain					1,013,732
Closing cash December 31, 2008				(6)	25,923,745

Consisting of:

RBC Canadian money market fund	20,500,000	cdn		20,500,000
Toronto - account	41,534	us		50,588
Toronto - account	21,664	cdn		21,664
Montreal - account	44,856	us		54,635
Montreal - account	609,014	cdn		609,014
Funds in trust (Cassels Brock)	2,618,907	gbp		4,687,844
				25,923,745

Notes to Cash reconciliation

- 1) Agrees to financial statements at June 30, 2008
- 2) Of this amount, \$328,000 was accrued as at June 30, 2008
- 3) This amount relates primarily to the capital gain on the sale to Blast Off. Any taxes on taxable capital gains are refundable upon payment of capital gains dividends to the shareholders.
- 4) The entire settlement was accrued as at June 30, 2008
- 5) Of this amount, \$865,000 was accrued as at June 30, 2008. A breakdown of professional fees paid is provided on schedule A included herewith.
- 6) Significant subsequent events:
 - Blast Off payments of \$1,000,000 (US) received after December 31, 2008
 - Income tax refunds received/confirmed in the amount of \$2,400,000 (CDN) after December 31, 2008

SCHEDULE "A"

SUMMARY OF PROFESSIONAL FEES

Mintz/Deloitte (former liquidator and tax/accounting advice):	\$ 398,415
WSBG/XMT (current liquidator):	\$ 175,881
Cassels Brock & Blackwell LLP (counsel to company):	\$ 597,347
Davies Ward (counsel to current liquidator and tax counsel):	\$ 470,100
Other professional advisors:	<u>\$ 59,518</u>
Total:	<u>\$1,701,261</u>