

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

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 PERIOD AND TO INCREASE
THE INTERIM FINANCING FACILITY AND THE INTERIM LENDER CHARGE**

(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 the Third 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.
- 11. On June 29, 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 July 31, 2020.
- 12. On July 31, 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 August 31, 2020.

13. On August 31, 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 September 30, 2020.
14. On September 30, 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 October 30, 2020.

B. ORDERS SOUGHT

15. On this Motion, NAL hereby seeks the following:
 - a) An extension of the Stay Period in respect of NAL until January 22, 2021; and
 - b) The issuance of a Fourth Amended and Restated Initial Order to:
 - i) approve a CAN\$1,500,000 increase of the Interim Facility, for total aggregate Interim Facility of CAN\$9,500,000; and
 - ii) approve an increase of the Interim Lender Charge to CAN\$11,000,000.
16. A draft Fourth Amended and Restated Initial Order, which includes the orders being sought on this Motion, is communicated herewith as **Exhibit P-1**. A version comparing the Third Amended and Restated Initial Order with the draft Third Amended and Restated Initial Order is communicated herewith as **Exhibit P-1A**.

C. EXTENSION OF THE STAY PERIOD AND EXTENSION OF SISP

17. Since the issuance of the Initial Order, NAL has acted, and continues to act in good faith and with due diligence.
18. Since the issuance of the Stay Period on September 30, 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; and
 - d) Continued to carry out the SISP.
19. In notices sent on March 5, April 13, May 9, June 22, July 23, August 24 and September 23, 2020, the Monitor advised *inter alia* that the time period set forth

at paragraph 9.4 of the SISP Procedures was indefinitely suspended in order to allow IQ and Contemporary Amperex Technology Canada Limited (collectively the “**Secured Creditors**”) to review and consider the bids received.

20. Since the bid deadline, the Monitor has also been in discussion with NAL, the Secured Creditors and some of the bidders with a view to get some clarification on key elements of their bids. In this context, some parties have elected to submit unsolicited revised proposals to the Monitor and/or the Secured Creditors.
21. In the coming days, the Monitor will deliver a letter to all parties having either submitted a proposal in the SISP or having expressed interest and signed a confidentiality agreement in the SISP to advise them *inter alia* of the following:
 - a) All bids received prior to the bid deadline are not acceptable and have therefore been rejected by the Monitor;
 - b) Certain unsolicited revised proposals were received by the Monitor and the Secured Creditors after the bid deadline;
 - c) The SISP is being relaunched to provide all parties having expressed an interest with a limited and ultimate opportunity to put their best foot forward (the “**Relaunched SISP**”); and
 - d) The new bid deadline under the Relaunched SISP.
22. The Monitor, NAL and the Secured Creditors are of the view that a limited relaunch of the SISP is in the best interest of all stakeholders and will ensure that all interested parties will have an equal opportunity to submit their best proposal to the Monitor.
23. The steps taken by the Monitor during the previous Stay Period, namely the steps taken in the context of the SISP are more fully set out in the Twelfth Report of the Monitor that will be filed in support of this Motion (the “**Monitor’s Twelfth Report**”).
24. In light of the foregoing, it is respectfully submitted that the extension of the Stay Period to January 22, 2021 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 Relaunched SISP, which could include:
 - a) Finalizing letter to the bidders;
 - b) Receipt of bids;
 - c) Review and assessment of the bids;
 - d) Discussions between the Monitor, the Secured Creditors and the bidders; and

- e) Acceptance of one or more bids.
- 25. The Monitor's Twelfth Report includes, *inter alia*, the Monitor's recommendations in respect of the requested extension of the Stay Period.
- 26. The Monitor's Twelfth Report also includes NAL's revised and extended cash flow forecast for the period ending January 31, 2021 (the "**Forecast**").
- 27. Based on the Forecast and subject to the underlying assumptions contained therein, including the approval of the requested increase to the Interim Facility, NAL believes that there is sufficient liquidity to fund these CCAA Proceedings until January 22, 2021.
- 28. 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.
- 29. In light of the foregoing, NAL asks this Court to extend the Stay Period to January 22, 2021, which date shall, for the purposes of the Second Amended and Restated Initial Order, be the last day of the Stay Period, the whole subject to all other terms of the Second Amended and Restated Initial Order.

D. INCREASE OF THE INTERIM FACILITY AND THE INTERIM LENDER CHARGE

- 30. On October 27, 2020, IQ advised the Monitor that it is prepared to increase the Interim Facility by an amount of CAN\$1,500,000, thus bringing the aggregate amount of the Interim Facility from CAN\$8,000,000 to CAN\$9,500,000 (the "**Third Amended Interim Facility**").
- 31. A third amended and restated *Convention de Crédit - Financement Temporaire (DIP)* (the "**Third Amended and Restated Interim Facility Agreement**") was entered into between IQ and NAL, as it more fully appears from a copy of this agreement communicated herewith as **Exhibit P-2**.
- 32. The terms and conditions of the Third Amended and Restated Interim Facility Agreement are identical to the Second Amended and Restated Interim Facility Agreement save and except for (i) the increase in the amount of the Interim Facility, (ii) the increase of the Interim Lender Charge from CAN\$9,000,000 to CAN\$11,000,000 and (iii) the extension of the maturity date of the Interim Facility.
- 33. The Third Amended Interim Facility and the increase to the Interim Lender Charge are required *inter alia* for:
 - a) Conservatory measures;
 - b) Carrying out the Relunched SISP; and
 - c) Other restructuring related activities.

34. The Third Amended Interim Facility and the increase to the Interim Lender Charge should be approved considering:
- a) The Secured creditors affected by the Interim Lender Charge support such financing;
 - b) It provides funding of a portion of the amount that is required under the Forecast;
 - c) It will allow the Monitor and NAL to carry out the Relunched SISP;
 - d) NAL's business and financial affairs will continue to be managed properly, with the assistance of the Monitor to assist with and supervise operations;
 - e) It will enhance the prospect of a viable compromise being made for the benefit of the creditors and the nature and value of NAL's property would be maintained;
 - f) It will enable NAL to cover conservatory expenses to maintain the value of NAL's property; and
 - g) No unsecured creditor will be materially prejudiced as a result of the security or charge requested.
35. The Monitor supports the Third Amended Interim Facility and is of the opinion that NAL's stakeholders will benefit from the granting of the Third Amended Interim Facility.

E. PROCEDURAL MATTERS

36. The service of the present Motion serves as notice pursuant to paragraph 58 of the Third Amended and Restated Initial Order.
37. 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.
38. 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.
39. The present Motion must be heard prior to October 30, 2020, considering that the current Stay Period is set to expire as of this date.
40. 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.

41. 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.

F. CONCLUSIONS

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

WHEREFORE, MAY THIS COURT:

1. **GRANT** this Motion;
2. **ISSUE** an order substantially in the form of the draft Fourth Amended and Restated Initial Order communicated in support of the Motion as **Exhibit P-1**;
3. **THE WHOLE WITHOUT COSTS**, save and except in case of contestation.

Montréal, this 28th day of October 2020

Fasken Martineau DuMoulin LLP

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Attorneys for the North American Lithium Inc.

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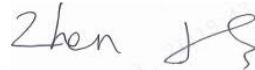
Fax number: +1 514 397 7600

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 to Increase the Interim Facility and the Interim Lender Charge*.

AND I HAVE SIGNED :



Janet Huang

Solemnly affirmed before me by
videoconference in Montréal, on October
28th, 2020



Commissioner for Oaths for Québec
#86 084



NOTICE OF PRESENTATION

ADDRESSEE(S) :

TO SERVICE LIST

TAKE NOTICE that the present *Motion for an Order Extending the Stay Period and to Increase the Interim Facility and the Interim Lender Charge*. will be adjudicated by the Honourable Martin Castonguay, J.S.C. without a hearing, save and except if there is a contestation. If a party wishes to contest the Motion, a written notice of objection must be communicated to the service list, with a copy to the Honorable Martin Castonguay (martin.castonguay@judex.qc.ca) by no later than October 29th, 2020 at 3:00 p.m (Montreal time).

DO GOVERN YOURSELVES ACCORDINGLY.

Montréal, this 28th day of October 2020

Fasken Martineau DuMoulin LLP

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

-and-

GG ENTREPRENEUR MINIER INC.

Impleaded Parties

LIST OF EXHIBITS

(Companies' Creditors Arrangement Act, R.S.C. (1985) c. C-36 ("CCAA")),
section 11 and 11.02

EXHIBIT P-1 : Draft Fourth Amended and Restated Initial Order.

EXHIBIT P-1A: Version comparing the Third Amended and Restated Initial Order with the draft Fourth Amended and Restated Initial Order.

EXHIBIT P-2: Third Amended and Restated Interim Facility Agreement

Montréal, this 28th day of October 2020

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SUPERIOR COURT
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LOCALITY OF MONTRÉAL

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

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RAYMOND CHABOT INC.

Proposed Monitor

INVESTISSEMENT QUÉBEC ET AL

Impleaded Parties

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BF1339

**MOTION FOR AN ORDER EXTENDING THE STAY
PERIOD AND TO INCREASE THE INTERIM
FINANCING FACILITY AND THE INTERIM LENDER
CHARGE**

**(Companies' Creditors Arrangement Act, R.S.C.
(1985) c. C-36 ("CCA")),
section 11 and 11.02**

**SWORN STATEMENT, NOTICE OF
PRESENTATION, LIST OF EXHIBITS AND
EXHIBITS P-1, P-1A and P-2**

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