

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

No.: 500-11-057679-199

SUPERIOR COURT  
Commercial Division

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IN THE MATTER OF THE PLAN OF  
ARRANGEMENT AND COMPROMISE OF:

INVESTISSEMENT QUÉBEC

Applicant / Secured Creditor

- and -

FIERA PRIVATE DEBT INC.

Impleaded Party

- and -

FORTRESS GLOBAL ENTERPRISES INC.

- and -

FORTRESS SPECIALTY CELLULOSE INC.

- and -

FORTRESS BIOENERGY LTD.

- and -

FORTRESS XYLITOL INC.

- and -

9217-6536 QUÉBEC INC.

Debtors

- and -

DELOITTE RESTRUCTURING INC.

Monitor

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APPLICATION FOR THE ISSUANCE OF AN ORDER  
EXTENDING THE STAY PERIOD & APPROVING AN EIGHTH AMENDING AGREEMENT  
TO THE INTERIM FINANCING AGREEMENT  
(Sections 11.02(2) & 11.2 of the *Companies' Creditors Arrangement Act*)

**TO THE HONOURABLE MARTIN F. SHEEHAN OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTREAL, THE APPLICANT, INVESTISSEMENT QUÉBEC, RESPECTFULLY SUBMITS THE FOLLOWING:**

**1. ORDER SOUGHT**

1. The Applicant, Investissement Québec ("IQ") in its capacity as interim lender and secured creditor of the Debtors, hereby seeks the issuance of an order substantially in the form of the draft order communicated herewith as **Exhibit R-1**:
  - (a) extending the Stay Period (as defined below) until April 15, 2024;
  - (b) approving an Eighth Amending Agreement (the "**Eighth Amending Agreement**") to the Interim Financing Agreement (as defined below) previously approved by this Court, a copy of which is communicated as **Exhibit R-2**, and increasing the total amount of the Interim Lender Charge (as defined below) accordingly; and
  - (c) approving the activities of Deloitte Restructuring Inc., in its capacity as monitor to the Debtors ("**Deloitte**" or the "**Monitor**"), as described in its Twenty-third report to this Court.

**2. PROCEDURAL BACKGROUND**

2. On December 13, 2019, IQ and Fiera Private Debt Inc. ("**Fiera**"), in their capacity as principal secured creditors of the Debtors, filed a joint application in respect of the Debtors pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"), entitled *Application for the Issuance of a First Day Initial Order, an Amended and Restated Initial Order, a Receivership Order and a Claims Process Order* (the "**Initial Application**").
3. On December 16, 2019, the Initial Application filed by IQ and Fiera was partially granted by the Honourable Marie-Anne Paquette, j.c.s., who rendered, on the same day, a first day initial order (the "**First Day Order**"), pursuant to which, *inter alia*:
  - (a) Deloitte Restructuring Ing. ("**Deloitte**") was appointed as monitor of the Debtors (in such capacity, the "**Monitor**");
  - (b) all claims against the Debtors, their properties and their directors and officers were stayed (the "**Stay**") until December 26, 2019 (the "**Stay Period**"); and
  - (c) the Debtors were authorized to borrow from IQ an amount of up to \$1,000,000 on the terms and conditions of the Interim Financing Term Sheet (the "**Interim Financing Term Agreement**"), which was to be secured by a super-priority charge and security over all of the assets of each of the Debtors in the aggregate amount of \$1,200,000 (the "**Interim Lender Charge**").
4. On December 16, 2019, the Court also rendered an order appointing Deloitte as receiver to the Debtors for the sole purpose of allowing their respective employees from benefiting from those payments provided under the *Wage Earner Protection Program Act* (S.C. 2005, c. 47, s. 1).

5. On December 19, 2020, IQ and Fiera filed another joint motion requesting the issuance of an Amended First Day Order which was granted on December 26, 2020, as appears from the Court record, and which provided for, *inter alia*:
  - (a) an extension of the Stay Period until January 10, 2020;
  - (b) the authorization for the Debtors to borrow from IQ an amount of up to \$1,500,000 under the terms and conditions set forth in the Interim Financing Agreement, to be secured by an Interim Lender Charge of \$1,800,000; and
  - (c) the authorization for the Debtors (with the prior approval of the Monitor), or the Monitor (on behalf of the Debtors), to pay amounts owing for goods or services actually supplied to the Debtors either prior to or after the date of this Order up to a maximum of \$250,000, to the extent that, in the opinion of the Monitor, the supplier was essential to the business and ongoing operations of the Debtors.
6. On January 10, 2020, the Court granted the Initial Application filed by IQ and Fiera in its entirety, and rendered, as appears from the Court record:
  - (a) an Amended and Restated Initial Order which provided, *inter alia*:
    - (i) an extension of the Stay Period until May 2, 2020; and
    - (ii) the authorization for the Debtors to borrow from IQ an amount of up to \$6,000,000 under the terms and conditions set forth in the Interim Financing Agreement, to be secured by an Interim Lender Charge of \$7,200,000; and
    - (iii) an increase in the Monitor's powers, including the powers to conduct and control the financial affairs and operations of the Debtors, and carry on the business of the Debtors;
  - (b) a Claims Procedure Order which established a "*Claims Bar Date*" of March 16, 2020 (except for restructuring claims).
7. Since then, the Court has rendered several other orders, including:
  - (a) orders extending the Stay Period (which is currently set to expire on March 15, 2024); and
  - (b) orders approving a First Amending Agreement, a Second Amending Agreement, a Third Amending Agreement, a Fourth Amending Agreement, a Fifth Amending Agreement, a Sixth Amending Agreement and a Seventh Amending Agreement to the Interim Financing Agreement, providing for an increase to the Facility Amount (as defined in the Interim Financing Agreement) to a total amount of \$38,300,000, and a corresponding increase to the Interim Lender Charge to a total amount of \$45,960,000.
8. The Applicant now requests the extension of the Stay Period until April 15, 2024, and the approval of an Eighth Amending Agreement to the Interim Financing Agreement allowing the Debtors to borrow from IQ an additional amount of \$700,000 (for a total amount of

\$39,000,000), and the increase to the Interim Lender Charge to a total amount of \$46,800,000.

### **3. SUMMARY OF THE DEBTORS' RESTRUCTURING EFFORTS TO DATE**

#### **A. The Pre-Filing Solicitation Efforts**

9. As previously discussed in IQ and Fiera's Initial Application, between August and November 2019 (i.e. prior to the issuance of the Initial Order), a sale and investment solicitation process had been conducted by the Debtors with the assistance of its then financial advisor (and in consultation with IQ and Deloitte).
10. Despite these efforts, no offer or indication of interest or other proposal had been submitted to the Debtors at that time.

#### **B. The Post-Filing Solicitation Efforts**

11. Since the commencement of these CCAA proceedings, the Debtors and the Monitor, in consultation with IQ and Fiera, have had discussions with various parties on an informal basis regarding a potential transaction which could allow the continuation of the Debtors' operations.
12. On September 3, 2020, the Monitor received an offer from one of these parties for the acquisition of the Cogeneration Facility (as defined below) which was shared with IQ and Fiera and subsequently refused. The Monitor has also received a draft letter of intention for the same facility, which was also shared with IQ and Fiera, and subsequently refused.
13. In 2021, the Debtors and the Monitor continued to have active discussions with various interested parties with a view to secure a binding offer with a party willing to continue the operations of the Debtors as a going concern.
14. Despite these continued efforts, no such binding offer was agreed upon.

#### **C. The August 2021 SISP**

15. In late July of 2021, the Monitor met with the respective representatives and counsel of IQ and Fiera to discuss the status of this file as well as the next steps.
16. During such meeting and in the discussions which followed such meeting, it was agreed that given the advantageous market price of dissolving pulp, it would be appropriate at that time to establish a formal deadline for the submission of letters of intent as well as the terms and conditions in connection with the process for the acquisition of the Debtors' business and assets (the "**SISP**").
17. As part of the SISP, the Monitor would communicate with a variety of potentially interested parties, including parties that had previously manifested some interest in acquiring the Debtors' business and assets, parties potentially interested in a going concern transaction and parties potentially interested in submitting liquidation offers whereby the Debtors' assets would be decommissioned and dismantled.

18. Accordingly, the Monitor, in consultation with IQ and Fiera, prepared a list of twenty-two (22) potentially interested parties to whom the Monitor would reach out to.
19. On August 4, 2021, the Monitor sent to the above parties solicitation materials and advised them that offers should be submitted to the Monitor by no later than September 15, 2021 (the “**Bid Deadline**”).
20. Several offers (the “**Offers**”) from various parties (collectively, the “**Bidders**”) were received by the Bid Deadline. These included going concern offers from strategic parties as well as liquidation bids.
21. On September 17, 2021, the Monitor presented a summary of the Offers to IQ and Fiera.
22. Since several of the Offers contained conditions relating to IQ and the Québec government (including requests for financial support), IQ, together with the Monitor, proceeded with a detailed review of each and every one of these Offers in order to assess their respective viability and to evaluate and quantify the various conditions set out thereunder, in order to ultimately determine whether or not a transaction could be successfully negotiated and implemented.
23. At that time, given the nature of these conditions, IQ expected that the completion of such transaction (if possible) could take several months.
24. In late 2021, IQ and the Monitor determined that it would be appropriate to focus their discussions with one of the Bidders (the “**Original Potential Purchaser**”) and to evaluate such Original Potential Purchaser’s ability to implement a project involving the restart of Fortress’ Pulp Mill and Cogeneration Facility (the “**Original Proposed Project**”).
25. As such, discussions and meetings were held between, *inter alia*, this Original Potential Purchaser, the Monitor, IQ as well as other governmental entities to clarify its offer, negotiate certain improvements to same and ultimately discuss the path going forward in order to properly assess the Original Potential Purchaser’s Original Proposed Project and determine how such project could be implemented.
26. In this context, the parties namely discussed the terms and conditions which would be required to be met in order to complete a transaction and implement the Original Proposed Project.
27. In addition to discussing the financial terms of such transaction and the manner in which the Original Proposed Project could be implemented, the Original Potential Purchaser, IQ and the Monitor also discussed the engagement by the Monitor of a third-party consultant which would proceed with an in-depth review of the Original Proposed Project and conduct feasibility studies relating to same (in order to validate the viability and the technical and financial feasibility of the Original Proposed Project), identify the areas of risks relating to same and obtain such third-party consultant’s recommendations.
28. All parties agreed at that time that the preparation of a feasibility report by such third-party consultant constituted a critical step in moving forward with any transaction with the Original Potential Purchaser.

29. Unfortunately, and despite the significant efforts from all parties involved, it became clear that certain conditions relating to the Original Proposed Project and the required participation from the Quebec government in such project would not be met.
30. Accordingly, by the end of March 2022, the Quebec government notified the Original Potential Purchaser that it would not be in a position to pursue a transaction with such party in connection with the Original Proposed Project.

#### **D. The Subsequent Discussions With Other Potential Purchasers**

31. Over the course of the next few months, Fortress, together with the support of the Quebec government, and the assistance of the Monitor, continued to discuss with other parties other potential transactions and projects involving the acquisition of Fortress' assets.
32. In this context, discussions and meetings continued to be held between, on the one hand, Fortress, the Monitor and the Quebec government, and, on the other hand, certain parties that had previously shown interest in potentially implementing a transaction in connection with Fortress' assets, as well as additional new parties.
33. In late September 2022, Fortress and the Monitor received a non-binding letter of intent, together with a business plan, from a party potentially interested in acquiring the business and assets of Fortress.
34. IQ, together with the various branches of the Quebec government, analyzed the aforementioned letter of intent. However, due to the complexity of the proposal submitted to IQ and the Quebec government, and the need to consult with various branches of the Quebec government, such as the *Ministère de l'Économie, de l'Innovation et de l'Énergie*, the *Ministère des Affaires municipales et de l'Habitation*, the *Ministère des Forêts, de la Faune et des Parcs du Québec* and the Municipality of Thurso, the aforementioned offer required significant analysis, consideration and ultimately work on the part of IQ and the Quebec government.
35. Ultimately, such offer did not result in a transaction, and Fortress, together with the Monitor, continued their discussions with several other parties which remained interested in a potential transaction involving the assets of Fortress.

#### **E. The April 2023 SISP and the Most Recent Discussions with another Potential Purchaser**

36. Given that several parties continued to show a strong interest in Fortress' assets, including namely for alternative projects, the Monitor, with the consent of IQ, established a deadline for the submission of letters of intent and the terms and conditions for the re-launched SISP.
37. On March 16, 2023, the Monitor communicated the terms and conditions of the process to potential bidders that had already demonstrated a serious interest in Fortress' assets and informed them that they had until April 14, 2023, to submit a letter of intent. A total of seven (7) parties were contacted.
38. On April 14, 2023, Fortress and the Monitor received six (6) offers from different interested parties, including parties which had previously demonstrated an interest in a potential transaction, as well as other parties which had, until then, not demonstrated such interest.

39. These offers were shared with IQ who proceeded with an analysis of each of the above offer, together with the Monitor and the Company, as well as with the various branches of the Quebec government.
40. In the following weeks and months, the Monitor, in consultation with IQ, had various discussions and exchanges with two (2) of the above offerors, namely with a view to clarify the terms and conditions of each of their respective offers.
41. After thorough review, the Monitor, in consultation with IQ, elected to pursue its discussions with one (1) particular offeror (the "**Potential Purchaser**"), which had indicated a willingness to implement a transaction prior to the end of the year, subject to completing its due diligence over the course of the summer, during which a Phase II environmental report would be prepared.
42. Over the course of the 2023 summer, several follow-up meetings and discussions were held between the Monitor, IQ, the Quebec government, the Potential Purchaser and their respective advisors to discuss and negotiate the terms and conditions of a potential transaction.
43. On August 25, 2023, after several weeks of discussions and negotiations, the Monitor, in consultation with IQ and the Quebec government, entered into an Exclusivity Agreement (the "**Exclusivity Agreement**") with the Potential Purchaser, to which IQ intervened, pursuant to which the Monitor committed not to solicit offers from third parties with respect to the assets subject to the Potential Purchaser's offer, until October 15, 2023.
44. In parallel with the foregoing, a third-party consultant was engaged to perform a Phase II environmental report (the "**Phase II Report**") with a view to determine the extent of the contamination of lands owned by the Debtors, and ultimately allow the parties the pursue their discussions and negotiations in connection with a potential transaction.
45. During the fall of 2023, while the Phase II Report was being prepared, numerous meetings, both in person and virtual, as well as on-site visits, were held amongst the respective representatives and advisors of the Monitor, IQ, the Quebec government and of the Potential Purchaser, to discuss and negotiate, *inter alia*, the terms and conditions of a potential transaction, including its structure.
46. In fact, since June 2023, more than one hundred meetings were held, either in person or virtually, amongst some or all of the above parties.
47. Ultimately, such discussions and negotiations have been lengthier than anticipated, due to the complexity of the potential transaction contemplated, to the nature and condition of the Debtors' assets, including its lands, and the number of parties from whom various consents and approvals are required to ensure the implementation of such potential transaction.
48. In November 2023, a *preliminary* Phase II Report was completed, and a copy thereof was delivered to the Monitor, IQ and the Quebec government as well as to the Potential purchaser.
49. On November 21, 2023, a meeting was held during which the preliminary results were presented by the engineering firm mandated to prepare the Phase II Report.

50. While a preliminary version of the Phase II Report was delivered to the parties, allowing them to be in a better position to assess the extent of the contamination on the Debtors' lands, the final version of such report has not yet been delivered.
51. Over the course of the past few weeks, the above parties have pursued intensive discussions and negotiations with a view to execute, in short order:
  - (a) a memorandum of understanding (the "**MOU**"), setting forth the general terms, conditions, timeline and structure of a transaction that is currently contemplated amongst the parties, including the Monitor; and
  - (b) an amendment to the Exclusivity Agreement that would allow a limited extension of the exclusivity period set out therein in favour of the Potential Purchaser, in exchange for the payment of an exclusivity fee that would allow to fund the Debtors' cash-flow forecast and the current on-going proceedings.
52. As at the date of this application, the parties are still working towards the finalization and execution of an MOU and an amendment to the Exclusivity Agreement, following which such parties intend to focus their efforts on finalizing definitive contractual documents, which would be submitted for the approval of the Court.
53. IQ remains optimistic that the above agreements can be finalized and executed in short order and that a viable transaction can still be implemented over the course of the next few months.
54. Such transaction, if it closes, will ultimately benefit the Debtors, their employees and the city of Thurso.

#### **F. The Implementation of the "Cold Idle Plus Scenario"**

55. Since the end of 2022, the Monitor has maintained Fortress' activities to a minimum, in order to reduce all operating costs, while maintaining the value of Fortress' assets for a potential purchaser.
56. In fact, since the issuance of the Amended and Restated Initial Order, the Monitor, in accordance with the powers granted to it by the Court, worked with the Debtors, in consultation with IQ, to reduce their operations to a bare minimum in order to minimize their operating costs, until the demand for pulp and related products increased in the global market.
57. In this context, it was decided early on that:
  - (a) Fortress Specialty Cellulose Inc.'s ("**Fortress Specialty**") specialty cellulose mill located in Thurso, Québec (the "**Pulp Mill**") would be idled indefinitely so as to minimize operating costs while market conditions improved; and
  - (b) Fortress Bioenergy Ltd.'s ("**Fortress Bioenergy**", together with Fortress Specialty, "**Fortress**") cogeneration facility (the "**Cogeneration Facility**") would continue to operate, but at a substantially reduced production rate.



58. On March 24, 2020, the Quebec Government issued a decree ordering the closure of all non-essential businesses in Quebec which prompted the temporary shutdown of the Cogeneration Facility, which was intended to take place, in any event, a few weeks later given low demand for electricity and the fact that the Pulp Mill would not require to be heated during the spring and summer months.
59. As non-essential businesses gradually reopened and the market price for dissolving pulp increased, Fortress, under the supervision and oversight of the Monitor, proceeded to restart its Cogeneration Facility between the fall of 2020 until the spring of 2021, with a view to preserve the value of Fortress' assets and maximize its revenues.
60. As the market price for dissolving pulp continued to remain robust,<sup>1</sup> Fortress, under the supervision and oversight of the Monitor, proceeded to restart the Cogeneration Facility during the fall of 2021 until the spring of 2022, once again with a view to preserve the value of Fortress' assets, maximize its revenues and, ultimately, increase its chances of closing a transaction with a purchaser willing to acquire Fortress' assets, including its Cogeneration Facility.
61. However, as it has been the case from the beginning, given that there was no certainty as to whether or not a viable transaction or project could be implemented, despite the continued efforts of all parties involved in this matter, a decision was taken to gradually implement a "*Cold Idle Plus Scenario*", as further described in the various reports of the Monitor, including its Sixteenth, Seventeenth and Eighteenth Report.
62. The purpose of gradually implementing the Cold Idle Plus Scenario was to allow Fortress to significantly reduce its operating costs and expenses, while it continued to work with the Quebec government to determine the eventual path forward, and, at the same time, allow it to protect and preserve any remaining value for its assets for any future transaction or project, as the case may be.
63. In addition, as part of the Cold Idle Plus Scenario, Fortress would provide some assistance to the City of Thurso for the treatment of its wastewater and plan for environmental remediation of the site, which has remained on-going over the course of the past year.
64. As such, since the end of 2022, Fortress and the Monitor (in consultation with IQ) have gradually implemented the "*Cold Idle Plus Scenario*".
65. Finally, as previously announced in the Monitor's Twentieth Report, Fortress Xylitol Inc., a special purpose company which was incorporated to proceed with the construction of a demonstration plant to produce xylitol and other complementary bioproducts at the Pulp Mill, has been in the process of ceasing all of its operations, as no party whatsoever has demonstrated any serious interest in such company as part of the SISP.
66. The closure of Fortress Xylitol Inc. has now been completed.

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<sup>1</sup> In December 2019, dissolving pulp was sold at market price of US\$640 per metric ton, whereas in the first half of 2021, the market price for dissolving pulp went up to US\$1,100 per metric ton. Today, the market price for dissolving pulp now ranges between US\$900 to US\$925 per metric ton.

**G. Fortress' Claim Against Les Pompes Goulds**

67. As previously discussed in prior applications to the Court, Fortress is party to certain litigation proceedings involving Les Pompes Gould Inc. ("**Pompes Gould**") in which Fortress claims from the latter damages in an amount of approximately \$17 million.
68. On February 11, 2022, this Court rendered an order approving a Litigation Funding Agreement entered into between Fortress, the Monitor and Omni Bridgeway (Fund 5) Canada Investments Limited.
69. On December 22, 2022, a common declaration was filed by each of Fortress and Pompes Goulds, with a view to set the trial dates.
70. IQ understands that a trial has been set to take place between March 17, 2025 and April 11, 2025.

**4. RELIEF SOUGHT**

**A. THE EXTENSION OF THE STAY PERIOD**

71. As previously mentioned, the Stay Period is currently set to expire on March 15, 2024.
72. Given the above, it is hereby requested that the Stay Period be extended up to and including April 15, 2024.
73. While the restructuring and/or sale of Fortress has proven to be lengthier and much more challenging than initially contemplated, IQ requests an extension of the Stay Period in order to allow IQ, together with the Quebec government and the Monitor, to pursue their on-going discussions and negotiations with the Potential Purchaser, execute an MOU and an amendment to the Exclusivity Agreement and, ultimately and hopefully, take the appropriate steps in order to complete a transaction over the courses of the next few months.
74. If the Stay Period is extended, as requested herein, the parties intend to continue to implement the Cold Idle Plus Scenario while working towards finalizing and executing the MOU and the amendment to the Exclusivity Agreement, which would serve as the basis for a transaction with the Potential Purchaser.
75. Although the parties have yet to execute the MOU and the amendment to the Exclusivity Agreement given the complexity of the transaction contemplated between the parties, which requires consultation and coordination amongst an important number of governmental entities, the parties have made substantial progress since January 31, 2024, and IQ is hopeful that the limited extension of the Stay Period, as requested herein, will allow all parties to finalize and execute such agreements.
76. This being said, IQ, together with Fortress and the Monitor, will need to discuss potential alternatives, should the above parties fail to reach an agreement in short order with respect to the MOU and the amendment to the Exclusivity Agreement.
77. For the time being, IQ, Fortress and the Monitor all believe that the maintenance of these CCAA proceedings remains appropriate in the circumstances.

78. Absent an order from this Court ordering the extension of the Stay Period, the parties will be forced to immediately initiate proceedings under the *Bankruptcy and Insolvency Act* (the “**BIA**”), whether it be receivership proceedings or bankruptcy proceedings, which, ultimately, would not change the current situation and challenges which Fortress and its stakeholders are currently facing; however, such proceedings under the BIA require additional filing of court materials, reports as well as associated costs and expenses and would complicate the negotiation and implementation of a transaction with the Potential Purchaser.

**B. AMENDMENT TO THE INTERIM FINANCING AGREEMENT AND INCREASE TO THE INTERIM LENDER CHARGE**

79. As previously mentioned, in December 2019, IQ entered into an Interim Financing Agreement which was approved by this Court as part of the Initial Order filed by IQ and Fiera, and which allowed for an interim financing to be provided to Fortress, up to an amount of \$6,000,000, to be secured by an Interim Lender Charge in the amount of \$7,200,000 (i.e. the total amount of the interim financing, plus twenty percent (20%)).

80. In June 2020, the Québec government announced its continued commitment to fund the (limited) operations of Fortress in the hopes of finding an investor and/or purchaser able to restart its operations as a going concern, all for the benefit of Fortress, its creditors and other stakeholders.

81. In August 2020, IQ agreed with Fortress on the terms and conditions of an amendment to the Interim Financing Agreement (the “**First Amending Agreement**”) providing for an increase in the amount of interim financing which could be advanced to and borrowed by Fortress up to a total of \$8,000,000, to be secured by an increased Interim Lender Charge in the amount of \$9,600,000 (i.e. the total amount of the interim financing, plus twenty percent (20%)). The First Amending Agreement, together with the aforementioned increase in the Interim Lender Charge, were approved by this Court on August 10, 2020.

82. In October 2020, IQ agreed with Fortress on the terms and conditions of a second amendment to the Interim Financing Agreement (the “**Second Amending Agreement**”) providing for an increase in the amount of interim financing which could be advanced to and borrowed by Fortress up to a total of \$17,000,000, to be secured by an increased Interim Lender Charge in the amount of \$20,400,000 (i.e. the total amount of the interim financing, plus twenty percent (20%)). The Second Amending Agreement, together with the aforementioned increase in the Interim Lender Charge, were approved by this Court on October 23, 2020.

83. In October 2021, IQ agreed with Fortress on the terms and conditions of a third amendment to the Interim Financing Agreement (the “**Third Amending Agreement**”) providing for an increase in the amount of interim financing which could be advanced to and borrowed by Fortress up to a total of \$24,000,000, to be secured by an increased Interim Lender Charge in the amount of \$28,800,000 (i.e. the total amount of the interim financing, plus twenty percent (20%)). The Third Amending Agreement, together with the aforementioned increase in the Interim Lender Charge, were approved by this Court on October 8, 2021.

84. In March 2022, IQ agreed with Fortress on the terms and conditions of a fourth amendment to the Interim Financing Agreement (the “**Fourth Amending Agreement**”) providing for

an increase in the amount of interim financing which could be advanced to and borrowed by Fortress up to a total of \$27,000,000, to be secured by an increased Interim Lender Charge in the amount of \$32,400,000 (i.e. the total amount of the interim financing, plus twenty percent (20%)). The Fourth Amending Agreement, together with the aforementioned increase in the Interim Lender Charge, were approved by this Court on March 3, 2022.

85. In May 2022, IQ agreed with Fortress on the terms and conditions of a fifth amendment to the Interim Financing Agreement (the "**Fifth Amending Agreement**") providing for an increase in the amount of interim financing which could be advanced to and borrowed by Fortress up to a total of \$30,800,000, to be secured by an increased Interim Lender Charge in the amount of \$36,960,000 (i.e. the total amount of the interim financing, plus twenty percent (20%)). The Fifth Amending Agreement, together with the aforementioned increase in the Interim Lender Charge, were approved by this Court on May 27, 2022
86. In November 2022, IQ agreed with Fortress on the terms and conditions of a sixth amendment to the Interim Financing Agreement (the "**Sixth Amending Agreement**") providing for an increase in the amount of interim financing which could be advanced to and borrowed by Fortress up to a total of \$33,800,000, to be secured by an increased Interim Lender Charge in the amount of \$40,560,000 (i.e. the total amount of the interim financing, plus twenty percent (20%)). The Sixth Amending Agreement, together with the aforementioned increase in the Interim Lender Charge, were approved by this Court on November 25, 2022.
87. In September 2023, IQ agreed with Fortress on the terms and conditions of a seventh amendment to the Interim Financing Agreement (the "**Seventh Amending Agreement**") providing for an increase in the amount of the interim financing which could be advanced to and borrowed by Fortress up to a total amount of \$38,300,000, to be secured by an increased Interim Lender Charge in the amount of \$45,960,000 (i.e. the total amount of the interim financing, plus twenty percent (20%)). The Seventh Amending Agreement, together with the aforementioned increase in the Interim Lender Charge, were approved by this Court on September 26, 2023.
88. Over the course of the past few weeks, IQ, together with Fortress and the Monitor, have worked on a revised cash-flow projections and budget to the Interim Financing Agreement (the "**Revised Cash-Flow Projections**"). According to the Revised Cash-Flow Projections, which will be appended to the Monitor's Twenty-Third Report, Fortress will require additional funding over the course of the next few months.
89. While, as previously discussed, the Monitor and the Potential Purchaser are currently in the process of finalizing their negotiations on an amendment to the Exclusivity Agreement, the execution of which would allow a payment to the Monitor of an exclusivity fee allowing the latter to fund or partially fund the Revised Cash-Flow Projections, it is in the interest of Fortress' stakeholders for this Court to approve the Eighth Amending Agreement and the related increase to the Interim Lender's Charge to ensure that Fortress has the necessary financing to fund its limited operations for the next few weeks, should additional delays be incurred in the execution of the amendment to the Exclusivity Agreement.
90. Such additional interim financing will also allow IQ, together with Fortress and the Monitor, to assess potential alternatives, should the parties fail to reach an agreement in short order with respect to the MOU and the amendment to the Exclusivity Agreement.

91. The **additional** interim financing for which this Court's approval is sought amounts to \$700,000, over and above the interim financing which IQ has already committed to fund to Fortress in the aggregate amount of \$38,300,000.
92. As things currently stand, IQ has already obtained the necessary governmental authorizations to be able to advance to Fortress such **additional** interim financing.
93. In this context, IQ has prepared a draft eighth amendment to the Interim Financing Agreement (i.e. the Eighth Amending Agreement) (R-2).
94. The Eighth Amending Agreement, provides that, subject to the conditions set out thereunder, and to the extent necessary, IQ is prepared to increase the interim financing to be provided to Fortress by an **additional** amount of \$700,000 - for **total amount of \$39 million** to be secured by an increased Interim Lender Charge in the **total amount of \$46,800,000** (representing, once again, the total amount of the interim financing which has and will be provided by IQ to Fortress, plus twenty percent (20%)).
95. Since the beginning of these proceedings, IQ has been and remains the only party willing to finance the restructuring of Fortress (other than Omni in connection with the Pompes Goulds Litigation).
96. Despite the significant amounts already funded by IQ to Fortress both prior to and during these CCAA proceedings (which amounts to more than \$100 million in pre-filing funding and almost \$40 million in post-filing interim financing), IQ continues to be willing to financially support Fortress in the hopes of eventually reaching a positive outcome for Fortress, its employees and the city of Thurso, including by funding the costs necessary to allow a transaction to be concluded in respect of Fortress' assets.
97. In the current circumstances, IQ respectfully submits that the approval by this Court of the Eighth Amending Agreement to the Interim Financing Agreement, and the corresponding increase of the Interim Lender Charge are appropriate in the circumstances.
98. IQ understand that the Monitor will confirm its support to such relief in its Twenty-Third Report to the Court.

## 5. CONCLUSION

99. In light of the foregoing, IQ respectfully submits that the extension of the Stay Period and the approval of the Eighth Amending Agreement (and corresponding increase to the Interim Lender's Charge), as requested herein, is appropriate in the circumstances, as such relief will allow the parties to potentially move forward with a transaction which will allow a positive outcome for the Debtors, their employees and the city of Thurso.
100. No creditors of Fortress will be prejudiced by the extension of the Stay Period.

**WHEREFORE, MAY THIS COURT:**

**GRANT** this *Application for the Issuance of an Order Extending the Stay Period and Approving an Eighth Amending Agreement to the Interim Financing Agreement* (the "**Application**");

**ISSUE** an order substantially in the form of the draft Order communicated in support of the Application as Exhibit R-1;

**WITHOUT COSTS**, save and except in case of contestation.

**MONTREAL, March 12, 2024**

A handwritten signature in black ink, reading "Stikeman Elliott LLP", is written over a horizontal line.

**M<sup>e</sup> Guy P. Martel**

Direct : 514 397 3163

Email : [gmartel@stikeman.com](mailto:gmartel@stikeman.com)

**M<sup>e</sup> Danny Duy Vu**

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**STIKEMAN ELLIOTT LLP**

CODE: BS0350

1155 René-Lévesque Blvd. West

41<sup>st</sup> Floor

Montréal (Québec) Canada H3B 3V2

**Attorneys for the Applicant  
INVESTISSEMENT QUÉBEC**

## SWORN STATEMENT

I, the undersigned, Éric Pelletier, having my principal place of business at 1001, Robert-Bourassa, Suite 1000, in the city of Montreal, Province of Quebec, solemnly declare the following:

1. I am a Senior Director of Investissement Québec;
2. All the facts alleged in the *Application for the Issuance of an Order Extending the Stay Period and Approving an Eighth Amending Agreement to the Interim Financing Agreement* are, to the best of my knowledge, true.

**AND I HAVE SIGNED**



---

**ÉRIC PELLETIER**

**Solemnly declared before me at Montreal,  
on the 12<sup>th</sup> day of March 2024**



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**Commissioner for taking oaths in the  
Province of Québec**

## NOTICE OF PRESENTATION

TO: the Service List

**TAKE NOTICE** that the *Application for the Issuance of an Order Extending the Stay Period* will be presented for adjudication before the Superior Court of Quebec, Commercial Division on **March 15, 2023**, at **9:30 am**, either in person in room 16.01 of the Montreal Courthouse, or by videoconference, the details of which are below:

<b>16.01</b>	<p><b><u><a href="#">Rejoindre la réunion Microsoft Teams</a></u></b> <a href="tel:+15813192194">+1 581-319-2194</a> Canada, Québec (Numéro payant) <a href="tel:+18334501741">(833) 450-1741</a> Canada (Numéro gratuit) ID de conférence : 374 552 698# <a href="#">Numéros locaux</a>   <a href="#">Réinitialiser le code confidentiel</a>   <a href="#">En savoir plus sur Teams</a>   <a href="#">Options de réunion</a> Rejoindre à l'aide d'un dispositif de vidéoconférence <a href="mailto:teams@teams.justice.gouv.qc.ca">teams@teams.justice.gouv.qc.ca</a> ID de la conférence VTC : 1191960764 <a href="#">Autres instructions relatives à la numérotation VTC</a></p>
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Best regards.

**MONTREAL, March 12, 2024**



**M<sup>e</sup> Guy P. Martel**

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Montréal (Québec) Canada H3B 3V2

**Attorneys for the Applicant  
INVESTISSEMENT QUÉBEC**



CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL  
No.: 500-11-057679-199

SUPERIOR COURT  
Commercial Division

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IN THE MATTER OF THE PLAN OF  
ARRANGEMENT AND COMPROMISE OF:

**INVESTISSEMENT QUÉBEC**

Applicant / Secured Creditor

- and -

**FIERA PRIVATE DEBT INC.**

Impleaded Party

- and -

**FORTRESS GLOBAL ENTERPRISES INC.**

- and -

**FORTRESS SPECIALTY CELLULOSE INC.**

- and -

**FORTRESS BIOENERGY LTD.**

- and -

**FORTRESS XYLITOL INC.**

- and -

**9217-6536 QUÉBEC INC.**

Debtors

- and -

**DELOITTE RESTRUCTURING INC.**

Monitor

---

**LIST OF EXHIBITS**

<b>Exhibit R-1</b>	Draft Order Extending the Stay Period
<b>Exhibit R-2</b>	Eighth Amending Agreement to the DIP

**MONTRÉAL, March 12, 2024**



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Montréal (Québec) Canada H3B 3V2

**Attorneys for the Applicant**

**INVESTISSEMENT QUÉBEC**

CANADA

PROVINCE OF QUEBEC  
DISTRICT OF MONTRÉAL

File: No: 500-11-057679-199

**SUPERIOR COURT**  
**Commercial Division**

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Montreal, March 15, 2024

Present: The Honourable Martin F. Sheehan, J.S.C.

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**IN THE MATTER OF THE COMPANIES'  
CREDITORS ARRANGEMENT ACT, R.S.C. 1985,  
c. C-36, AS AMENDED:**

**INVESTISSEMENT QUÉBEC**

**Applicant / Secured Creditor**

- and -

**FIERA PRIVATE DEBT INC.**

**Impleaded Party**

- and -

**FORTRESS GLOBAL ENTERPRISES INC.**

- and -

**FORTRESS SPECIALTY CELLULOSE INC.**

- and -

**FORTRESS BIOENERGY LTD.**

- and -

**FORTRESS XYLITOL INC.**

- and -

**9217-6536 QUÉBEC INC.**

**Debtors**

- and -

**DELOITTE RESTRUCTURING INC.**

**Monitor**

---

## ORDER

**ON READING** Investissement Québec (“**IQ**” or the “**Applicant**”)’s *Application for the Issuance of an Order Extending the Stay Period* (the “**Application**”), the affidavit of Mr. Eric Pelletier filed in support thereof and the Twenty-Third Report (the “**Twenty-Third Report**”) of Deloitte Restructuring Inc., in its capacity as monitor of the Debtors (the “**Monitor**”), and relying upon the submissions of counsel and being advised that the parties listed on the service list prepared by the Applicant were given prior notice of the presentation of the Application;

**GIVEN** the initial order rendered by this Court in the present matter on December 16, 2019 (as amended, restated or otherwise modified, from time to time, including pursuant to orders rendered by this Court on December 26, 2019 and on January 10, 2020, the “**Initial Order**”);

**GIVEN** the other orders also previously rendered by this Court in the present matter, including on on March 23, 2019, May 1, 2020, August 10, 2020, October 23, 2020, October 8, 2021, March 3, 2022, May 27, 2022 and November 25, 2022 and September 26, 2023;

**GIVEN** the provisions of the the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, C-36 (as amended the “**CCAA**”);

### WHEREFORE, THE COURT:

1. **GRANTS** the Application;
2. **ORDERS** that any prior delay for the presentation of the Application is hereby abridged and validated so that the Application is properly returnable today and hereby dispenses the Applicant with any further notification thereof;
3. **ORDERS** that the Stay Period (as defined in the Initial Order and extended thereafter, from time to time, by Order of this Court) shall be further extended to and including April 15, 2024;
4. **APPROVES** the Eighth Amending Agreement (the “**Eighth Amending Agreement**”) (Exhibit R-2 to the Application) to the Interim Financing Term Sheet dated January 9, 2020 (the “**Interim Financing Term Sheet**”) and **AUTHORIZES** the Debtors to borrow from IQ such amounts as the Debtors may consider necessary or desirable, from time to

time, in consultation with the Monitor, up to an aggregate maximum amount of \$39,000,000, outstanding at any time, on terms and conditions as set forth in the Interim Financing Term Sheet, as amended by the First Amending Agreement dated September 1, 2020 (the “**First Amending Agreement**”), by the Second Amending Agreement dated October 23, 2020 (the “**Second Amending Agreement**”), by the Third Amending Agreement dated October 8, 2021 (the “**Third Amending Agreement**”), by the Fourth Amending Agreement dated March 3, 2022 (the “**Fourth Amending Agreement**”), by the Fifth Amending Agreement dated May 27, 2022 (the “**Fifth Amending Agreement**”), by the Sixth Amending Agreement dated November 25, 2022 (the “**Sixth Amending Agreement**”), by the Seventh Amending Agreement (the “**Seventh Amending Agreement**”) and by the Eighth Amending Agreement (the Eighth Amending Agreement, together with the Interim Financing Term Sheet, the First Amending Agreement, the Second Amending Agreement, the Third Amending Agreement, the Fourth Amending Agreement, the Fifth Amending Agreement, the Sixth Amending Agreement and the Seventh Amending Agreement, the “**Interim Financing Agreement**”), to fund the ongoing expenditures of the Debtors and to pay such other amounts as are permitted by the terms of this Order, the Interim Financing Agreement and the Cash-Flow Projections attached as an appendix to the Twenty-Third Report, which Cash-Flow Projections are hereby approved

5. **ORDERS** that paragraph 24 of the Initial Order shall be further amended and restated as follows:

***DECLARES** that all of the Property is hereby subject to a charge and security for an aggregate amount of \$46,800,000 (such charge and security is referred to herein as the “Interim Lender Charge”) in favour of the Interim Lender as security for all obligations of the Debtors to the Interim Lender with respect to all amounts owing (including principal, interest and the Interim Lender Expenses) under or in connection with the Interim Financing Term Sheet (as amended, from time to time, including pursuant to the First Amending Agreement, the Second Amending Agreement, the Third Amending Agreement, the Fourth Amending Agreement the Fifth Amending Agreement, the Sixth Amending Agreement, the Seventh Amending Agreement and the Eighth Amending Agreement thereto) and the*

*Interim Financing Documents (collectively, the “Debtors’ Obligations”). The Interim Lender Charge shall have the priority established in paragraphs 55 and 56 of this Order.*

6. **APPROVES** the activities of the Monitor, up to the date of this Order, as described in the Twenty-Third Report of the Monitor and in the testimony of its representative at the hearing on the Application, and confirms that the Monitor has fulfilled its obligations pursuant to the CCAA and the orders of this Court up until the date of this Order;
  7. **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.
  8. **THE WHOLE**, without costs.
-

## EIGHTH AMENDING AGREEMENT

This amending agreement (the "**Eighth Amending Agreement**") is made effective as of March 15, 2023 (the "**Effective Date**") among Fortress Specialty Cellulose Inc. ("**Fortress Cellulose**"), a corporation continued under the laws of Canada, and Fortress Bioenergy Ltd., a corporation continued under the laws of Canada ("**Fortress Bioenergy**"; together with Fortress Cellulose collectively the "**Borrowers**" and each a "**Borrower**"), Fortress Global Enterprises Inc., Fortress Advanced Bioproducts Inc., Fortress Xylitol Inc., S2G Biochemicals Inc. and 9217-6536 Québec Inc. (collectively, the "**Guarantors**", and together with the Borrowers, the "**Credit Parties**") and Investissement Québec (the "**DIP Lender**" and, together with the Credit Parties, the "**Parties**").

### RECITALS:

- (a) The Parties have entered into that certain DIP Financing Term Sheet dated as of January 9, 2020 (as the same has been and may hereafter be amended, modified, restated or otherwise supplemented from time to time, the "**DIP Agreement**") whereby the DIP Lender agreed to advance to the Borrowers a senior secured superpriority debtor-in-possession, interim, non-revolving, multiple draw credit facility of up to an initial maximum principal amount of \$6,000,000, which amount has been fully drawn as of the date hereof;
- (b) The Parties have entered into that certain Amending Agreement dated as of September 1, 2020 (the "**First Amending Agreement**") amending the terms of the DIP Agreement whereby the DIP Lender agreed to advance to the Borrowers a senior secured superpriority debtor-in-possession, interim, non-revolving, multiple draw credit facility of up to an increased maximum principal amount of \$8,000,000, which amount has been fully drawn as of the date hereof;
- (c) The Parties have entered into that certain Second Amending Agreement dated as of October 23, 2020 (the "**Second Amending Agreement**") amending the terms of the DIP Agreement whereby the DIP Lender agreed to advance to the Borrowers a senior secured superpriority debtor-in-possession, interim, non-revolving, multiple draw credit facility of up to an increased maximum principal amount of \$17,000,000, which amount has been fully drawn as of the date hereof;
- (d) The Parties have entered into that certain Third Amending Agreement dated as of October 8, 2021 (the "**Third Amending Agreement**") amending the terms of the DIP Agreement whereby the DIP Lender agreed to advance to the DIP Lender agreed to advance to the Borrowers a senior secured superpriority debtor-in-possession, interim, non-revolving, multiple draw credit facility of up to an increased maximum principal amount of \$24,000,000, has been fully drawn as of the date hereof;
- (e) The Parties have entered into that certain Fourth Amending Agreement dated as of March 3, 2022 (the "**Fourth Amending Agreement**") amending the terms of the DIP Agreement whereby the DIP Lender agreed to advance to the DIP Lender agreed to advance to the Borrowers a senior secured superpriority debtor-in-possession, interim, non-revolving, multiple draw credit facility of up to an increased maximum principal amount of \$27,000,000, which amount has been fully drawn as of the date hereof;
- (f) The Parties have entered into that certain Fifth Amending Agreement dated as of May 27, 2022 (the "**Fifth Amending Agreement**") amending the terms of the DIP Agreement whereby the DIP Lender agreed to advance to the DIP Lender agreed to advance to the Borrowers a senior secured superpriority debtor-in-possession, interim, non-revolving,

multiple draw credit facility of up to an increased maximum principal amount of \$30,800,000, which amount has been fully drawn as of the date hereof;

- (g) The Parties have entered into that certain Sixth Amending Agreement dated as of November 25, 2022 (the "**Sixth Amending Agreement**") amending the terms of the DIP Agreement whereby the DIP Lender agreed to advance to the DIP Lender agreed to advance to the Borrowers a senior secured superpriority debtor-in-possession, interim, non-revolving, multiple draw credit facility of up to an increased maximum principal amount of \$33,800,000, which amount is expected to be fully drawn as of the date of the execution of this Sixth Amending Agreement;
- (h) The Parties have entered into that certain Seventh Amending Agreement dated as of September 26, 2023 (the "**Seventh Amending Agreement**") amending the terms of the DIP Agreement whereby the DIP Lender agreed to advance to the DIP Lender agreed to advance to the Borrowers a senior secured superpriority debtor-in-possession, interim, non-revolving, multiple draw credit facility of up to an increased maximum principal amount of \$38,300,000, which amount is expected to be fully drawn as of the date of the execution of this Eighth Amending Agreement
- (i) The Parties desire to once more amend the DIP Agreement, on the terms set forth herein.

In consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties hereto hereby agree as follows:

### **Section 1 Defined Terms.**

Capitalized terms used in this Eighth Amending Agreement and not defined herein have the meanings ascribed thereto in the DIP Agreement.

### **Section 2 Preamble and Headings.**

The preamble forms an integral part of this Eighth Amending Agreement. The division of this Eighth Amending Agreement into sections and the insertion of headings are for convenient reference only and shall not affect the interpretation of this Eighth Amending Agreement.

### **Section 3 Amendment to the DIP Agreement.**

- (1) The first paragraph Section 5 of the DIP Agreement, as amended by the First Amending Agreement, by the Second Amending Agreement, by the Third Amending Agreement, by the Fourth Amending Agreement, by the Fifth Amending Agreement, by the Sixth Amending Agreement and by the Seventh Amending Agreement is deleted in its entirety and replaced with the following:

"A senior secured superpriority debtor-in-possession, interim, nonrevolving multiple draw credit facility (the "**DIP Facility**") up to a maximum principal amount of \$39,000,000 (the "**Facility Amount**"), subject to the terms and conditions contained herein."

- (2) Section 13 of the DIP Agreement, as amended by the First Amending Agreement, by the Second Amending Agreement, by the Third Amending Agreement, by the Fourth Amending Agreement, by the Fifth Amending Agreement, by the Sixth Amending Agreement and by the Seventh Amending Agreement, is deleted in its entirety and replaced with the following:

"The DIP Financing Obligations shall be repayable in full on the earlier of: (i) the occurrence of any Event of Default hereunder which is continuing and has not been cured or waived; (ii) the conversion of the CCAA Proceedings into a proceeding under the *Bankruptcy and Insolvency Act* (Canada); (iii) the implementation of a Restructuring Process or a plan of compromise or arrangement under the CCAA; (iv) the sale of any portion of the Collateral; (v) April 15, 2024; or (vi) the issuance of a written demand by the DIP Lender (the earliest of such dates being the "**Maturity Date**"). The Maturity Date may be extended from time to time at the request of the Borrowers and with the prior written consent of the DIP Lender in its sole discretion for such period and on such terms and conditions as the Borrowers and the DIP Lender may agree. Each Credit Party shall be solidarily (jointly and severally), unconditionally and irrevocably liable, as primary obligor, to the full payment and performance when due, whether upon maturity, acceleration or otherwise, of all of the DIP Financing Obligations."

#### **Section 4      Conditions.**

The effectiveness of this Eighth Amending Agreement is subject to the following conditions precedent:

- (a) each Credit Party shall have executed and delivered this Eighth Amending Agreement to the DIP Lender;
- (b) the Court shall have issued and entered an order in form acceptable to the DIP Lender approving, *inter alia*: (i) this Eighth Amending Agreement (including the increase in the Facility Amount as set out in this Eighth Amending Agreement), (ii) an increase to the DIP Lender Charge (initially ordered by the Court as part of the Initial Order rendered on December 16, 2019, and subsequently increased by orders of the Court rendered on December 26, 2019, January 10, 2020, August 10, 2020, October 23, 2020, October 8, 2021, March 3, 2022, May 27, 2022 and November 25, 2022) to a total amount of \$46,800,000, which DIP Lender Charge shall fully secure, on a super-priority basis, all indebtedness, obligations, covenants or liabilities owing by the Credit Parties to the DIP Lender under the DIP Agreement (as amended from time to time, including by this Eighth Amending Agreement) and (iii) the Revised DIP Budget (as defined below);
- (c) the Borrowers shall have delivered a Drawdown Certificate in respect of a Subsequent Advance to be made in accordance with the terms of the DIP Agreement, as amended by the First Amending Agreement, the Second Amending Agreement, the Third Amending Agreement, the Fourth Amending Agreement, the Fifth Amending Agreement, the Sixth Amending Agreement, the Seventh Amending Agreement and the terms hereof;
- (d) the Facility Amount, as increased pursuant to this Eighth Amending Agreement, shall be utilized by the Borrowers to fund those costs and expenses specifically approved in writing by the DIP Lender, from time to time, as contemplated in a budget agreed upon by the DIP Lender (the "**Revised DIP Budget**");
- (e) no Default or Event of Default shall exist; and
- (f) all governmental authorization deemed necessary by the DIP Lender to increase and advance to the Borrowers the total Facility Amount, as contemplated herein, shall have been obtained by the DIP Lender, including by way of final decree, to the DIP Lender's full satisfaction.

#### **Section 5      Representations and Warranties.**

Each Credit Party represents and warrants to the DIP Lender that:



- (a) as of the date hereof, the representations and warranties of the Credit Parties contained in the DIP Agreement are (i) in the case of representations and warranties qualified by "materiality" or similar language, true and correct in all respects and (ii) in the case of all other representations and warranties, true and correct in all material respects, in each case on and as of the date hereof, except to the extent that any such representation or warranty relates to a specific date, in which case such representation and warranty is true and correct in all respects or all material respects, as applicable, as of such earlier date;
- (b) all necessary action has been taken by it to authorize the execution, delivery and performance of this Eighth Amending Agreement;
- (c) the execution and delivery by it and the performance by it of its obligations under this Eighth Amending Agreement will not conflict with or result in a breach of any of the terms or conditions of its constating documents or by-laws or any applicable laws;
- (d) this Eighth Amending Agreement has been duly executed and delivered by it and constitutes legal, valid and binding obligations of it enforceable against it in accordance with its terms; and
- (e) except as otherwise disclosed to the DIP Lender in writing prior to the date hereof, no Event of Default has occurred and is continuing.

**Section 6 Reference to and Effect on the DIP Agreement.**

Upon this Eighth Amending Agreement becoming effective, each reference in the DIP Agreement to "*this DIP Facility*" (or any similar expression contained in the DIP Agreement) and each reference to the DIP Agreement in any and all other agreements, documents and instruments delivered by the Parties or any other person, shall mean and be a reference to the DIP Agreement, as amended by the First Amending Agreement, the Second Amending Agreement, the Third Amending Agreement, the Fourth Amending Agreement, the Fifth Amending Agreement, the Sixth Amending Agreement, the Seventh Amending Agreement and the Eighth Amending Agreement. Other than the amendment specifically contemplated herein, all terms and conditions of the DIP Agreement shall remain in full force and effect, unamended.

**Section 7 Effectiveness.**

As of the Effective Date, this Eighth Amending Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors, administrators, legal representatives and permitted assigns.

**Section 8 Governing Law.**

This Eighth Amending Agreement shall be governed by, and construed in accordance with, the laws of the Province of Québec and the federal laws of Canada applicable therein.

**Section 9 Time is of the Essence.**

Time is of the essence in this Eighth Amending Agreement.

**Section 10 Counterparts.**

This Eighth Amending Agreement may be executed in any number of counterparts and by facsimile, e-mail or other electronic means of transmission, each of which when executed and delivered shall be deemed to be an original, and all such counterparts taken together shall be deemed to constitute

one and the same instrument. Any party may execute this Eighth Amending Agreement by signing any counterpart of it.

***[signature page follows]***

**IN WITNESS WHEREOF**, the parties hereto hereby execute this Eighth Amending Agreement as at the date first written above.

**INVESTISSEMENT QUÉBEC**

By:

\_\_\_\_\_  
Name:

Title:

**FORTRESS SPECIALTY CELLULOSE INC.**

By:

\_\_\_\_\_  
Name:

Title:

**FORTRESS BIOENERGY LTD.**

By:

\_\_\_\_\_  
Name:

Title:

**FORTRESS GLOBAL ENTERPRISES INC.**

By:

\_\_\_\_\_  
Name:

Title:

**FORTRESS ADVANCED BIOPRODUCTS INC.**

By:

\_\_\_\_\_  
Name:

Title:

**FORTRESS XYLITOL INC.**

By:

\_\_\_\_\_  
Name:

Title:

**S2G BIOCHEMICALS INC.**

By:

\_\_\_\_\_  
Name:

Title:

**9217-6536 QUÉBEC INC.**

By:

\_\_\_\_\_  
Name:

Title:

**SUPERIOR COURT  
(Commercial Division)**

**No.: 500-11-057679-199**

**CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL**

**IN THE MATTER OF THE PLAN OF ARRANGEMENT AND COMPROMISE OF:**

**INVESTISSEMENT QUÉBEC**

**Applicant / Secured Creditor**

- and -

**FIERA PRIVATE DEBT INC.**

**Impleaded Party**

- and -

**FORTRESS GLOBAL ENTERPRISES INC.**

- and -

**FORTRESS SPECIALTY CELLULOSE INC.**

- and -

**FORTRESS BIOENERGY LTD.**

- and -

**FORTRESS XYLITOL INC.**

- and -

**9217-6536 QUÉBEC INC.**

**Debtors**

- and -

**DELOITTE RESTRUCTURING INC.**

**Monitor**

BS0350

**Our file: 107804-1024**

**APPLICATION FOR THE ISSUANCE OF AN ORDER EXTENDING THE STAY  
PERIOD & APPROVING AN EIGHTH AMENDING AGREEMENT TO THE INTERIM  
FINANCING AGREEMENT, LIST OF EXHIBITS AND EXHIBIT R-1 to R-2.**

**ORIGINAL**

**M<sup>e</sup> Guy P. Martel**

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**STIKEMAN ELLIOTT LLP  
1155 RENÉ-LÉVESQUE BLVD. WEST 41ST FLOOR  
MONTRÉAL (QUÉBEC) CANADA H3B 3V2**