

June 2, 2011

PricewaterhouseCoopers Inc.
PricewaterhouseCoopers Place
250 Howe Street, Suite 700
Vancouver, British Columbia
Canada V6C 3S7
Telephone +1 604 806 7000
Facsimile +1 604 806 7806

PricewaterhouseCoopers Inc., as Judicial Trustee (“JT”) of Eron Mortgage Corporation (“Eron”) has now submitted its Fourth Report to the Court in this matter seeking directions from the Court on a number of issues (see a copy of this report in our website). The JT’s application will be heard by the Court on June 22, 2011 at 10:00 am.

After the directions of the Court are received, the JT will liquidate the only remaining non-cash asset (the Valleyview Mortgage); complete its review of the beneficiaries within those Projects that have not previously had a distribution; and then issue final distribution cheques.

Final Distribution

Investors in the projects listed below are strongly encouraged to **provide their current contact information** to the JT by completing and submitting a Contact Form. This will enable the distribution process to be completed on a timely basis, once the Court orders are in hand. The JT anticipates that final distributions will occur on the following projects:

570 Dunsmuir*	Enterprise Business Park*	Paulsen Road *
ABC Boat	Fairways	Petrochemical*
Lee Balak	Gaetz Crossing*	PG Woods (mortgage # 1158 only) *
Caesar’s Landing*	Goodridge Peninsula*	Raven
Castlegar*	GP Airport	Riva Pointe
Fred Crampton*	Homer Street	Seasons
Blake Davie*	Leewood Village	Shopkeeper
Desert Springs	Marlat Resources*	Shuswap Falls *
Discovery Ridge*	Ezio Montagiani	Sterling Place*
EIC	Morewood	Wilmington River

* Mailings to all lenders in the above projects who held their Eron investment in an RSP took place during October 2010. The purpose of the mailing was to notify you of your options in receiving your payment. We advise you must SIGN your election form, and send it to PwC, either by fax, PDF/email, or Canada Post.

If your project is not listed above, there will be no distribution available to you.

A link to the Contact Form and a Blank RSP Election Form can be found on the home page of this website: <http://www.eron-pwl.com/index.htm>

Distribution - JT

It is expected that distribution cheques will be sent out before the end of the summer.

In order to keep costs down, Eron investors are asked to not call PwC, rather, use the email links on this website if at all possible. You should receive reply by email within 2 business days, 3 if volumes exceed expectations.

Update on Losses with Canada Revenue Agency (“CRA”)

The JT will confirm the final loss on each Project with CRA for those lenders who filed their losses through the process initiated by the Judicial Trustee.

For those lenders receiving a distribution, this will result in an adjustment to your previously claimed loss (which was estimated) and result in income taxes being payable or recoverable, depending on your actual loss. This will be communicated to participating lenders as distributions are completed.

Distribution – Administrations

From the final distributions by the JT, some funds will flow to the creditors of Eron Financial Services Limited and Capital Productions Inc.

Those distributions will be finalized over approximately two months following the JT’s distribution.

Judicial Trustee’s Accounts

Lenders may inspect the accounts of the Judicial Trustee by appointment at its offices. To book an appointment, please contact Patricia Marshall at (604) 806-7267.

We will be posting more information to this website, as it becomes available.

**PricewaterhouseCoopers Inc.
Judicial Trustee of Eron Mortgage Corporation**