

**IN THE MATTER OF THE BANKRUPTCY OF  
BLP BRONZE INTERNATIONAL LTD.  
OF THE CITY OF TORONTO  
IN THE PROVINCE OF ONTARIO  
REPORT TO THE FIRST MEETING OF CREDITORS**

**Trustee's Name:** The Fuller Landau Group Inc.  
**Estate No:** 31 - 1075520

**SECTION A**

On June 3, 2008 BLP Bronze International Ltd. ("BLP Ltd." or the "Company") filed an Assignment in Bankruptcy in which The Fuller Landau Group Inc. was named Trustee in Bankruptcy (the "Trustee").

The Company was incorporated in July 1985 pursuant to the *Ontario Business Corporation Act*. The Company was located at 260 Bartley Road, Toronto, Ontario, M4A 1G5. The Company operated a bronze foundry, casting and related accessory distribution business and was the employer of record for all employees of a related entity BLP Bronze International Inc. ("BLP Inc.")

The Trustee has identified the shareholders of the Company to be:

	%
Andrew Krawczyk	52
Laura Krawczyk	24
Vince Cox	20
Bondan s.r.l.	<u>4</u>
	<b><u>100</u></b>

The Company has been inactive since June, 2007 and the most recent available unaudited financial results are summarized below:

	<b>Unaudited</b>	
	<b>Year Ended November 30</b>	
	<b>2006</b>	<b>2005</b>
	-----(\$000)-----	
<b>Sales</b>	<b>3,028</b>	<b>6,295</b>
Cost of goods sold	1,555	3,000
<b>Gross profit</b>	<b>1,473</b>	<b>3,295</b>
<b>Expenses</b>		
Administration salaries and benefits	1,150	2,660
Interest and bank charges	274	266
Amortization	337	348
	<b>1,761</b>	<b>3,274</b>
<b>Operating (loss) income before income taxes</b>	<b>(288)</b>	<b>21</b>
(Recovery of) provision for income taxes	(57)	8
<b>Net (loss) income for the year</b>	<b>(231)</b>	<b>13</b>

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The Trustee understands the Company ceased operations in June 2007 after the National Bank of Canada ("National Bank") pursuant to the terms of its security against the Company and BLP Inc.'s assets, appointed Grant Thornton Limited ("Grant Thornton") as its agent to realize upon BLP Inc. and the Company's accounts receivable.

**SECTION B**

**ASSETS**

**Class I – IV**

Not applicable

**Class V – Other Assets**

**i) Amounts Due From Related and Affiliated Entities -\$4,476,000**

Represents advances to related and affiliated entities. As these entities are insolvent and in some cases bankrupt there are no anticipated realizations from this asset.

**ii) Income Taxes Recoverable - \$80,000**

On May 31, 2008, the Company's income tax returns (the "Returns") for the fiscal years ending November 30, 2006 and 2007 were filed by the Company's consultant RDP Associates Inc ("RDP"). The Returns indicate a potential income tax refund (the "Tax Refunds") available totaling approximately \$80,000.

**SECTION C**

**Conservatory and Protective Measures and Carrying on Business**

The Trustee has advised Canada Revenue Agency that the Tax Refunds are to be remitted to the Trustee. The Trustee has not carried on the Company's business.

**Books and Records**

The Company's director has advised the Trustee that the Company's books and records are in the possession of Grant Thornton. The Trustee will be making arrangements with Grant Thornton for access to the books and records as necessary.

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**SECTION D**

**Legal Proceedings**

The Trustee is unaware of any legal proceedings where the Company may be either a plaintiff or defendant.

**SECTION E**

**Provable Claims**

Based on BLP Ltd.'s SOA, the anticipated provable claims of the Company's creditors are as follows:

	\$
Ordinary	Unknown
Preferred	Unknown
Secured	<u>4,000,000.00</u>
<b>Total Creditors</b>	<b><u>4,000,000.00</u></b>

The Trustee has not obtained a legal opinion regarding the validity and enforceability of the any security interests registered against the Company's assets.

The claims filed with the Trustee as of 4:00 p.m. on June 19, 2008 are as follows:

	\$
Ordinary	199,279.29
Preferred	27,946.48
Secured	<u>3,368,105.37</u>
<b>Total Creditors</b>	<b><u>3,595,331.14</u></b>

The Trustee will, should a dividend become payable to BLP Ltd.'s creditors, obtain explanations for the differences between the amounts set out in proofs of claim filed and the amounts included in the SOA.

**SECTION F**

**Anticipated Realizations and Projected Distribution**

Realizations will likely be limited to the recovery of the Tax Refunds. In this regard, the Trustee will require the assistance of RDP and will be reviewing with the Inspectors the terms upon which RDP will be engaged.

The Trustee does not anticipate a dividend will be payable to ordinary unsecured creditors.

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**SECTION G**

**Reviewable Transactions and Preference Payments**

The Trustee is awaiting receipt of the Company's books and records and has not completed its preference review. The Trustee will report to the Inspectors on the result of its review when complete.

**SECTION H**

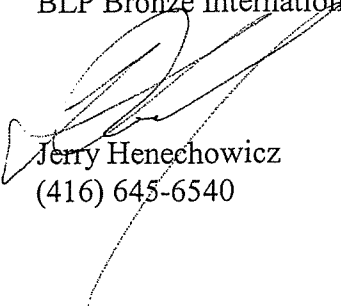
**Other**

The Trustee has received a \$7,000 deposit with respect to its fees, plus disbursements and legal fees and disbursements from 2136735 Ontario Inc. o/a LP Bronze International.

Dated at Toronto, Ontario this 19<sup>th</sup> day of June, 2008.

**The Fuller Landau Group Inc.**

Trustee Re: The Estate of  
BLP Bronze International Inc.



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