

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**");
 - 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.

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 January 31, 2020 (the "**Second Amended and Restated Initial Order**").

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.

B. ORDERS SOUGHT

9. On this Motion, NAL hereby seeks the following:
 - a) An extension of the Stay Period in respect of NAL until May 15, 2020; and
 - b) The issuance of a Third Amended and Restated Initial Order to:
 - i) Approve a CAN\$1,000,000 increase of the Interim Facility, for total aggregate Interim Facility of CAN\$8,000,000; and
 - ii) Approve an increase of the Interim Lender Charge to CAN\$9,000,000.
10. A draft Third 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 Second 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

11. Since the issuance of the Initial Order, NAL has acted, and continues to act in good faith and with due diligence
12. Since the issuance of the Second Amended and Restated Initial Order on January 31, 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) Actively participated in the SISP by:
 - i) Gathering information and documentation to populate the Monitor's virtual data room; and
 - ii) Held Meetings, discussions and site visits with potential investors;
 - e) Reported weekly to the Monitor in respect of its cash-flow; and
 - f) Received bids under the SISP on February 21, 2020.
13. Subsequently to the receipt of bids on February 21, 2020, the Monitor has:
- a) Reviewed the bids;
 - b) Provided copies of the bids to NAL's two main secured creditors, IQ and Contemporary Amperex Technology Canada Limited (the "**Secured Creditors**");
 - c) Sought clarifications in respect of the bids;
 - d) Sought instructions from the Secured Creditors given each of the bids contemplate an assumption of at least one of the secured creditors' debt; and
 - e) The Monitor has asked the bidders to extend the deadline for the acceptance of their respective bids until April 10, 2020 in order to allow the Secured Creditors to provide their position to the Monitor in respect of the bids.
14. 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 Sixth Report of the Monitor that will be filed in support of this Motion (the "**Monitor's Sixth Report**").
15. In light of the foregoing, it is respectfully submitted that the extension of the Stay Period to May 15, 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 before the court by the Monitor for assessment.
16. The Monitor's Sixth Report includes, inter alia, the Monitor's recommendations in respect of the requested extension of the Stay Period.
17. The Monitor's Sixth Report also includes NAL's revised and extended cash flow forecast for the 11-week period ending May 16, 2020 (the "**Forecast**").
18. 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 May 15, 2020.
19. 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.
20. In light of the foregoing, NAL asks this Court to extend the Stay Period to May 15, 2020, 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

21. On March 6, 2020, IQ advised the Monitor that it was prepared to increase the Interim Facility by an amount of CAN\$1,000,000, thus bringing the aggregate amount of the Interim Facility from CAN\$7,000,000 to CAN\$8,000,000 (the "**Second Amended Interim Facility**").
22. A second amended and restated *Convention de Crédit - Financement Temporaire (DIP)* (the "**Second 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**.
23. The terms and conditions of the Second Amended and Restated Interim Facility Agreement are identical to the original 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\$8,000,000 to CAN\$9,000,000 and (iii) the extension of the maturity date of the Interim Facility.
24. The Second Amended Interim Facility and the increase to the Interim Lender Charge are require *inter alia* for:
- a) Conservatory measures;

- b) The continuation of the SISP; and
 - c) Other restructuring related activities.
25. The Secured Amended Interim Facility and the increase to the Interim Lender Charge should be approved considering:
- a) Secured creditors affected by the Interim Lender Charge support such financing.
 - b) provides funding of a portion of the amount that is required under the Forecast
 - c) NAL's business and financial affairs will continue to be managed properly, with the assistance of the Monitor to assist with and supervise operations.
 - d) 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.
 - e) It will enable NAL to cover conservatory expenses to maintain the value of NAL's property.
 - f) No unsecured creditor will be materially prejudiced as a result of the security or charge requested.
26. The Monitor supports the Second Amended Interim Facility and is of the opinion that NAL's stakeholders will benefit from the granting of the Second Amended Interim Facility.

E. PROCEDURAL MATTERS

27. The service of the present Motion serves as notice pursuant to paragraph 58 of the Rectified Amended and Restated Initial Order.
28. Pursuant to paragraph 52 of the Second 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.
29. Given the delays associated with the ongoing review of the bid and in receiving instructions from the Secured Creditors , it was not possible for NAL to bring the present Motion on five (5) calendar days' notice.
30. The present Motion must be heard prior to March 13, 2020, considering that the current Stay Period is set to expire as of this date.

31. 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.
32. 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 Second Amended and Restated Initial Order.

F. CONCLUSIONS

33. For the reasons set forth above, the Petitioner believes it is both appropriate and necessary that the relief being sought be granted.
34. 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 Third 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 10th day of March 2020



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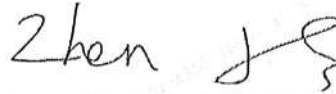
Fax number: +1 514 397 7600

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 March 10,
2020



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 and to Increase the Interim Facility and the Interim Lender Charge* will be presented for adjudication before the Honourable Martin Castonguay on **March 13, 2020** at a time and in a room to be determined of the Montréal Courthouse located at **1 Notre-Dame Street East, Montréal, Quebec, H2Y 1B6**.

DO GOVERN YOURSELVES ACCORDINGLY.

Montréal, this 10th day of March 2020



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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)

<u>APPLICANT</u>	
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CANADA
PROVINCE OF QUÉBEC
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SUPERIOR COURT
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(1985) c. C-36

No : 500-11-056550-193

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-and-

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**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

LIST OF EXHIBITS

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

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

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

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

Montréal, this 10th day of March 2020



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

**IN THE MATTER OF THE COMPROMISE
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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
PERIOD AND TO INCREASE THE INTERIM
FACILITY AND THE INTERIM LENDER CHARGE**
(Companies' Creditors Arrangement Act, R.S.C. (1985)
c. C-36 ("CCAA")), section 11, and 11.02), **SWORN
STATEMENT, NOTICE OF PRESENTATION, LIST
OF EXHIBITS AND EXHIBITS P-1, P-1A and P-2**

ORIGINAL

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