

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL
No: 500-11-056550-193

**IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF:
9448-1223 QUÉBEC INC.**

Debtor

and

RAYMOND CHABOT INC.

Monitor

**INVESTISSEMENT QUÉBEC
CONTEMPORARY AMPEREX TECHNOLOGY CANADA LIMITED
9444-1169 QUÉBEC INC.
SAYONA QUÉBEC INC.
SAYONA MINING LIMITED
PIEDMONT LITHIUM INC.
GG ENTREPRENEUR MINIER INC.
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
ATTORNEY GENERAL OF CANADA
QUÉBEC REVENUE AGENCY**
Impleaded Parties

**JOINT MOTION TO DISCHARGE THE MONITOR AND FOR AUTHORIZATION
AND DIRECTION TO REMIT A DEPOSIT**

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

**TO THE HONOURABLE MARTIN CASTONGUAY, JSC, SITTING IN COMMERCIAL
DIVISION FOR THE DISTRICT OF MONTRÉAL, THE PETITIONER RESPECTFULLY
STATES:**

A. INTRODUCTION

1. Pursuant to this Motion, Raymond Chabot Inc. (the "**Monitor**") 9448-1223 Québec Inc. ("**ResidualCo**") jointly seek the issuance of an order, substantially in the form of the draft order communicated herewith as **Exhibit- P-1**, discharging the Monitor

as monitor in these CCAA Proceedings (as defined below) and authorizing and directing the Monitor to remit the Deposit (as defined below) to Draco Capital Inc. (“**Draco**”).

B. CONTEXT

2. On May 28, 2019, the Honourable Jean-François Michaud, S.C.J., granted North American Lithium Inc. (“**NAL**”)’s *Motion for (i) the Issuance of an Initial Order and (ii) the Granting of an Administrative Charge and a Directors and Officers Charge*, and issued an initial order the “**Initial Order**”) ¹ under the CCAA (the “**CCAA Proceedings**”). Pursuant to the Initial Order, *inter alia*, Raymond Chabot Inc. was appointed as monitor (the “**Monitor**”) of NAL.
3. On June 29, 2021, the Court issued an Approval and Vesting Order (the “**AVO**”) approving the transaction (the “**Transaction**”) contemplated in the Share Purchase Agreement pursuant to which 9444-1169 Québec Inc. (the “**Purchaser**”), a newly incorporated wholly-owned subsidiary of Sayona Québec Inc., acquired all of the issued and outstanding shares in the share capital of NAL.
4. In order to give effect to the reorganization steps contemplated by the Transaction, the AVO further amended the Fifth Amended and Restated Order, in order to provide for:
 - a) The addition of ResidualCo as Debtor in the CCAA Proceedings;
 - b) upon Closing (as defined below), NAL would be deemed to be removed as Debtor in the CCAA Proceedings; and
 - c) upon Closing (as defined below), the Monitor was granted the additional power to assign ResidualCo into bankruptcy.
5. The closing of the Transaction occurred on August 27, 2021 (the “Closing”), as it appears from a copy of the certificate of the Monitor communicated herewith as **Exhibit P-2**.
6. As contemplated under the AVO, upon the Closing, NAL was deemed to be removed as Debtor in the CCAA Proceedings and the only remaining Debtor in the CCAA Proceedings is ResidualCo.
7. Considering the Closing, the transfer of all of NAL’s liabilities, other than the Assumed Liabilities (as defined in the AVO), to ResidualCo, and the resolution of the Deposit Dispute (as defined below), in the absence of any viable alternative, the Monitor shall assign ResidualCo into bankruptcy (the “**Bankruptcy Assignment**”).

¹ The Initial Order has been amended and restated from time to time, with the Sixth Amended and Restated Initial Order dated June 18, 2021 being the latest version (the “**Sixth Amended and Restated Initial Order**”).

C. RESOLUTION OF THE DEPOSIT DISPUTE AND THE REMITTANCE OF THE DEPOSIT

8. On October 20, 2021 and October 21, 2021, Draco Capital Inc. (“**Draco**”) and Groupe Serpone Inc., as trustee to the bankruptcy (the “**Lithium360 Trustee**”) of Lithium 360 Inc. (“**Lithium360**”) filed competing motions seeking the remittance of a deposit in the amount of CAN\$2,575,000.00 (the “**Deposit**”) currently being held by the Monitor in trust (the “**Deposit Dispute**”). The Deposit was initially made in the context of Lithium360’s bid in NAL’s sale and investment solicitation process and then transferred by Draco to the bid submitted by Mercuria Energy Trading S.A. (“**Mercuria**”).
9. On February 22, 2022, the Honourable Martin Castonguay, J.S.C., rendered a judgment dismissing the Lithium360 Trustee’s motion and reserved judgment on the Draco motion until such time as Draco received the authorization from Mercuria Energy Trading S.A. to the remittance of the Deposit (the “**Deposit Dispute Judgment**”).
10. The Deposit Dispute Judgment was not appealed and is therefore final, as it more fully appears from a copy of the Certificate of Non-Appeal communicated herewith as **Exhibit P-3**.
11. On February 28, 2022, a letter was delivered to the Monitor pursuant to which Mercuria consented to the remittance of the Deposit by the Monitor to Draco and confirmed that it holds no right whatsoever with respect to the Deposit, as it more fully appears from a copy of the letter communicated herewith as **Exhibit P-4**.
12. In light of the foregoing, the Monitor hereby seeks the authorization and direction of this Court to remit the Deposit to Draco.

D. DISCHARGE OF THE MONITOR

13. Upon the Bankruptcy Assignment, the CCAA Proceedings will no longer serve any useful purpose given that NAL has emerged from the CCAA Proceedings and that ResidualCo shall have become bankrupt.
14. In light of the foregoing, the Monitor and ResidualCo hereby jointly seek a declaration that concurrently upon the Bankruptcy Assignment, the CCAA Proceedings shall be deemed to be terminated without the need of any other act or formality and the Monitor will be deemed to be discharged.
15. The Monitor also seeks a declaration that upon the Bankruptcy Assignment, it shall have no further liabilities, obligations, responsibilities or duties under the CCAA Proceedings.
16. The Monitor has performed its duties and functions in good faith and in a commercially reasonable manner, the whole in accordance with the Court orders issued in the CCAA Proceedings.

E. CONCLUSIONS

17. For the reasons set forth above, ResidualCo and the Monitor believe it is both appropriate and necessary that the relief being sought be granted.
18. 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 Order discharging the Monitor, Exhibit P-1;
3. **THE WHOLE WITHOUT COSTS**, save and except in case of contestation.

Montréal, this 17th day of May 2022

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SWORN STATEMENT

I, the undersigned, Benoit Fontaine, CPA, CA, CIRP, SAI, partner at Raymond Chabot Inc., having my professional address at 600 De la Gauchetière Street West, Suite 2000, Montréal, Québec, H3B 4L8, do solemnly declare:


1. I am acting as court-appointed Monitor for 9448-1223 Québec Inc.;
2. I have personal knowledge of all the facts alleged in the *Joint Motion to Discharge the Monitor and for Authorization and Direction to remit a Deposit* and all such facts are true.

AND I HAVE SIGNED :



Benoit Fontaine

Solemnly affirmed before me in Montréal
by videoconference, on May 17, 2022



Commissioner of Oaths for Québec



NOTICE OF PRESENTATION

ADDRESSEE(S) :

TO SERVICE LIST

TAKE NOTICE that the present *Joint Motion to Discharge the Monitor and for Authorization and Direction to remit a Deposit* will be heard virtually at a time and in a room of the Montréal Courthouse to be determined by the Honourable Martin Castonguay, J.S.C.

The coordinates of the hearing will be communicated to the service list as soon as they are available.

DO GOVERN YOURSELVES ACCORDINGLY.

Montréal, this 17th day of May 2022

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**IN THE MATTER OF THE COMPANIES CREDITORS ARRANGEMENT ACT, RSC
(1985), CH. C-36, AS AMENDED (“CCAA”) :
9448-1223 QUÉBEC INC.
500-11-056550-194
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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:**

9448-1223 QUÉBEC INC.

Debtor

and

RAYMOND CHABOT INC.

Monitor

INVESTISSEMENT QUÉBEC ET AL

Impleaded Parties

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**JOINT MOTION TO DISCHARGE THE MONITOR AND FOR
AUTHORIZATION AND DIRECTION TO REMIT A DEPOSIT**
((*Companies' Creditors Arrangement Act*, R.S.C. (1985) c. C-36
("CCA")), section 11), **SWORN STATEMENT, NOTICE OF
PRESENTATION, LIST OF EXHIBITS AND EXHIBITS P-1 TO P-4**

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