

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF
THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS
AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C.43, AS AMENDED**

B E T W E E N:

STRONACH CONSULTING CORP.,

Applicant

- and -

BIONX CANADA INC.

Respondent

**REPORT OF GRANT THORNTON LIMITED,
THE PROPOSED RECEIVER**

FEBRUARY 26, 2018



**Grant Thornton Limited
200 King Street West, 11th Floor
Toronto, Ontario
M5H 3T4**

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INTRODUCTION AND PURPOSE OF THIS REPORT

1. This report (the “**Proposed Receiver’s Report**”) is filed in connection with an application made to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) by Stronach Consulting Corp. (“**SCC**”) seeking an order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act (Canada)* (the “**BIA**”) and section 101 of the *Courts of Justice Act (Ontario)* (the “**CJA**”) appointing Grant Thornton Limited (“**GTL**”) as the receiver (the “**Proposed Receiver**”) over all of the assets, property and undertaking of Bionx Canada Inc. (“**Bionx Canada**” or the “**Company**”), substantially in the form included in SCC’s application record (the “**Appointment Order**”).

2. In addition to the appointment of GTL as receiver, the Appointment Order contains, among other things, the following relief:
 - (a) approval of the Proposed Receiver's expedited sale process for the Property (as defined herein) (the "**Sales Process**"), described in detail in this Proposed Receiver's Report; and
 - (b) authorization of the Proposed Receiver to borrow up to \$1.25 million to fulfill the mandate of the Proposed Receiver and to complete the proposed Sales Process.
3. GTL has consented to its appointment as the receiver and is qualified to act in such capacity as it is a trustee as that term is defined in section 2 of the BIA. A copy of GTL's consent to act as the receiver is attached hereto as **Appendix "1"**.

SCOPE AND TERMS OF REFERENCE

4. The information contained in this Proposed Receiver's Report has been obtained from the records of the Company, publicly available information, and/or is based upon discussions with, and representations made by, the Company's management and shareholders and other professional advisors retained in this matter. The information has not been audited by the Proposed Receiver as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally acceptable accounting principles and the reader is therefore cautioned that this Proposed Receiver's Report may not disclose all significant matters about the Respondents.
5. This Proposed Receiver's Report has been prepared for the use of this Court and the Companies' stakeholders as general information relating to the Respondents and to assist the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that this Proposed Receiver's Report may not be appropriate for

any other purpose. The Proposed Receiver assumes no responsibility or liability for any loss or damage occasioned by any party because of the circulation, publication, reproduction or use of this Proposed Receiver's Report. Any use that a party makes of this Proposed Receiver's Report, or any reliance on or decisions to be made based on it, is the responsibility of such party.

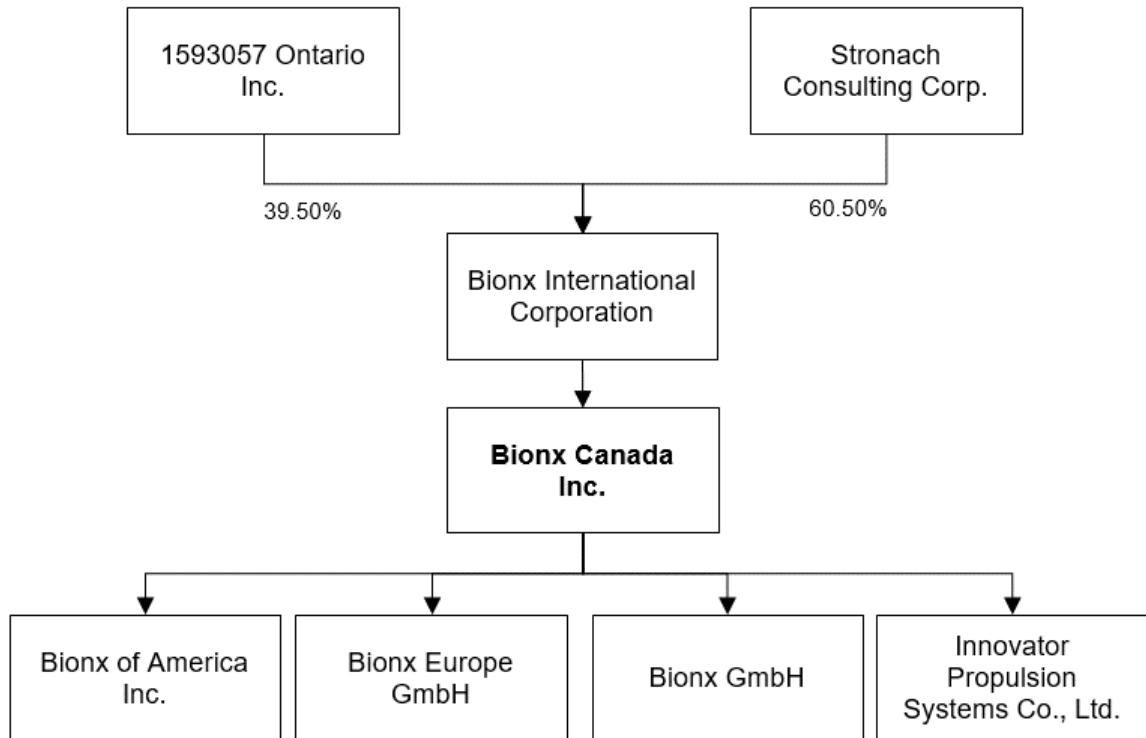
6. A copy of this Proposed Receiver's Report and other relevant documents with respect to these proceedings will be made available on the Proposed Receiver's website at: www.GrantThornton.ca/Bionx if appointed.
7. Capitalized terms not defined in this Proposed Receiver's Report have the meanings ascribed to them in the application record filed by SCC.
8. All references to dollars are in Canadian currency unless otherwise noted.

BACKGROUND

9. Bionx Canada is solely owned by a holding company, Bionx International Corporation ("**Bionx International**"). SCC owns 60.50% of the voting shares of Bionx International while the remaining voting shares (39.50%) are owned by 1593057 Ontario Inc., a holding company solely owned by Manfred Gingl, the CEO and sole director of Bionx Canada.
10. Bionx Canada employs 80 employees and 11 contractors (the "**Employees**"). Bionx Canada does not have any unionized employees and is not a sponsor of a registered pension plan.
11. Bionx Canada has the following four (4) subsidiaries:

- (a) Bionx America Inc, a company incorporated under the laws of Delaware. BionX America Inc. engages four contract sales people whose salaries are charged back through to BionX;
- (b) Bionx Europe GmbH, a company incorporated under the laws of Austria. BionX Europe GmbH is in the process of being wound down. It currently has one employee;
- (c) Bionx GmbH, a company incorporated under the laws of Germany. BionX GmbH continues to operate and employs 11 full-time employees and 2 part-time employees; and
- (d) Innovator Propulsion Systems (Suzhou) Co, Ltd., a company incorporated under the laws of China. Innovator Propulsion Systems (Suzhou) Co, Ltd. does not have any ongoing operations, employees or contractors. Bionx Canada has attempted to find a purchaser for its assets, primarily a small inventory of paddle boats, but has not successfully completed a transaction at this time.

(collectively, the “**Subsidiaries**” and together with Bionx Canada and Bionx International, the “**Bionx Group**”). An organizational structure of the Bionx Group is included below (all ownership is 100% unless otherwise indicated).



12. Bionx Canada's headquarters in Aurora, Ontario (the "**Aurora Facility**") serves as the global head office for sales, service, marketing, testing, sourcing, and resident engineering. The Aurora Facility is also home to the main production and assembly plant, where the Company's e-bike systems consisting of a battery, motor and console are produced and shipped to customers globally.
13. The Company also has a research and development facility in Sherbrooke, Quebec which is responsible for product development and advancement.
14. SCC, and its predecessor 2255681 Ontario Inc. ("**225 Ontario**"), have acted as the sole funders of Bionx Canada whereby, since December 2014, it has provided total funding of US \$13,925,000 and \$2,918,792 in various tranches evidenced by way of a non-interest bearing demand grid note (the "**Grid Note**") governed by an agreement between Bionx Canada and SCC dated January 15, 2018 (the "**Grid Note Loan Agreement**").

15. On October 31, 2015, 225 Ontario assigned all of its right, title, property and interest to SCC, including the indebtedness of BionX Canada owing to 225 at that time.
16. The timing of the advances under the Grid Note are outlined in the schedule attached as Exhibit "D" to the affidavit of Mr. John Simonetti, the Chief Financial Officer of SCC, sworn on February 23, 2018 (the "**Simonetti Affidavit**").
17. Based on the information provided to the Proposed Receiver, since its inception, the Bionx Group has generated consistent significant losses and is projected to require funding of approximately \$10.46 million to continue operations as a going concern throughout 2018. SCC is not prepared to continue funding such losses with no near-term prospect of profitable operations.
18. Additional information about the background of the Company, its assets, and its financial performance is included in the Simonetti Affidavit.

PROPOSED SALES PROCESS

19. The proposed Sales Process is designed to market the Company's right, title and interest, if any, in the remaining inventory, manufacturing equipment, warehouse equipment, and intellectual property including the Company's patents, web site, and customer list, among other things (collectively, the "**Property**").
20. In summary, the proposed Sales Process will be conducted in the following manner:

Phase 1: Preparation - Time Frame: 10 days

21. During Phase 1 the receiver will:
 - (a) further review the assets of Bionx Canada;
 - (b) prepare the following documentation:

- (i) a form of solicitation letter summarizing the Sales Process and soliciting parties to express their interest in same (the "**Solicitation Letter**");
 - (ii) a form of non-disclosure agreement (the "**NDA**") to be executed in order to obtain a copy of the Sales Package and to further participate in the Sales Process
 - (iii) a form of offer; and a form of Asset Purchase Agreement ("**APA**").
- (c) prepare a data room (the "**Data Room**") containing, among other things, financial information, agreements, leases, contracts, customer information, and any other information located to be shared with prospective purchasers subsequent to receiving an executed NDA; and
 - (d) identify and prepare a list of potential purchasers for the assets of Bionx Canada ("**Potential Purchasers**").

Phase 2: Marketing Assets - Time Frame: 60 days

22. During Phase 2 the receiver will:

- (a) send the Solicitation Letter and NDA to the Potential Purchasers identified in Phase 1 and any further Potential Purchasers who are subsequently identified;
- (b) directly communicate with industry participants who have expressed an interest in or who the receiver believes may have an interest in the Company's assets and/or operation;
- (c) advertise the sale of the Bionx Canada assets in a Canadian national newspaper;
- (d) allow any Potential Purchasers who execute the NDA to access the data room;

- (e) permit Potential Purchasers to inspect the assets;
- (f) maintain the Data Room; and
- (g) collect offers from Potential Purchasers;

Phase 3: Entering into APA - Time Frame: 20 days

23. During Phase 3 the receiver will:

- (a) review all offers submitted in Phase 2 and discuss same with the applicable offeror and SCC;
- (b) if there is more than one acceptable offer, determine the offer that, in the receiver's view, is superior (the "**Superior Offer**") with consideration of, among other things, the following factors:
 - (i) the total value offered;
 - (ii) the terms and conditions of the offer; and
 - (iii) the receiver's opinion of the likelihood of successfully completing the transaction contemplated by the offer.
 - (iv) inform the offeror of the Superior Offer that their offer will be proceeding, negotiate and execute an APA with said offeror and, subject to court approval, close the transaction.
- (c) The receiver shall have discretion to amend or vary the Sale Process in order to maximize value for stakeholders, including the ability to terminate the Sale Process if the receiver believes that there are no interested parties for the assets and it is reasonably appropriate in the circumstances;

24. The time period contemplated in the proposed Sale Process provides interested parties with 60 days to submit offers to the Proposed Receiver after Phase 1 is complete. The Proposed Receiver believes the expedited period in which to inspect the assets and submit offers is appropriate because:
- (a) Since December 2017, Bionx Canada has been subject to an informal sale process to find a purchaser for their shares or assets. This process resulted in discussions with potential purchasers, but ultimately no successful transaction;
 - (b) it is likely that the Proposed Receiver will not be operating the Company and therefore, it is unlikely that a longer tender process will increase the likelihood of a going concern sale; and
 - (c) the Proposed Receiver has shared this proposed Sale Process with the secured lender who is supportive of the expedited time frame targeted at competitors, customers and liquidators.
25. The sale of the Company's Property shall be conditional upon this Honourable Court's approval of the recommended purchaser(s) and the terms of the agreement(s) of purchase and sale. The Proposed Receiver will attend before this Honourable Court upon the completion of the sales process to seek approval of the recommended purchaser(s) and the agreement(s) of purchase and sale prior to closing any sale transaction(s).
26. The Proposed Receiver has engaged Steven Weisz and Caitlin Fell at Brauti Thorning Zibarras LLP ("**BTZ**") as its independent counsel, and if appointed as receiver, BTZ will provide an independent opinion on the validity of the security of SCC over the assets of Bionx Canada.

ESTIMATED FUNDING REQUIRED

27. A funding of approximately \$1.25 million will be required to administer the receivership proceedings and execute the proposed Sales Process. SCC, as the secured lender, has agreed to provide the necessary funding of \$1.25 million by way of a Receiver's Certificate, the form of which is attached to the Appointment Order included as Tab 3 to the Applicant's Application Record.

DISCUSSIONS WITH BIONX STAKEHOLDER

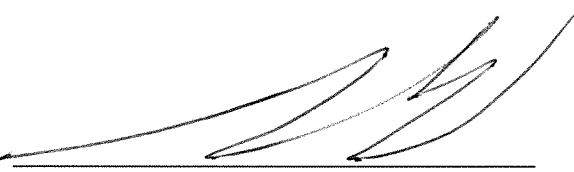
28. The Proposed Receiver understands that Bionx Canada manufactures motor assembly drive units for General Motors LLC and General Motors Company of Canada (together, "GM"). As part of the contractual agreement, the Proposed Receiver understands that GM supplied Bionx Canada with certain tooling and equipment.
29. On February 24, 2018, legal counsel to the Proposed Receiver received correspondence from GM requesting access to Bionx Canada's facilities on Monday February 26, 2018 and for the removal of GM's equipment during the week of February 26, 2018. A copy of the correspondence between GM and the Proposal Receiver's legal counsel is attached hereto as **Appendix "2"**.
30. Following a conference call with the Company, GM, the Proposed Receiver and counsel thereto, it was agreed that GM would be permitted access to the Bionx Canada premises on February 26, 2018 solely for the purposes of inspecting their equipment, however GM would not be permitted to remove such equipment until such time as the receiver had verified the ownership of the equipment.

CONCLUSION AND RECOMMENDATION

31. For the reasons set out in this Proposed Receiver's Report, the Proposed Receiver is of the view that the relief requested by the Applicant is reasonable and appropriate in the circumstances and respectfully recommends that this Court make the Order granting the Applicant's requested relief.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 26th day of February, 2018.

**GRANT THORNTON LIMITED,
AS PROPOSED RECEIVER OF THE RESPONDENTS
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

Per: 

Michael Creber, CPA, CA, CIRP, LIT
Senior Vice-President

APPENDIX “1”
[ATTACHED]

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

STRONACH CONSULTING CORP.,

Applicant

- and -

BIONX CANADA INC.

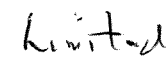
Respondent

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1990, c. C.43, AS AMENDED**

 **CONSENT**

The undersigned, Grant Thornton ~~LLP~~ hereby consents to act as receiver and receiver and manager, without security, of all the assets, undertakings and properties of Bionx Canada Inc., pursuant to the provisions of subsection 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended, and section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended, and the terms of an order substantially in the form filed in the above proceeding.

DATED at Toronto, this ^{26th} day of February, 2018


GRANT THORNTON ~~LLP~~ 

Name: Michael Crebe
Title: Senior Vice President

APPENDIX “2”
[ATTACHED]

From: Kim Ferreira <kim@ontlaw.com>
Sent: Sunday, February 25, 2018 9:08 PM
To: Dietrich, Jane; Steven Weisz
Cc: Creber, Michael; Knight, Jason; Yasmine Orab; Timothy Morgan; Caitlin Fell; fgingl@bionx.com; James Grout
Subject: RE: BionX Canada Inc. and General Motors LLC et al.

Steve and Jane,

Your understanding is correct. GM will attend at BionX tomorrow morning at 8 a.m. to meet with BionX's representatives to review and take an accounting of GM's Tooling and Equipment.

Thank you,

Kim

-----Original Message-----

From: Dietrich, Jane [mailto:jdietrich@casselsbrock.com]
Sent: Sunday, February 25, 2018 7:43 PM
To: Steven Weisz <sweisz@btzlaw.ca>
Cc: Kim Ferreira <kim@ontlaw.com>; Michael.Creber@ca.gt.com; Jason.Knight@ca.gt.com; Yasmine Orab <yasmineo@ontlaw.com>; Timothy Morgan <timothy@ontlaw.com>; Caitlin Fell <cfell@btzlaw.ca>; fgingl@bionx.com
Subject: Re: BionX Canada Inc. and General Motors LLC et al.

Kim - Steve accurately reflects my understanding as well - that BionX and GM have made arrangements for an inspection tomorrow morning.

Jane

> On Feb 25, 2018, at 7:38 PM, Steven Weisz <sweisz@btzlaw.ca> wrote:

>

> Good evening Kim

>

> As you know we are counsel to the proposed receiver Grant Thornton Limited. The application for the appointment of Grant Thornton Limited as court appointed receiver of the BionX is scheduled to be heard on Tuesday, February 27, 2018. We understand that arrangements have made between your client and BionX for your client to attend the premises tomorrow to look at the tooling and equipment your client claims is its property, but not touch or label anything. I am advised that Jane Dietrich, who is copied, will confirm the accuracy of my understanding.

>

> Thanks,

> Steve

>

>

> Steve Weisz

> Partner

> Brauti Thorning Zibarras LLP

> Phone: 416-304-6522

> Mobile: 647-295-2616

>

>

>

> On Feb 24, 2018, at 8:25 PM, Kim Ferreira <kim@ontlaw.com<mailto:kim@ontlaw.com>> wrote:

>

> Michael and Jason,

>

> We are legal counsel to General Motors LLC and General Motors Company of Canada (collectively "GM").

>

> We are in receipt of the application record (the "Application Record") appointing Grant Thornton LLP receiver ("Receiver") of BionX Canada Inc. ("BionX"). As outlined in the Application Record, BionX previously contracted with GM to supply and manufacture motor assembly drive units (the "Drive Units") for GM. The contractual relationship between GM and BionX is governed by GM's purchase orders and the corresponding terms and conditions (the "Terms and Conditions"). In order for BionX to manufacture the Drive Units, GM supplied it with certain tooling and equipment (the "Tooling and Equipment"). The Terms and Conditions, at Section 22, provide that the Tooling and Equipment is the sole property of GM and that GM can demand and BionX is obligated to deliver up the Tooling and Equipment to GM.

>

> As you are further aware, by January of 2018, BionX began to default on its contractual obligations to GM and, accordingly, on February 1, 2018, GM requested that BionX remedy the defaults.

>

> On February 23, 2018, GM sent a letter (the "Termination Letter") to BionX (copy enclosed) advising, among other things, that because of BionX's failure to remedy its defaults that GM was terminating its contractual relationship with BionX and that GM would be attending on Monday, February 26, 2018, at the premises of BionX to recover its Tooling and Equipment.

>

> Following delivery of the Termination Letter, BionX wrote an email acknowledging that the Tooling and Equipment remained the property of GM, but that it required additional time to determine if any amounts remain outstanding. Following receipt of the email, we received notice of the Application Record. Pursuant to section 11 of the Terms and Conditions, upon the appointment of a Receiver over BionX, GM is permitted to terminate its contractual relationship with BionX without further liability to BionX.

>

> We are now writing to you, in your capacity as the Receiver of BionX, to repeat GM's request to be permitted access on Monday, February 26, 2018, to the BionX facilities, and those of Magna Closures facilities, where GM's Tooling and Equipment are being stored. GM will agree that the sole purpose of its February 26, 2018 access is to account for the Tooling and Equipment, but not to remove it. Subject to your agreement, following GM's completion of its review and accounting of the Tooling and Equipment, we will organize with you a date during the week of February 26th for the organized removal of the Tooling and Equipment by GM.

>

> GM is also ready to verify what Tooling and Equipment has been fully paid (such items are reflected in the Termination Letter.) As to Tooling and Equipment for which amounts remains outstanding, GM is further prepared to pay the unpaid balance of the purchase order price into Court prior to GM's removal of the Tooling and Equipment.

>

> In the event that you are not agreeable to GM's request, then we have instructions to attend on Tuesday, February 27, 2018, at the return of the Application to appoint your firm Receiver, to seek an Order from the Court to allow GM access to BionX's premises for the removal of the Tooling and Equipment consistent with the terms outlined above.

>

> GM retains and does not waive any rights and remedies that are available to GM under applicable law.

>

> Please advise if you want to have a brief call to discuss or if you require anything further from GM.

>

> Thank you,

>

> Kim Ferreira
>
> <image001.png>
> Spiegel Nichols Fox LLP
> Tel: 905.366.9700 ext. 229
> Fax: 905.366.9707
> 30 Eglinton Ave W., Suite 400
> Mississauga, ON L5R 3E7
> <https://protect-eu.mimecast.com/s/vHLaC2kqspk0WVCnMH3I?domain=ontlaw.com>
>
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>
> <Feb. 23, 2018 - Ltr to BionX Canada Inc..pdf>

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SPEIGEL NICHOLS FOX LLP

· BARRISTERS & SOLICITORS ·

direct extension 229
kim@ontlaw.com

VIA EMAIL

February 23, 2018

Fred Gingl
BionX Canada Inc.
455 Magna Dr.
Aurora, Ontario L4G 7A9
fgingl@bionx.com

Dear Mr. Gingl:

Re: Notice of Termination of Purchase Orders 4300237222, 4300557102, 4700021739,
4300554647 and Demand for Removal of GM Property

We are legal counsel to General Motors LLC and General Motors of Canada Company (collectively "GM").

We refer to the letter of February 1, 2018, (the "Default Letter") in which GM notified BionX Canada Inc. ("BionX") that it was in default of its performance obligations to GM. In addition, We refer to GM's purchase order numbers 4300237222, 4300557102, 4700021739, 4300554647 (collectively, with their respective GM General Terms and Conditions (the "General Terms"), Statements of Work, and all other documents contained within their respective Request for Proposal packages, the "E-Bike Contracts").

The Default Letter details how BionX is in default of its contractual obligations to GM under Sections 3 and 11 of the General Terms and demands that BionX give adequate assurance of its ability to perform under the E-Bike Contracts.

Despite delivery of the Default Letter, BionX has failed to cure any of its defaults under the E-Bike Contracts. On the contrary, BionX has discontinued performance of work under the E-Bike Contracts, continued to fail to pay its debts to its supply base, and instructed certain Tier 2 suppliers to stop performing. Further, BionX in its February 16, 2018 correspondence admits to GM that it will not perform under the E-Bike Contracts. Accordingly, this letter is written notice that the E-Bike Contracts are terminated due to the BionX defaults.

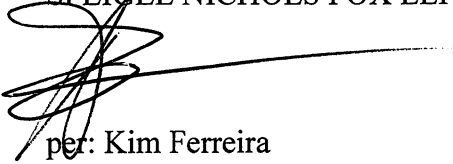
In addition, this letter is written demand for BionX to turn over all GM-owned tooling and property listed on the attached Schedule A, together with all fixtures, accessions, attachments, accessories, and appurtenances thereto, including benches (collectively, the "GM Property"). GM's

records indicate that BionX has not yet completed certain other equipment and tooling under GM Purchase Orders and GM reserves all of its rights regarding the same.

Pursuant to Section 19 of the General Terms, BionX is obligated to immediately deliver the GM Property to GM. This letter is written notice that GM and GM's transportation providers shall appear at BionX's premises commencing on Monday, February 26, 2018 at 8:00 a.m. to remove the GM Property, and GM expects full cooperation from BionX pursuant to its contractual obligations. We ask that you confirm that BionX will comply with its contractual obligations under the General Terms and facilitate GM's removal of the GM Property from BionX's and its associated facilities.

Nothing in this letter is intended to, and this letter does not, waive any rights, remedies, causes of action, or defenses of GM under the E-Bike Contracts, or otherwise applicable law, all of which are expressly reserved.

Yours very truly,
SPEIGEL NICHOLS FOX LLP

A handwritten signature in black ink, appearing to be "Kim Ferreira", with a long horizontal line extending to the right.

per: Kim Ferreira
KGF:no
Encl

cc: Mark Fischer
Aaron Silver

SCHEDULE "A"

GM Owned Manufacturing Tools PO# #4300237222 SODW Defined: Section 11						
Tool Number	Tool Name	Qty	Invoice Number	Location	Invoice Date	Payment Date
OPTT000027	Stator Gluing Fixture	60	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTT000001	Sun gear holding fixture	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTT000002	Magnet holding fixture	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTT000004	Magnet holding tool	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTT000006	Magnet seat tool	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
	Gauss Meter	1	SI026114 (P18)	BionX	31-Oct-17	12-Dec-17
	degauss machine	1	SI026114 (P18)	BionX	31-Oct-17	12-Dec-17
OPTT000012	Grease trap locating fixture	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTT000013	Grease trap, bearing and spacer locating	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTT000014	Grease trap coining tool 1	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTT000034	Grease trap coining tool 2	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTT000008	Pin locating fixture	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
OPTT000010	Pin adjustment tool	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
OPTT000011	Rivet Gun	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
OPTT000031	nest for planet carrier	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
OPTT000032	pressing tool, planet carrier	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
OPTT000017	Nest Output Shaft	1	SI025192 (P15)	BionX	14-Sep-17	17-Oct-17
OPTT000018	Press Tool Output Shaft	1	SI025192 (P15)	BionX	14-Sep-17	17-Oct-17
OPTT000023	Nest RHH	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
OPTT000024	Tool RHH	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
OPTT000020	Clutch race adapter bearing Nest	1	SI025192 (P15)	BionX	14-Sep-17	17-Oct-17
OPTT000021	Clutch race adapter bearing tool	1	SI025192 (P15)	BionX	14-Sep-17	17-Oct-17
OPTT000036	Torque Flange Fixture	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
no tool numbers	Press operation 1	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
no tool numbers	Press operation 2	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
no tool numbers	Press operation 3	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
OPTT000051	LHH Seat fixture	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
OPTT000026	Fixture	1	SI023415 (P13)	BionX	10-May-17	06-Jun-17
OPPT000037	Arbor press inverter cover	1	SI022804 (P10)	BionX	03-Mar-17	18-Apr-17
OPTT000019	Plug arbor press	1	SI022804 (P10)	BionX	03-Mar-17	18-Apr-17

OPTT000040	side cutter	1	SI022804 (P10)	BionX	03-Mar-17	18-Apr-17
OPTT000043	pliers	1	SI022804 (P10)	BionX	03-Mar-17	18-Apr-17
TG-10	Torque Gun (Delta Regis)	1	SI025191 (P14)	BionX	31-Aug-17	19-Sep-17
OPTT000045	Die Press Tool Sun gear	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTT000046	Die Press Tool pool ring	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTT000047	Clip ring tool 1 lower sun gear	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTT000048	Clipping tool 2 upper sun gear	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTT000049	Clipping tool 3 crank shaft	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTT000052	Fixture seal grease barrier	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTT000053	Clip ring tool 4	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTT000033	Torque Tube Fixture	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
OPTT000028	Final assembly merging tool	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
OPTT000029	Alignment pins	6	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
OPTT000030	motor final ASSY fixture	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
OPTT000054	Motor torque holding jig	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
	Torque Wrench	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
	Pole Assembly with heat stake post	1	SI022804 (P10)	BionX	03-Mar-17	18-Apr-17
OPTA000008 - Pole Assembly with heat stake post winding samples		1	SI023415 (P13)	BionX	10-May-17	06-Jun-17
OPTC0000227 - 3M tape sheet - tooling		1	SI025191 (P14)	BionX	31-Aug-17	19-Sep-17
OPTA000203 holding /machining fixture to manufacture		1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
Misc. Parts - e.g. Crimpers, Spacers, Standoffs, Screws, Cables, Headers, etc.		1	SI022804 (P10)	BionX	03-Mar-17	18-Apr-17
OPTC0000244, 054 - Machining of mounting plate & Inverter cover one of each		1	SI023415 (P13)	BionX	10-May-17	06-Jun-17
GM motor stator glue setting fixture		1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTC000031, OPTC000039, OPTC000045 bore & ring gauges, adapters		1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
OPTC000094 - teflon plate for beta		1	SI025191 (P14)	BionX	31-Aug-17	19-Sep-17
Tooling stator epoxy fixture		1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17

Misc. items: Inner/Outer Tube, Aluminum base stripped pin, washer skating tool	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTC000410 Grease shield - stator	1	SI026114 (P18)	BionX	31-Oct-17	12-Dec-17
OPTC000406 mounting plate, OPTC000407 mounting ring	1	SI025541 (P17)	BionX	15-Sep-17	12-Dec-17
OPTC000031, OPTC000039, OPTC000045 bore & ring gauges, adapters	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
Miscellaneous components: test plugs, insulating sleeves, extraction tools, resistors, transistors, blade terminals, thermistor, wire, connectors, terminal blocks	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
Female socket connector, thermal liquid gap filler, mixing nozzles & cartages	1	SI025541 (P17)	BionX	15-Sep-17	12-Dec-17
OPTC000038 DC Gaussmeter model HS#582 - torque tube	1	SI026114 (P18)	BionX	31-Oct-17	12-Dec-17
OPTA000014 pin alignment tool - carrier	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
crank seal and spline block	1	SI025192 (P15)	BionX	31-Aug-17	19-Sep-17
OPTC000027, OPTC000032, OPTC000372 machining socket tool, aluminum ring isolator & LH housing	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17
OPTC000027 modify ring fixture and 3 pcs of ring	1	SI025541 (P17)	BionX	15-Sep-17	12-Dec-17
adhesive mounting base, anodized aluminum, 4-40 integral stud	1	SI025191 (P14)	BionX	31-Aug-17	19-Sep-17
Hard anodizing of fixture cap	1	SI025541 (P17)	BionX	15-Sep-17	12-Dec-17
OPTC000383 rotor shaft, OPTC000360 base plate, OPTC000368 post	1	SI025541 (P17)	BionX	15-Sep-17	12-Dec-17
stator shipping disk	1	SI023415 (P13)	BionX	10-May-17	06-Jun-17
OPTC000412 Trap holder	1	SI026114 (P18)	BionX	31-Oct-17	12-Dec-17
Flexible shaft coupling iron hub with set screw	1	SI025541 (P17)	BionX	15-Sep-17	12-Dec-17

Misc. Parts - e.g. Embedded Evaluation Board, Heat shrink tube, led panel indicator, debugger, crimp pin/sockets, electronic components, etc.	1	SI023414 (P12)	BionX	10-May-17	06-Jun-17
Scriber for hardened steel & stainless steel straight retractable tip	1	SI026114 (P18)	BionX	31-Oct-17	12-Dec-17
OPTA000006 stator weld fixture	1	SI025541 (P17)	BionX	15-Sep-17	12-Dec-17
Modify dyno adapter as per instructions, machine counterbores and grind	1	SI025541 (P17)	BionX	15-Sep-17	12-Dec-17
crimp term male	1	SI022306 (P8)	BionX	20-Dec-16	31-Jan-17
OPTC000024, OPTC000059, OPTA000203 misc including torque sensing tooling, wrench strap set, deep groove ball bearing, manual syringe kit	1	SI025517 (P16)	BionX	14-Sep-17	17-Oct-17

BETA ED&D PURCHAS CONTRACT - SPOT BUY PO #4300237222

Dedicated GM Equipment & Tools / BETA tools (Line Item 5000410)

**GM Owned Tooling
(pick up)**

EQUIPMENT COMPLETED AND PAID FOR:	Qty	Invoice Number	Location	Invoice Date	Payment Date
Battery Testers	12	SI022804 (P10)	Magna	03-Mar-17	18-Apr-17
NVH Booth for Analysis [recording and measuring equipment]	1	SI026114 (P18)	BionX	31-Oct-17	12-Dec-17
Testers: [RG Shelley Propulsion System Testers]					
Drive Unit Dyno	1	SI026642 (P7)	Magna	28-Oct-16	06-Dec-16
Drive Unit Dyno Transformer	1	SI023414 (P12)	Magna	10-May-17	06-Jun-17
Motor Dyno Test Stand	1	SI026642 (P7)	Magna	28-Oct-16	06-Dec-16
		SI022805 (P11)	Magna	06-Mar-17	18-Apr-17
		SI022805 (P11)	Magna	06-Mar-17	18-Apr-17
		SI023415 (P13)	Magna	10-May-17	06-Jun-17
		SI022306 (P8)	Magna	20-Dec-16	31-Jan-17
Prop Durability Tester	1	SI022804 (P10)	Magna	03-Mar-17	18-Apr-17
		SI025192 (P15)	Magna	31-Aug-17	19-Sep-17
		SI022306 (P8)	Magna	20-Dec-16	31-Jan-17
Motor Durability Tester #1	1	SI022804 (P10)	Magna	03-Mar-17	18-Apr-17
		SI022805 (P11)	Magna	06-Mar-17	18-Apr-17
Transformer	1	SI025192 (P15)	Magna	31-Aug-17	19-Sep-17
Transformer for Optimus Dyno	1	SI022804 (P10)	Magna	03-Mar-17	18-Apr-17
Encoder	1	SI025192 (P15)	Magna	31-Aug-17	19-Sep-17
		SI022805 (P11)	Magna	06-Mar-17	18-Apr-17
Power Supply Motor Test Dyno	1	SI022805 (P11)	Magna	06-Mar-17	18-Apr-17

Material Cost Pass Through (Line Item 5000210)

	Qty	Invoice	Location	Invoice Date	Payment Date
Drive Unit tear downs	9	SI019473 (P1) - SI021722 (P7)	BionX	Spending from April 2016 ~ Dec 2016	
Competitive Bikes					
Bosch Test Units instrumented for testing	5	SI025517 (P16)	BionX	14-Sep-17	12-Dec-17
Gear Test Rig	1	SI023415 (P13)	BionX	10-May-17	06-Jun-17

BETA ED&D PURCHASES CONTRACT - SPOT BUY PO #4300237222

Dedicated GM Equipment & Tools / BETA tools (Line Item 5000410)

**GM Owned Tooling
(pick up)**

EQUIPMENT COMPLETED AND PAID FOR:	Qty	Invoice Number	Location	Invoice Date	Payment Date
Battery Testers	12	SI022804 (P10)	Magna	03-Mar-17	18-Apr-17
NVH Booth for Analysis [recording and measuring equipment]	1	SI026114 (P18)	BionX	31-Oct-17	12-Dec-17
Testers: [RG Shelley Propulsion System Testers]					
Drive Unit Dyno	1	SI026642 (P7)	Magna	28-Oct-16	06-Dec-16
Drive Unit Dyno Transformer	1	SI023414 (P12)	Magna	10-May-17	06-Jun-17
Motor Dyno Test Stand	1	SI026642 (P7)	Magna	28-Oct-16	06-Dec-16
		SI022805 (P11)	Magna	06-Mar-17	18-Apr-17
		SI022805 (P11)	Magna	06-Mar-17	18-Apr-17
		SI023415 (P13)	Magna	10-May-17	06-Jun-17
Prop Durability Tester	1	SI022306 (P8)	Magna	20-Dec-16	31-Jan-17
		SI022804 (P10)	Magna	03-Mar-17	18-Apr-17
		SI025192 (P15)	Magna	31-Aug-17	19-Sep-17
Motor Durability Tester #1	1	SI022306 (P8)	Magna	20-Dec-16	31-Jan-17
		SI022804 (P10)	Magna	03-Mar-17	18-Apr-17
Transformer	1	SI022805 (P11)	Magna	06-Mar-17	18-Apr-17
Transformer for Optimus Dyno	1	SI025192 (P15)	Magna	31-Aug-17	19-Sep-17
Encoder	1	SI022804 (P10)	Magna	03-Mar-17	18-Apr-17
		SI025192 (P15)	Magna	31-Aug-17	19-Sep-17
Power Supply Motor Test Dyno	1	SI022805 (P11)	Magna	06-Mar-17	18-Apr-17

Material Cost Pass Through (Line Item 5000210)

	Qty	Invoice	Location	Invoice Date	Payment Date
Drive Unit tear downs	9	SI019473 (P1) - SI021722 (P7)	BionX	Spending from April 2016 ~ Dec 2016	
Competitive Bikes					
Bosch Test Units instrumented for testing	5	SI025517 (P16)	BionX	14-Sep-17	12-Dec-17
Gear Test Rig	1	SI023415 (P13)	BionX	10-May-17	06-Jun-17
Yokogawa Precision Power Analyzer	1	SI022307 (P9)	BionX	20-Dec-16	31-Jan-17
Power Supplies - Lagen 50-30-LAN (test equipment)	1	SI022804 (P10)	BionX	03-Mar-17	18-Apr-17
Gear test rig	1	SI023415 (P13)	BionX	10-May-17	06-Jun-17
Dyno - environmental test assembly station	1	SI025517 (P16)	Magna	14-Sep-17	12-Dec-17
SLS models	1	SI022805 (P11)	BionX	06-Mar-17	18-Apr-17
Bosch bikes - (5) Cube Touring Hybride 400 Blue & Blue	1	SI025517 (P16)	BionX	14-Sep-17	12-Dec-17
10 samples of each cover including cost of coil	1	SI022805 (P11)	BionX	06-Mar-17	18-Apr-17
SLA model battery components	1	SI022307 (P9)	BionX	20-Dec-16	31-Jan-17
laser weld clamp fixture	1	SI023414 (P12)	BionX	10-May-17	06-Jun-17
cells for testing	1	SI022805 (P11)	BionX	06-Mar-17	18-Apr-17
Miscellaneous components: test plugs, insulating sleeves, extraction tools, resistors, transistors, blade terminals, thermistor, wire, connectors, terminal blocks.	1	SI025191 (P14)	BionX	31-Aug-17	19-Sep-17
floating gear ring test	1	SI022804 (P10)	BionX	03-Mar-17	18-Apr-17
OPTC000194, 195 - floating gear ring isolator for test	1	SI023414 (P12)	BionX	10-May-17	06-Jun-17
OPTC000210 Can USB adaptor (7)	1	SI026114 (P18)	BionX	31-Oct-17	12-Dec-17
miniature triaxial accelerometer	1	SI023414 (P12)	BionX	10-May-17	06-Jun-17
custom 8s3p PCC block	1	SI023415 (P13)	BionX	10-May-17	06-Jun-17
OPTC000031, OPTC000039, OPTC000045 bore & ring gauges, adapters	1	SI025517 (P16)	BionX	14-Sep-17	12-Dec-17
OPTC000057 fixed ind, probe lead, IC driver half bridge, ferrite clip-on, test lead, ferrite core, TVS Diode, N-Channel, Mosfet, 12V regulator and diode, inverter & consulting	1	SI025517 (P16)	BionX	14-Sep-17	12-Dec-17
connectors/MNF/bluetooth module	1	SI022804 (P10)	BionX	03-Mar-17	18-Apr-17
Misc. items including: right angle pin, straight pin, connectors, multilayer ceramic	1	SI025191 (P14)	BionX	31-Aug-17	19-Sep-17
(3) Can USB adaptors	1	SI022805 (P11)	BionX	06-Mar-17	18-Apr-17

BMX Singl Cassette Cogs Steel 15 Tooth, Sugino Track Chain Ring Black	1	SI025191 (P14)	BionX	31-Aug-17	19-Sep-17
OPTC0000289 - adapter stand - dyno showbike motor	1	SI023415 (P13)	BionX	10-May-17	06-Jun-17
CAN USB adaper includes drivers	1	SI023414 (P12)	BionX	10-May-17	06-Jun-17
Misc items - Control cards with piccolo, debug probes	1	SI022804 (P10)	BionX	03-Mar-17	18-Apr-17
OPTA000003 Ultra-Linear Measurement Condenser Microphone Electronics	1	SI026114 (P18)	BionX	31-Oct-17	12-Dec-17
Misc items - Control cards with piccolo, debug probes	1	SI022805 (P11)	BionX	06-Mar-17	18-Apr-17
OPTA000003 Phantom power supply	1	SI026114 (P18)	BionX	31-Oct-17	12-Dec-17
BAC TTL Communication Harness	1	SI026114 (P18)	BionX	31-Oct-17	12-Dec-17
flat cables	1	SI023415 (P13)	BionX	10-May-17	06-Jun-17
OPTA000003 Acoustical wedge foam panels	1	SI026114 (P18)	BionX	31-Oct-17	12-Dec-17
Premium phantom cables xlr female to bnc male unbalanced cable	1	SI026114 (P18)	BionX	31-Oct-17	12-Dec-17
Ricardo units	5	SI019473 (P1) - SI021722 (P7)	BionX	Spending from April 2016 ~ Dec 2016	

STRONACH CONSULTING CORP.

Applicant

and

BIONX CANADA INC.

Respondent

Court File No.: CV-18-592741-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

PRE-FILING REPORT OF THE PROPOSED RECEIVER
DATED FEBRUARY 26, 2018

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