

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

SUPERIOR COURT
(Commercial Division)
Companies' Creditors Arrangement Act, R.S.C.
(1985) c. C-36

No : 500-11-056550-193

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

NORTH AMERICAN LITHIUM INC.

Petitioner

-and-

RAYMOND CHABOT INC.

Monitor

-and-

INVESTISSEMENT QUÉBEC

-and-

**CONTEMPORARY AMPEREX TECHNOLOGY
CANADA LIMITED**

-and-

**ATTORNEY GENERAL FOR THE PROVINCE
OF QUÉBEC ON BEHALF OF THE DEPUTY
MINISTER OF ENERGY AND NATURAL
RESOURCES, MINISTÈRE DE L'ÉNERGIE ET
DES RESSOURCES NATURELLES**

-and-

GG ENTREPRENEUR MINIER INC.

Impleaded Parties

MOTION FOR AN ORDER EXTENDING THE STAY
(*Companies' Creditors Arrangement Act, R.S.C. (1985) c. C-36 ("CCAA")*),
section 11 and 11.02

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION FOR THE DISTRICT OF MONTREAL, THE PETITIONER RESPECTFULLY STATES:

A. BACKGROUND

1. On May 28, 2019, the Honourable Jean-François Michaud, S.C.J., granted Norther American Lithium Inc. (“**NAL**”)’s *Motion for (i) the Issuance of an Initial Order and (ii) the Granting of Administrative Charge and a Directors and Officers* and issued an initial order under the CCAA (the “**Initial Order**”¹).
2. Pursuant to the Initial Order, *inter alia*, Raymond Chabot Inc. was appointed as monitor (the “**Monitor**”) of NAL and a stay of proceedings was granted until June 27, 2019.
3. The Initial Order also provided for the creation of certain charges over the Property of NAL, which, pursuant to paragraph 33 of the Initial Order, rank as follows:
 - a) First, the Administration Charge for an aggregate amount of \$500,000;
 - b) Second, the Directors’ Charge for an aggregate amount of \$1,500,000;
4. Pursuant to an Order rendered on June 27, 2019, the Stay Period was extended until August 31, 2019.
5. Pursuant to an Order rendered on August 30, 2019, the Stay Period was extended until September 16, 2019.
6. On September 16, 2019, the Honourable Martin Castonguay granted NAL’s *Motion for an Order (i) Extending the Stay Period, (ii) Approving an Interim Facility and an Interim Lender Charge, (iii) Approving a Sale and Investment Solicitation Process and (iv) Amending and Restating the Initial Order*, which resulted in the following:
 - a) The extension of the Stay Period until January 31, 2020; and
 - b) The issuance of an Amended and Restated Initial Order, which:
 - i) approved the Interim Facility in the aggregate amount of CAN\$6 million;
 - ii) approved and created the Interim Lender Charge in favour of Investissement Québec (“**IQ**”);

¹ Except as otherwise provided for herein, all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in Second Amended and Restated Initial Order dated March 13, 2020 (the “**Third Amended and Restated Initial Order**”).

- iii) approved the launching of the SISP in accordance with the SISP Procedures; and
 - iv) extended the powers of the Monitor for the purpose of carrying out the SISP.
7. The Amended and Restated Order was subsequently rectified to correct a minor typographical error in the Stay Period deadline (January 31, 2019 was corrected to read January 31, 2020).
8. On January 31, 2020, the Honourable Martin Castonguay granted NAL's *Motion for an Order Extending the Stay Period and to Increase the Interim Financing Facility and the Interim Lender Charge*, which resulted in the following:
- a) The extension of the Stay Period until March 13, 2020; and
 - b) The issuance of a Second Amended and Restated Initial Order:
 - i) Approving a CAN\$1,000,000 increase of the Interim Facility, for total aggregate Interim Facility of CAN\$7,000,000; and
 - ii) Approving an increase of the Interim Lender Charge to CAN\$8,000,000.
9. On March 13, 2020, the Honourable Martin Castonguay granted NAL's *Motion for an Order Extending the Stay Period and to Increase the Interim Financing Facility and the Interim Lender Charge*, which resulted in the following:
- a) The extension of the Stay Period until May 15, 2020; and
 - b) The issuance of a Third Amended and Restated Initial Order:
 - i) Approving a CAN\$1,000,000 increase of the Interim Facility, for total aggregate Interim Facility of CAN\$8,000,000; and
 - ii) Approving an increase of the Interim Lender Charge to CAN\$9,000,000.
10. On May 15, 2020, the Honourable Martin Castonguay granted NAL's *Motion for an Order Extending the Stay Period*, which resulted in the Stay Period being extended until June 30, 2020.

B. ORDERS SOUGHT

11. On this Motion, NAL hereby seek an extension of the Stay Period in respect of NAL until July 31, 2020.

C. EXTENSION OF THE STAY PERIOD

12. Since the issuance of the Initial Order, NAL has acted, and continues to act in good faith and with due diligence.

13. Since the issuance of the extension of the Stay Period on May 15, 2020, NAL, with the support of the Monitor, has:
 - a) Continued care and maintenance work, including maintenance and repair work for production equipment as well as for the plant, to preserve its value;
 - b) Continued certain contracts that would promote the resumption of operations;
 - c) Taken actions to comply with environmental requirements;
 - d) Continued to carry out the SISP;
14. In the context of the SISP, the Monitor has sought instructions from NAL's two main secured creditors, IQ and Contemporary Amperex Technology Canada Limited (collectively the "**Secured Creditors**") given each of the bids contemplate an assumption of at least one of the Secured Creditors' debt.
15. On June 22, 2020, the Monitor again advised all bidders that the Monitor had not yet received the Secured Creditors' positions on the bids and that it consequently maintains the indefinite extension of the time period at paragraph 9.4 of the SISP Procedures. The Monitor also requested that all bidders renew their bids and set the expiration date of their bids to July 31, 2020
16. The steps taken by the Monitor during the Stay Period, namely the steps taken in the context of the SISP will be set out in the Eighth Report of the Monitor that will be filed in support of this Motion (the "**Monitor's Eighth Report**").
17. In light of the foregoing, an extension until July 31, 2020 is required to provide the Monitor, with the collaboration of NAL and its counsel and the Secured Creditors, with sufficient time to continue to carry out the remaining steps of the SISP, which could include:
 - a) Continuing to review the bids;
 - b) Discussions between the Monitor, the Secured Creditors and the bidders;
 - c) Acceptance of one or more bids;
 - d) Review of restructuring options, including a draft plan of compromise based on the bids submitted; and
 - e) Preparation and hearing before the court of a motion to move forward in accordance with the SISP and the results in respect thereof. Potential successful bids would be submitted to the court for approval.
18. The Monitor's Eighth Report includes, *inter alia*, the Monitor's recommendations in respect of the requested extension of the Stay Period.

19. The Monitor's Eighth Report also includes NAL's revised and extended cash flow forecast for the period ending August 1, 2020 (the "**Forecast**").
20. Based on the Forecast and subject to the underlying assumptions contained therein, NAL believes that there is sufficient liquidity to fund these CCAA Proceedings until July 31, 2020.
21. It is the position of NAL that no parties will suffer any undue prejudice from the extension of the Stay Period and that the extension sought is appropriate under the present circumstances.
22. In light of the foregoing, NAL asks this Court to extend the Stay Period to July 31, 2020, which date shall, for the purposes of the Third Amended and Restated Initial Order, be the last day of the Stay Period, the whole subject to all other terms of the Third Amended and Restated Initial Order.

D. PROCEDURAL MATTERS

23. The service of the present Motion serves as notice pursuant to paragraph 58 of the Third Amended and Restated Initial Order.
24. Pursuant to paragraph 52 of the Third Amended and Restated Initial Order, that subject to further Order from this Court, all motions in these CCAA Proceedings are to be brought on not less than five (5) calendar days' notice to all Persons on the service list. Each motion must specify a date (the "**Initial Return Date**") and time (the "**Initial Return Time**") for the hearing.
25. Given the ongoing COVID-19 crisis and the delay in receiving instructions from the Secured Creditors, it was not possible for NAL to bring the present Motion on five (5) calendar days' notice.
26. The present Motion must be heard prior to June 30, 2020, considering that the current Stay Period is set to expire as of this date.
27. NAL therefore requests the Court to relieve it of the requirement to bring the present Motion on at least five (5) calendar days' notice and to declare that this Motion is properly returnable on its date of presentation.
28. Accordingly, any Person wishing to object to the relief sought on this Motion should also be relieved of the requirements set forth in paragraph 53 of the Third Amended and Restated Initial Order.

E. CONCLUSIONS

29. For the reasons set forth above, the Petitioner believes it is both appropriate and necessary that the relief being sought be granted.
30. The present Motion is well founded in fact and in law.

WHEREFORE, MAY THIS COURT:

1. **GRANT** this Motion;
2. **EXTEND** the Stay Period ordered in Third Amended and Restated Initial Order until July 31, 2020;
3. **ORDER** that paragraph 7 of the Third Amended and Restated Initial Order shall be further amended as follows:
 7. **ORDERS** that, until and including July 31, 2020, or such later date as the Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Petitioner, or affecting the Petitioner's business operations and activities (the "**Business**") or the Property (as defined herein below), including as provided in paragraph 10 hereinbelow except with leave of this Court. Any and all Proceedings currently under way against or in respect of the Petitioner or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court, the whole subject to subsection 11.1 CCAA.
4. **ORDERS** the provisional execution of the Order notwithstanding any appeal;
5. **THE WHOLE WITHOUT COSTS**, save and except in case of contestation.

Montréal, this 23rd day of June 2020

Fasken Martineau DuMoulin

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Attorneys for the North American Lithium Inc.

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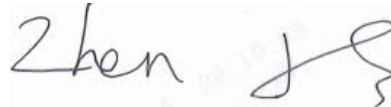
Fax number: +1 514 397 7600

SWORN STATEMENT

I, the undersigned, Janet Huang, acting Chief Financial Officer for North American Lithium Inc, having my professional address at 500, route du Lithium, La Corne, Québec, J0Y 1R0, do solemnly declare:

1. Since March 2018, I am acting as Chief Financial Officer for North American Lithium Inc. ("**NAL**");
2. I am a duly authorized representative of NAL in the present case;
3. I either have personal knowledge or became aware, from information obtained and reviewed in the context of my duties, of all the facts alleged in the *Motion for an Order Extending the Stay Period*.

AND I HAVE SIGNED :



Janet Huang

Solemnly affirmed before me by
videoconference in Montréal, on June 23rd,
2020



Lucie Brunet - #86 084
Commissioner for Oaths for Québec

NOTICE OF PRESENTATION

ADDRESSEE(S) :

TO SERVICE LIST

TAKE NOTICE that the present *Motion for an Order Extending the Stay Period* will be adjudicated by the Honourable Martin Castonguay, J.S.C. **without a hearing**, save and except if there is a contestation. In the event that a party wishes to contest the Motion, a written notice of objection must be communicated to the service list, with a copy to the Honourable Martin Castonguay (martin.castonguay@judex.qc.ca) by no later than **June 26th, 2020 at 5:00 p.m** (Montreal time).

DO GOVERN YOURSELVES ACCORDINGLY.

Montréal, this 23rd day of June 2020

Fasken Martineau DuMoulin

Fasken Martineau DuMoulin LLP

Attorneys for North American Lithium Inc.

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**IN THE MATTER OF THE COMPANIES CREDITORS ARRANGEMENT ACT, RSC
(1985), CH. C-36, AS AMENDED (“CCAA”) :
NORTH AMERICAN LITHIUM INC.
500-11-056550-194
SERVICE LIST
(January 28, 2020)**

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|---|---|
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| | |
| <u>MONITOR</u> | |
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N° : 500-11-056550-193

PROVINCE OF QUEBEC
SUPERIOR COURT
(Commercial Division)
DISTRICT OF MONTRÉAL
LOCALITY OF MONTRÉAL

**IN THE MATTER OF THE COMPROMISE
OR ARRANGEMENT OF:**

NORTH AMERICAN LITHIUM INC.

Petitioner

RAYMOND CHABOT INC.

Proposed Monitor

INVESTISSEMENT QUÉBEC ET AL

Impleaded Parties

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**MOTION FOR AN ORDER EXTENDING THE STAY
(Companies' Creditors Arrangement Act, R.S.C.
(1985) c. C-36 ("CCA")), section 11 and 11.02
SWORN STATEMENT
NOTICE OF PRESENTATION**

ORIGINAL

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