



**Deloitte Restructuring Inc.**  
1190, avenue des Canadiens-de-  
Montréal  
Suite 500  
Montreal QC H3B 0M7  
Canada

Tel: 514-393-7115  
Fax: 514-390-4103  
www.deloitte.ca

C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF QUEBEC  
COURT. No.: 500-11-060598-212

S U P E R I O R C O U R T  
Commercial Division

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

**BLACKROCK METALS INC.**, a duly incorporated company having its principal place of business at 1606-1080 Côte du Beaver Hall, in the city and district of Montreal, province of Quebec, H2Z 1S8.

-&-

**BLACKROCK MINING INC.**, a duly incorporated company having its principal place of business at 1606-1080 Côte du Beaver Hall, in the city and district of Montreal, province of Quebec, H2Z 1S8.

-&-

**BRM METALS GP INC.**, a duly incorporated company having its principal place of business at 1606-1080 Côte du Beaver Hall, in the city and district of Montreal, province of Quebec, H2Z 1S8.

-&-

**BLACKROCK METALS LP**, a limited partnership formed under the laws of Quebec, having its principal place of business at 1606-1080 Côte du Beaver Hall, in the city and district of Montreal, province of Quebec, H2Z 1S8.

Debtors

-&-

**INVESTISSEMENT QUÉBEC**, a corporation duly constituted under the *Act respecting Investissement Québec and La Financière du Québec* (CQLR c I-16.0.1), having its head office at 600, de la Gauchetière West, Suite 1500, in the city and district of Montreal, province of Quebec, H3B 4L8.

-&-

**OMF FUND II H LTD.**, a duly incorporated company having its principal place of business at 7 Bryant Park, 1045 ave of the Americas, New York, New York, 10018.

Mises-en-cause

-&-

**DELOITTE RESTRUCTURING INC.**, a duly incorporated company having a place of business at 500-1190 ave des Canadiens-de-Montréal, in the city and district of Montreal, province of Quebec, H3B 0M7.

Monitor

**FOURTH REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS MONITOR**

*(Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended ("CCAA"))*

**INTRODUCTION**

1. On December 23, 2021, BlackRock Metals Inc. ("**BlackRock Metals**"), BlackRock Mining Inc. ("**BlackRock Mining**"), BlackRock Metals LP ("**BRM LP**") and BRM Metals GP Inc. ("**BRM GP**") (collectively "**BRM**" or the "**Debtors**") filed for and obtained protection from their creditors under the CCAA pursuant to an Order rendered by this Honourable Court (the "**First Day Initial Order**"). The First Day Initial Order provides for, *inter alia*, (i) a stay of proceedings against the Debtors until January 2, 2022 (the "**Stay Period**") (ii) the appointment of Deloitte Restructuring Inc. as the monitor under the CCAA ("**Deloitte**" or the "**Monitor**"), and the (iii) granting of an Administration Charge. The proceedings commenced under the CCAA by the Debtors will be referred to herein as the "**CCAA Proceedings**".
2. On December 22, 2021, the Monitor issued its First Report (the "**First Report**"). The purpose of the First Report was to provide background information on Deloitte's qualification to act as Monitor, the business, affairs and financial results of BRM, BRM's main creditors, the sale and investment solicitation process (the "**SISP**"), the administration charge sought in the First Day Initial Order and to cover specifically the Cash Flow Statement, in accordance with paragraph 23(1)(b) of the CCAA.
3. On January 2, 2022, there was a deemed extension of the Stay Period up to and including January 7, 2022. As indicated in the First Day Initial Order, any Person wishing to object to such deemed extension was required to serve a detailed written contestation stating the objection to such deemed extension and the grounds for such objection on or before December 27, 2021. No such contestation was received.

4. On January 5, 2022, the Monitor issued its Second Report (the "**Second Report**"). The purpose of the Second Report was to provide information to the Court on the status of the CCAA Proceedings, the security review, to request an Amended and Restated Initial Order as well as an Order Approving a Sale and Investment Solicitation Process and Approving a Stalking Horse Agreement of Purchase and Sale, the charges sought in the Amended and Restated Initial Order and to request the extension of the Stay Period until March 4, 2022.
5. On January 7, 2022, the Court granted an Amended and Restated Initial Order as well as an Order Approving a Sale and Investment Solicitation Process and Approving a Stalking Horse Agreement of Purchase and Sale. The Court also extended the Stay Period until March 4, 2022.
6. On February 22, 2022, the Monitor issued its Third Report (the "**Third Report**"). The purpose of the Third Report was to provide information to the Court on BRM's operations, the cash flow results for the 9-week period ended February 18, 2022, the Monitor's activities since the Second Report, an update on the SISP and to request an extension of the Stay Period until March 25, 2022.
7. On February 24, 2022, the Court extended the Stay Period until March 25, 2022, to allow the Monitor to complete the Phase 1 of the SISP and report accordingly to the Court.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined are as defined in the First Report, the Second Report, the Third Report or the Application under the CCAA.

#### **PURPOSES OF THE FOURTH REPORT**

9. The purpose of this fourth report of the Monitor (the "**Fourth Report**") is to provide information to the Court with respect to:
  - (i) BRM's operations;
  - (ii) Cash flow results for the 3-week period ended March 11, 2022;
  - (iii) The Monitor's activities since the Third Report;
  - (iv) Update on the SISP;
  - (v) Extension of the Stay Period; and,
  - (vi) Conclusions and recommendations.
10. In preparing the Fourth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, BRM's books and records and financial information prepared by BRM and discussions with management ("**Management**") of BRM (collectively, the "**Information**"):
  - (i) The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and,

- (ii) Some of the information referred to in this Fourth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in Chartered Professional Accountants Canada Handbook, has not been performed.
11. Future oriented financial information referred to in this Fourth Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
  12. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in the Fourth Report concerning BRM and their business is based on the Information, and not independent factual determinations made by the Monitor.
  13. The Information that was analyzed does not include the extent of the impact of Coronavirus ("COVID-19") on BRM's operations. At the time of the Fourth Report, the situation is continuing to evolve, and many uncertainties remain as to the effect the COVID-19 crisis has had and will continue to have on BRM and the broader domestic and global economies. The Monitor relied, in part, on publicly available information, Management forecasts and other information provided by Management in relation to the effect COVID-19 has had and will continue to have on BRM.
  14. A copy of the Fourth Report and further reports of the Monitor, if any, will be made available on the Monitor's website at <https://www.insolvencies.deloitte.ca/blackrockmetals> (the "**Monitor's Website**"). The Monitor has also provided a dedicated email address and phone number that are referenced on the Monitor's website so that parties may contact the Monitor if they have questions with respect to the BRM's restructuring or the CCAA proceedings.

#### **BRM'S OPERATIONS**

15. Since the granting of the Amended and Restated Initial Order:
  - (i) BRM continued to operate as a going concern and pay their current employees and their suppliers in the normal course of business, for services rendered after the beginning of the CCAA Proceedings; and,
  - (ii) In addition to the current payables, since the issuance of the Third Report, \$11K was, with the consent of the Monitor, paid to certain critical suppliers for services rendered prior to December 23, 2021. On an aggregate basis, since the issuance of the Amended and Restated Initial Order, approximately \$96K was, with the consent of the Monitor, paid to certain critical suppliers for services rendered prior to December 23, 2021. The Amended and Restated Initial Order allows BRM, with the consent of the Monitor, to suppliers that are critical to the business and ongoing operations of the Debtors, up to a maximum aggregate amount of \$100K.

#### **CASH FLOW RESULTS FOR THE 3-WEEK PERIOD ENDED MARCH 11, 2022**

16. The highlights of BRM's financial performance for the period commencing on February 19, 2022, and ending on March 11, 2022, are presented in the Actual Cash Flow annexed hereto as **Appendix A**.

17. The table below provides an overview of the cash balances and the cash variances by BRM from February 19, 2022, to March 11, 2022:

<b>BRM cash variation</b>			
For the period of February 19, 2022, to March 11, 2022 (in \$000 CAD)			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Cash and cash equivalents - beginning	1,509	1,509	-
Net variation in cash balance	(551)	(897)	346
<b>Cash and cash equivalents - ending</b>	<b><u>958</u></b>	<b><u>612</u></b>	<b><u>346</u></b>

18. The Monitor's comments on the financial performance of BRM during such period are the following:

- (i) Compared with the statement of projected cash flow ending April 1, 2022, and prepared for the Third Monitor's Report (the "**Second Cash Flow Statement**"), BRM did not experience any variance in respect to the cash inflows since no receipts were budgeted before the week ending March 18, 2022.
- (ii) Compared with the Second Cash Flow Statement, BRM experienced a favorable variance of \$346K in respect to the cash outflows:
  - a. Favorable variance of \$257K in restructuring costs mainly due to timing since many of the invoicing and payments were completed later than initially expected; and,
  - b. Favorable variance of \$32K in rent for BRM's offices. This variance is, however, mainly due to timing as the rent should be paid in the upcoming weeks.
- (iii) Compared with the Second Cash Flow Statement, BRM experienced a net favorable variance of approximately \$346K.

19. As of the date of the Fourth Report, all post-filing expenses incurred by BRM have been or will be paid in the normal course of business.

#### **THE MONITOR'S ACTIVITIES SINCE THE THIRD REPORT**

20. This section summarizes the activities of the Monitor since the issuance of the Third Report

##### *CASH FLOW MONITORING OF BRM*

21. The Monitor has analyzed the receipts and disbursements transacted through BRM's bank accounts on a weekly basis with full co-operation of Management and was presented with all requests for payment of services provided to BRM since the First Day Initial Order.

##### *CCAA PROCEEDINGS*

22. In accordance with the First Day Initial Order and the Amended and Restated Initial Order:

- (i) The Monitor, with the assistance of BRM, has been responding to questions of various stakeholders as to the status of the CCAA Proceedings;
- (ii) The Monitor actively performed the SISF, as more fully described in the next section of the Fourth Report;

(iii) On February 22, 2022, the Monitor posted a copy of the Third Report on the Monitor's Website; and,

(iv) On February 23, 2022, the Monitor posted a copy of the Court Order approving the extension of the Stay Period until March 25, 2022, on the Monitor's Website.

## **UPDATE ON THE SISP**

### SISP

23. As indicated in this Fourth report, on January 7, 2022, the Court granted an Order Approving a Sale and Investment Solicitation Process and Approving a Stalking Horse Agreement of Purchase and Sale (the "**SISP Order**"). In accordance with the SISP Order, the Phase 1 Bid Deadline was established to be March 9, 2022, at 5:00 p.m. Eastern time.

24. Before the issuance of the SISP Order, the Monitor performed the following tasks:

- (i) In collaboration with Management and the Special Committee, the Monitor prepared at the beginning of January 2022 a letter describing the opportunity and an overview of BRM ("**Teaser**") to solicit interest from interested parties. A copy of the Teaser is attached as **Appendix B** to the Fourth Report.
- (ii) The Monitor also prepared, concurrently to the Teaser, and in collaboration with Management and the Special Committee, a confidential information memorandum ("**CIM**") intended for distribution to investors having executed a non-disclosure agreement ("**NDA**"). The CIM was providing additional information considered relevant to the opportunity, detail and analysis about the business in order to enable potential interested parties to make an informed assessment of the opportunity.
- (iii) The Monitor, with the assistance of BRM, prepared a confidential virtual data room (the "**VDR**") in which all the evaluation material was made available to prospective bidders to perform due diligence and to assess the BRM opportunity and the project. The VDR could be consulted by the interested parties having executed the NDA.
- (iv) The Monitor, in collaboration with Management and the Special Committee, established a list of 415 potential investors and purchasers, including national and international companies and private equity groups operating in the mining sector or in the metal, vanadium and titanium industries.

25. After the issuance of the SISP Order:

- (i) On January 10, 2022, the Monitor distributed by email the Teaser to the 415 potentially interested parties. Some interested parties were added to the distribution list after the initial distribution of the Teaser. These additional interested parties became aware of the opportunity from various sources, such as Management, the Special Committee, Deloitte internal network or the various notices published by the Monitor.
- (ii) On January 10, 2022, the Monitor posted a copy of SISP Order and the SISP Procedures on the Monitor's Website.
- (iii) On January 12, 2022, the Monitor posted a copy of the Stalking Horse Agreement and the Teaser on the Monitor's Website.

- (iv) On January 14, 2022, the Monitor published a notice of the SISP with respect to the Bidding Procedures Order in *La Presse +*, the *Globe and Mail National edition* and issued a press release in *Canada Newswire*.
- (v) During the 60-day period between the SISP Order and the Phase 1 Bid Deadline, more than 2,000 follow-ups were carried out by the Monitor with prospective bidders by emails, phone calls and meetings. The Monitor attended numerous discussions and conference calls with interested parties and their representatives. The Monitor made significant efforts to contact prospective bidders and to promote the opportunity worldwide, including leveraging its own Deloitte global network.
- (vi) Other than the initial distribution of the Teaser on January 10, 2022, the Monitor sent the Teaser two additional times to the list of interested parties during Phase 1 of the SISP.
- (vii) The solicitation process conducted by the Monitor can be summarized as follows:
  - a. 415 potentially interested parties contacted by the Monitor;
  - b. 374 potentially interested parties received the Teaser according to email confirmations received by the Monitor;
  - c. 232 potentially interested parties were contacted directly by the Monitor, in addition to the general distribution that occurred on January 10, 2022;
  - d. 65 potentially interested parties participated in more serious discussions about the opportunity or confirmed that they were not interested;
  - e. 7 interested parties executed an NDA and were granted access to the VDR; and,
  - f. 1 interested party submitted a non-binding Letter of Interest ("**LOI**") prior to the Phase 1 Bid Deadline. A copy of the LOI is attached under seal as **Appendix C** to the Fourth Report.

26. Based on the various discussions with prospective bidders during Phase 1 of the SISP, it was apparent to the Monitor that the BRM project, which had previously been promoted extensively in the market for financing purposes, was already very well known by most of the strategic and industry leaders. This situation likely explains why many potentially interested parties declined the opportunity without signing an NDA and without performing due diligence of the VDR.

#### *Phase 1 – Qualification of the LOI*

- 27. During a meeting held on March 15, 2022, the board of directors of BRM resolved that the LOI constitutes a Phase 1 Successful Bid and, as such, the bidder is deemed to be a Phase 2 Qualified Bidder. The Monitor attended the board meeting and consented to the decision taken by BRM's board of directors.
- 28. On March 15, 2022, the Monitor sent a letter by email to the Phase 2 Qualified Bidder to officially confirm that the LOI constitutes a Phase 1 Successful Bid.
- 29. On March 15, 2022, the Monitor also sent a letter to the attorneys of OMF Fund II H Ltd. ("**Orion**") and Investissement Québec ("**IQ**") to advise them that BRM, in consultation and with the consent of the Monitor, had determined that the LOI received constitutes a Phase 1 Successful Bid and, as such, the bidder is deemed to be Phase 2 Qualified Bidder.

30. As a result of the foregoing, the Monitor and BRM will conduct a Phase 2 of the SISP in accordance with the terms and conditions of the SISP Procedures. According to the SISP Procedures, the Staking Horse Agreement also constitutes a Phase 1 Successful Bid and Orion and IQ, as the Staking Horse Bidders, are Phase 2 Qualified Bidders for all purposes under the SISP, including the Auction.

*Monitor's view of Phase 1 of the SISP*

31. During Phase 1 of the SISP, the Monitor is of the opinion that it has adequately and thoroughly canvassed and solicited the worldwide market regarding the sale or investment opportunity available under the SISP.

**EXTENSION OF THE STAY PERIOD**

32. The current Stay Period expires on March 25, 2022.
33. The Debtors are seeking an extension of the Stay Period until May 27, 2022, in order to carryout and complete the Phase 2 of the SISP, the potential auction as well as the selection and the approval of the successful bid.
34. The Monitor is informed that BRM intends to continue to pay its trade creditors for services rendered and goods provided in the normal course of business during the CCAA Proceedings.
35. As demonstrated by the projected cash flow (the "**Third Cash Flow Statement**") for the 13-week period commencing on March 12, 2022 and ending on June 10, 2022 (the "**Cash Flow Period**"), BRM will not have sufficient funds to assume its financial obligations. Consequently, as already authorize by the Amended and Restated Initial Order, BRM will borrow on its approved Interim Financing to assume its financial obligations. BRM anticipates borrowing \$2 million from the Interim Financing during the 13-week period commencing on March 12, 2022, and ending on June 10, 2022, as more fully explained below in the projected cash flow section of the Fourth Report.

*PROJECTED CASH FLOW*

36. BRM, with the assistance of the Monitor, has prepared the Third Cash Flow Statement for the purpose of projecting BRM's estimated liquidity needs during the Cash Flow Period. A copy of the Third Cash Flow Statement is attached as **Appendix D** to this Fourth Report.
37. Presented in the table below is a summary of the Third Cash Flow Statement:

<b>BRM</b>	
Summary of the Cash Flow Statement ending June 10, 2022 (in '000 CAD)	
Cash and cash equivalents - beginning	958
Net variation in cash balance	(2,578)
Interim financing	2,000
<b>Cash and cash equivalents - ending</b>	<b>380</b>

38. The Third Cash Flow Statement has been prepared by BRM using probable and hypothetical assumptions set out in the notes to the Third Cash Flow Statement.
39. The Monitor's review of the Third Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to Information supplied to it by Management. Since the hypothetical assumptions do not need to be supported, the Monitor's procedures with respect to them were limited to evaluating



whether they were consistent with the purpose of the Third Cash Flow Statement. The Monitor also reviewed the support provided by Management for the probable assumptions, and the preparation of the Third Cash Flow Statement.

40. Based on the Monitor's review and the foregoing qualifications and limitations, nothing has come to its attention that causes it to believe that, in all material respects:
- (i) The hypothetical assumptions are not consistent with the purpose of the Third Cash Flow Statement;
  - (ii) As at the date of this Fourth Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans or BRM or do not provide a reasonable basis for the Third Cash Flow Statement, given the hypothetical assumptions; or,
  - (iii) The Third Cash Flow Statement does not reflect the probable and hypothetical assumptions.
41. Since the Third Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no opinion as to whether the projections in the Third Cash Flow Statement will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report. Neither does the Monitor express any opinion as to the performance of BRM's statutory obligations with regard to projected payments to be made in accordance with the Third Cash Flow Statement, *inter alia* the payment of wages, the government remittances and the payroll deductions to be made by BRM.
42. The Third Cash Flow Statement has been prepared solely for the purpose described in the Notes to the Third Cash Flow Statement, and readers are cautioned that the Third Cash Flow Statement may not be appropriate for other purposes.
43. As indicated previously in this Fourth Report, BRM should have sufficient liquidity to continue to meet its obligations during the extension period. It is anticipated that BRM will need to have access to the funds provided by the Interim Financing to fund its operations after the extension period.

#### **CONCLUSIONS AND RECOMMENDATIONS**

44. In light of the foregoing, the Monitor is of the view that:
- (i) The extension of the Stay Period up to May 27, 2022, sought by the Debtors is required to conduct Phase 2 of the SISP, implement the proposed restructuring process for the benefit of all its stakeholders and preserve the value of BRM's assets;
  - (ii) Based on the information presently available, the Monitor believes the Debtors' creditors will not be materially prejudiced by the requested extension of the Stay Period; and,
  - (iii) The Debtors have acted, and are acting, in good faith and with due diligence, which make the requested extension of the stay of proceedings appropriate.
45. Accordingly, the Monitor recommends that the Stay Period be extended to May 27, 2022.
46. The Monitor confirms that there is no further material development to report in this matter, other than what is provided for in this Fourth Report.
47. The Monitor respectfully submits to the Court this, its Fourth Report.

DATED AT MONTREAL, this 23<sup>rd</sup> day of March 2022.

**DELOITTE RESTRUCTURING INC.**

In its capacity as Court-Appointed Monitor of BRM



Benoit Clouâtre, CPA, CA, CIRP, LIT  
Senior Vice President



Jean-François Nadon, CPA, CA, CIRP, LIT  
President

## **APPENDIX A**

ACTUAL CASH FLOW

**BRM**  
**Budget-to-actual analysis on Second Cash Flow Statement**  
(in \$000 CAD)

	<b>For the cumulative 3 weeks ended March 11, 2022</b>				<b>Main reason</b>
	<b>Actual</b>	<b>Budget</b>	<b>Var. (\$)</b>	<b>Var. (%)</b>	
<b>Receipts</b>					
Tax refunds	-	-	-	0%	
Interim financing (DIP)	-	-	-	0%	
Others	-	-	-	0%	
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	
<b>Disbursements</b>					
Payroll - Employees	166	160	(6)	-4%	
Independent contractor	79	84	5	6%	
Directors and committee fees	41	38	(3)	-7%	
Rent - Offices	1	33	32	96%	March rent for Montreal and Toronto offices not paid yet.
Restructuring costs	258	515	257	50%	Mainly due to timing and should be mostly offset in the upcoming weeks.
General and administrative	5	40	35	86%	
Finance expenses	(1)	6	7	123%	
Information Technologies	2	6	4	62%	
Due diligence fees	-	-	-	0%	
Contingency	-	15	15	100%	
<b>Total disbursements</b>	<b>551</b>	<b>897</b>	<b>346</b>	<b>39%</b>	
<b>Net cash flow</b>	<b>(551)</b>	<b>(897)</b>	<b>346</b>	<b>39%</b>	
Cash and cash equivalents - beginning	1 509	1 509	-		
<b>Cash and cash equivalents - ending</b>	<b>958</b>	<b>612</b>	<b>346</b>	<b>56%</b>	

## **APPENDIX B**

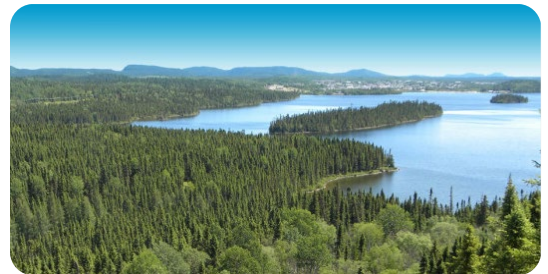
TEASER

## Strategic iron, vanadium, titanium mining and processing project in business-friendly Quebec (Canada)

### Corporate Reorganization Opportunity

#### Overview

- BlackRock Metals (“BlackRock”) is a private Canadian company aiming to become one of the world’s leading, low cost miner and supplier of specialty metals with a low carbon footprint. It is about to start construction of a CA \$1.3 billion mine and metals processing facility in Quebec, Canada, namely Project Volt, which will produce high purity iron products (“HPI”), vanadium and titanium, using best-in-class industrial processes and sustainability characteristics.
- BlackRock has already reached key milestones necessary to start construction:
  - All necessary feasibility, engineering and market studies showing compelling project economics;
  - All key permits and regulatory approvals; and,
  - Comprehensive stakeholder support, including First Nations.
- Presently, BlackRock is pursuing a restructuring process. It has assets totaling approximately CA \$164M of which CA \$146M consists of accumulated exploration and evaluation costs, along with preliminary mining site preparation work.



#### Key Information about BlackRock Metals and Project Volt

- Following BlackRock’s construction of a fully integrated mine and metallurgical complex, it is expected that the Business will be in operation for an initial 41-year period, given presently identified mineral resources, with a potential to add an estimated 30-year period of production based on preliminary analysis.
- Completed full feasibility, including:
  - Mining claims package of 7,400 hectares, with M&I 429Mt in pit global resource;
  - Engineering and market studies showing resilient project economics;
  - Initial CAPEX of CA \$1.3B (including a contingency of over 15%); and,
  - Annual projected production of 536Ktpa HPPI, 121Ktpa Ti Slag, 5Ktpa V-Slag.
- BlackRock has had advanced, detailed discussions with capital providers (government agency, strategic investors, royalty providers, off-take partners) on potential financial structure to provide the required construction financing. A successful bidder could, subject to consents, potentially pursue discussions with these capital providers.
- Near “shovel ready” project with “Global CA” permits received from governmental authorities for both mine and processing plant.
- Major infrastructure in place or permitted such as rail and road transport, cheap and clean renewable power (Hydro-Quebec), deep seaport (Grande Anse), water source, natural gas pipeline (Energir).
- Access to skilled labor force locally in Chibougamau and Saguenay.
- Formal agreements in place with First Nations.
- Full support of business-friendly Quebec government, including a financial participation in the project.
- Experienced and seasoned executive team in place to manage project construction and operations.

#### Unique High Value Strategic Metals with Downstream Diversification

- Results for feasibility studies show potential low-cost producer status for High Purity Pig Iron (phase 1), FeV80 (phase 2), and commercial Ti Slag (phase 3). Strong economics and a risk mitigating phased expansion scenarios could expand volume and add end products for further value creation over time.

- Industry leading EnviroGreen process produces iron and steel alloys with minimal carbon footprint and little solid waste.
- Vanadium titanium magnetite deposit with excellent mineralogy results in high purity products; Vanadium, High Purity Pig Iron and Commercial Titanium Slag.
- Once constructed and operating, Project Volt could lead the way as an important contributor in the decarbonization of the steel industry. It would also be the only primary Vanadium mine in North America.

## Market Dynamics

### High Purity Iron

- HPI products, such as merchant pig iron (“MPI”) and high purity pig iron (“HPPI”) are high value inputs in steel making that command a premium price.
- Worldwide, most of those products are produced in China. Historically, the United States of America has been a net importer mainly from Brazil, Russia, Ukraine and South Africa. Becoming a producer in a safe North American jurisdiction could be highly strategic.
- Virgin steel required to dilute increased scrap metal usage, (scrap used to reduce green house gas but contaminated with alloys), to meet steel specifications.
- As a result, BlackRock is well positioned to provide high quality products with some of the most competitive market pricing.

### Vanadium and Titanium co-products

- Presently, most of the worldwide vanadium consumption is destined for the steel production industry, for which developing nations are fueling growth. Still, it is expected that demand for vanadium redox flow batteries could significantly increase further market growth worldwide.
- China is also a very large producer compared to North America. Therefore, BlackRock also sees strategic value into potential supply diversification that Project Volt would provide.
- Titanium is a “quality-of-life product”, for which consumption per capita typically correlates with gross domestic product growth and disposable income increases. Global demand is expected to remain strong.

## Sale and Investment Solicitation Process

### Important notice

**Non-binding letter of intent submission deadline is 5:00 p.m. (Eastern time) on March 9, 2022.**

- On December 23, 2021, BlackRock commenced a restructuring under the Companies’ Creditors Arrangement Act (Canada) before the Superior Court of Québec (Commercial Division) in the District of Montréal (the “Court”) pursuant to an order granted by the Court on the same day, which was amended on January 7, 2022.
- On January 7, 2022, the Court also granted an order, authorizing the Debtors to undertake a sale and investment solicitation process (“SISP”) for the sale of their business, property, assets and undertaking (collectively, the “Business”). The SISP shall be conducted by the monitor, Deloitte Restructuring Inc., for the Debtors.
- The SISP is intended to solicit interest in, and opportunities for:
  - One or more sales or partial sales of all, substantially all, or certain portions of the Business; and/or,
  - For an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Debtors or its Business.
- Bids considered pursuant to the SISP may include one or more of an investment, restructuring, recapitalization, refinancing or other form of reorganization of the Business of the Debtors as a going concern of a sale, or partial sale, of all, or certain of the Business or a combination thereof.

## Inquiries and Contact Information

All inquiries regarding BlackRock and the potential sale, recapitalization, refinancing, or other financing transaction should only be directed to Deloitte’s BlackRock email listed below. Unless otherwise approved in advance by the Deloitte Restructuring Inc., prospective interested parties should under no circumstances communicate directly with BlackRock or its management, Board of Directors, Special Committee, shareholders, creditors, employees, suppliers and other constituencies as described more fully in the non-disclosure agreement.

**Benoit Clouâtre, CPA, CA, CIRP**  
Senior Vice-President and CCAA Monitor

**Jacob D. Dupuis, M. Sc., CPA**  
Restructuring Partner

**Vincent Roy-Turgeon, CPA, CA**  
Restructuring Senior Manager

**Monitor contact information:**

**[blackrockmetals@deloitte.ca](mailto:blackrockmetals@deloitte.ca)**

**Direct: 514-393-5349**

**APPENDIX C – UNDER SEAL**

LOI



## **APPENDIX D**

### THIRD CASH FLOW STATEMENT

**BRM**

Cash Flow Statement ending June 10, 2022

(in '000 CAD)

	12-Mar 18-Mar	19-Mar 25-Mar	26-Mar 1-Apr	2-Apr 8-Apr	9-Apr 15-Apr	16-Apr 22-Apr	23-Apr 29-Apr	30-Apr 6-May	7-May 13-May	14-May 20-May	21-May 27-May	28-May 3-Jun	4-Jun 10-Jun	Total
<b>Receipts</b>														
Tax refunds	-	-	-	-	-	-	208	71	-	-	-	106	-	385
Interim financing (DIP)	-	-	-	500	-	500	-	-	-	500	-	-	500	2 000
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>500</b>	<b>208</b>	<b>71</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>106</b>	<b>500</b>	<b>2 385</b>
<b>Disbursements</b>														
Payroll - Employees	-	80	-	80	-	80	-	80	-	80	-	80	-	480
Independent contractor	-	83	84	-	7	-	84	-	-	7	84	-	-	349
Directors and committee fees	-	-	54	-	-	-	16	-	-	-	16	-	-	86
Rent - Offices	-	10	18	27	-	-	-	27	-	-	-	27	-	109
Rent - Port of Saguenay	-	-	-	111	-	-	-	-	-	-	-	-	-	111
Restructuring costs	-	121	192	178	58	58	58	58	63	138	138	138	138	1 338
General and administrative	8	27	17	7	7	7	9	4	4	4	6	6	6	112
Finance expenses	-	-	2	2	2	2	2	2	2	2	2	2	2	22
Information Technologies	-	4	2	2	2	2	2	2	2	2	2	2	2	26
Due diligence fees	-	82	-	8	-	150	-	30	-	-	-	-	-	270
Contingency	-	5	5	5	5	5	5	5	5	5	5	5	5	60
<b>Total disbursements</b>	<b>8</b>	<b>412</b>	<b>374</b>	<b>420</b>	<b>81</b>	<b>304</b>	<b>176</b>	<b>208</b>	<b>76</b>	<b>238</b>	<b>253</b>	<b>260</b>	<b>153</b>	<b>2 963</b>
<b>Net cash flow</b>	<b>(8)</b>	<b>(412)</b>	<b>(374)</b>	<b>80</b>	<b>(81)</b>	<b>196</b>	<b>32</b>	<b>(137)</b>	<b>(76)</b>	<b>262</b>	<b>(253)</b>	<b>(154)</b>	<b>347</b>	<b>(578)</b>
<b>Cash and cash equivalents - beginning</b>	<b>958</b>	<b>950</b>	<b>538</b>	<b>164</b>	<b>244</b>	<b>163</b>	<b>359</b>	<b>391</b>	<b>254</b>	<b>178</b>	<b>440</b>	<b>187</b>	<b>33</b>	<b>958</b>
<b>Cash and cash equivalents - ending</b>	<b>950</b>	<b>538</b>	<b>164</b>	<b>244</b>	<b>163</b>	<b>359</b>	<b>391</b>	<b>254</b>	<b>178</b>	<b>440</b>	<b>187</b>	<b>33</b>	<b>380</b>	<b>380</b>

## NOTES TO THE THIRD CASH-FLOW STATEMENT

### NOTE A – PURPOSE

The purpose of these cash-flow projections is to determine the liquidity requirements of BRM during the CCAA proceedings.

### NOTE B

The Third Cash Flow Statement has been prepared by BRM using probable and hypothetical assumptions set out in the notes to the Third Cash Flow Statement.

The Monitor's review of the Third Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to Information supplied to it by Management. Since the hypothetical assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Third Cash Flow Statement. The Monitor also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the Third Cash Flow Statement.

### NOTE C - DEFINITIONS

#### (1) CASH-FLOW STATEMENT:

In respect of a company, means a statement indicating, on a weekly basis (or such other basis as is appropriate in the circumstances), the projected cash-flow of the company as defined in section 2(1) of the Act based on Probable and Hypothetical Assumptions that reflect the company's planned course of action for the period covered.

#### (2) HYPOTHETICAL ASSUMPTIONS:

Means assumptions with respect to a set of economic conditions or courses of action that are not necessarily the most probable in the company's judgment, but are consistent with the purpose of the Third Cash-Flow Statement.

#### (3) PROBABLE ASSUMPTIONS:

Means assumptions that:

- (i) BRM believes reflect the most probable set of economic conditions and planned courses of action, **Suitably Supported** that are consistent with the plans of the company; and
- (ii) Provide a reasonable basis for the Third Cash-Flow Statement.

#### (4) SUITABLY SUPPORTED:

- (i) Means that the Assumptions are based on either one or more of the following factors:
- (ii) The past performance of BRM;
- (iii) The performance of other industries/market participants engaged in similar activities as BRM;
- (iv) Feasibility studies;
- (v) Marketing studies; or
- (vi) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each Assumption, and an assessment as to the reasonableness of each Assumption, will vary according to circumstances and will be influenced by factors such as the significance of the Assumption and the availability and quality of the supporting information.

## NOTE D - ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<b><u>Opening cash balance</u></b>	Based on current bank balances	x	
<b><u>Exchange rate</u></b>	Exchange rate used by management is the following:  • US \$/Cnd \$ = 1.33/1.00		x
<b><u>Forecast cash receipts:</u></b>			
Tax refunds	Based on budgeted monthly taxable revenues and expenses		x
Interim financing (DIP)	Interim financing during CCAA proceedings	x	
<b><u>Forecast cash disbursements:</u></b>			
Payroll - Employees	Based on BRM's historical payroll reports	x	
Independent contractor	Based on BRM's historical monthly expenses	x	
Director and committee fees	Based on BRM's historical payroll reports	x	
Rent - Offices	Based on lease agreements	x	
Rent – Port of Saguenay	Based on lease agreements	x	
Restructuring costs	Management estimate of professional fees to be incurred in the following weeks for monitor and legal services. The estimate has been adjusted to reflect that the actual fees were lower than those budgeted in the Second Cash Flow Statement.		x
General and administrative	Weekly or monthly estimates of disbursements required based on historical costs and contracts	x	
Finance expenses	Based on constant historical interest revenue and bank charge	x	
Information Technologies	Based on historical information technologies costs	x	
Due diligence fees	Management estimate of professional fees to be incurred in the following weeks for project development services.		x
Contingency	General provision		x