

C A N A D A

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

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

(Sitting as a court designated pursuant to
the Companies' Creditors Arrangement
Act, R.S.C. 1995, c. 36, as amended)

N° 500-11- 060598-212

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

BLACKROCK METALS INC.

-and-

BLACKROCK MINING INC.

-and-

BRM METALS GP INC.

-and-

BLACKROCK METALS LP

Debtors

-and-

DELOITTE RESTRUCTURING INC.

Monitor

-and-

13482332 CANADA INC.

Applicant

-and-

INVESTISSEMENT QUÉBEC

-and-

OMF FUND II H LTD.

Secured Creditors

**APPLICATION FOR EXTENSION OF THE PHASE 2 BID DEADLINE AND
THE ISSUANCE OF AN ORDER APPROVING AMENDED BIDDING
PROCEDURES**

(related to the Bidding Procedures Order # 12 on the plunitif)

**TO THE HONOURABLE JUSTICE MARIE-ANNE PAQUETTE, J.S.C., OF THE
SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, FOR AND IN THE
JUDICIAL DISTRICT OF MONTREAL, THE APPLICANT 13482332 CANADA INC.
RESPECTFULLY SUBMITS:**

DS

Introduction

1. With this Application, 13482332 Canada Inc. seeks an extension of the Phase 2 Bid Deadline (as defined below) and other related deadlines by way of an *Order Approving Amended Bidding Procedures*, a draft of which is filed as **Exhibit A-1**.

Background

2. On December 22, 2021, the Debtors filed an Application for an Initial Order and other ancillary relief, as appears from the Court record.
3. On December 23, 2021, the Court issued a First Day Initial Order pursuant to the provisions of the *Companies' Creditors Arrangement Act* ("**CCAA**") which, *inter alia*, appointed the Monitor, as appears from the Court record.
4. On January 7, 2022, the Court issued an *Amended and Restated Initial Order* ("**ARIO**") and an *Order Approving a Sale and Investment Solicitation Process and Approving a Stalking Horse Agreement of Purchase and Sale* (including the Procedures for the Sale and Investment Solicitation Process attached therein as Schedule "A" (the "**Bidding Procedures**")) (the "**Bidding Procedures Order**"), as appears from the Court record.
5. The ARIO provided, *inter alia*, that the Debtors were authorized to borrow and repay from OMF Fund II H Ltd. and Investissement Québec (collectively, the "**Interim Lender**") such amounts from time to time as the Debtors may consider necessary or desirable, up to a maximum principal amount of \$2M outstanding at any time, to fund the ongoing expenditures of the Debtors and to pay such other amounts as may be permitted (the "**Interim Facility**").
6. The Bidding Procedures Order issued on January 7, 2022, namely:
 - a. approved the Sale and Investment Solicitation Process ("**SISP**") as set forth in the Bidding Procedures;
 - b. authorized the Monitor and the Debtors, as applicable, to implement the SISP;
 - c. approved the agreement of purchase and sale between the Debtors, as vendors, and Investissement Québec ("**IQ**") and OMF Fund II H Ltd. ("**Orion**"), as purchasers (the "**Stalking Horse Bidders**") dated December 22, 2021 (the "**Stalking Horse Agreement**")¹, solely for the purposes of: (i) constituting the "stalking horse" bid under the SISP; and (ii) approving the Expense Reimbursement (as defined in the Stalking Horse Agreement),

¹ Unless otherwise defined herein, all capitalized terms used in this Application have the meaning ascribed to them in the Bidding Procedures or Stalking Horse Agreement, as the case may be.

and subject to further Order of this Court.

13482332 Canada Inc.

7. 13482332 Canada Inc. (the “**Shareholder Bidder**”) was incorporated on March 8, 2022, as a special purpose vehicle to participate in the SISF and submit a bid.
8. The shareholders, directors and officers of the Shareholder Bidder are individuals who, directly or through corporate entities under their control, own approximately 48% of the outstanding shares of Debtor Blackrock Metals Inc. They are Edward Yu, Leslie A. Wittlin and Dr. Solomon (Sam) Pillersdorf (the “**Principals**”).
9. Mr. Edward Yu has been a Director of Debtor Blackrock Metals Inc (the “**Company**”) since 2009. He has over 30 years of experience in capital markets, iron ore trading, operating agreements and building mine projects both in Québec and around the world. Through a holding company, he holds 46% of the outstanding shares of the Company.
10. Mr. Yu has contributed greatly to the ability of the Company over the past 13 years to achieve the social license to operate and all of the various permits that have now been obtained.
11. Leslie A. Wittlin is an experienced business lawyer (Bar of Ontario, 1974) with substantial background in both litigation and solicitor's work. A varied business clientele and a diverse professional practice over his career has allowed him to develop an elaborate network of assorted business connections around the world.
12. Mr. Wittlin’s active and wide-ranging legal career led to a diverse commercial and business law practice over 40 years representing both institutional and entrepreneurial clients with an emphasis on financial services including secured and unsecured lending transactions, corporate reorganizations and debt restructuring, and general corporate and commercial agreements and transactions, including commercial real estate and mining transactions.
13. Dr. Solomon (Sam) Pillersdorf has been involved in various facets of business over a long career over and above a successful medical practice as a Canadian physician. Through such activity he has accumulated a broad base of experience as a successful investor and entrepreneur.
14. Dr. Pillersdorf has been involved in the natural resources sector for many years, in different capacities. He has been an intermediary facilitating the sale of early mining projects to larger companies, including the Blackrock project of which he is still a shareholder. He has been a director of, and investor in, many junior mining companies. He has recently co-founded and is a director of two early- stage mining companies: Mass Resources Ltd (Helium, oil and natural gas explorer) and Golden Alaska Mineral Corporation (Gold explorer).



15. In summary, the Principals of the Shareholder Bidder have well established links into the mining industry and, based on same, have assembled a team of seasoned advisory professionals in the field. The Shareholder Bidder has the knowledge, ability and motivation to participate in the SISP and submit a Successful Bid.

Phase 1 of the SISP

16. The Bidding Procedures provide that a party interested in participating in the SISP must sign and deliver to the Monitor a non-disclosure agreement (“**NDA**”) and upon doing so, is considered a “**Phase 1 Qualified Bidder**”, following which the Monitor will provide to such party a confidential information memorandum (“**CIM**”) and access to the confidential virtual data room (“**VDR**”) set up by the Debtors and the Monitor.
17. The Bidding Procedures further provide that if a Phase 1 Qualified Bidder wishes to submit a bid, it must deliver to the Monitor a non-binding letter of intent (“**LOI**”) which must conform to certain specified requirements (“**Phase 1 Qualified Bid**”) no later than 5:00 p.m. on March 9, 2022 (the “**Phase 1 Bid Deadline**”).
18. The Monitor, in consultation with the Debtors, may, following receipt of an LOI, seek clarification from the bidder with respect to such LOI.
19. Following the Phase 1 Bid Deadline, the Debtors shall determine, in consultation with the Monitor, if an LOI qualifies as a “**Phase 1 Successful Bid**”, in which case the bidder is thereafter deemed a “**Phase 2 Qualified Bidder**”.
20. The Principals decided to participate in the SISP and to submit a bid, and on March 8, 2022, they proceeded to incorporate and organize the Shareholder Bidder for this purpose.
21. On March 9, 2022, the Shareholder Bidder delivered a duly executed NDA to the Monitor, and thus became a Phase 1 Qualified Bidder.
22. Also on March 9, 2022, before the Phase 1 Bid Deadline of 5:00 p.m., and in conformity with the Bidding Procedures, the Shareholder Bidder delivered to the Monitor a non-binding LOI, a copy of which is filed under seal as **Exhibit A-2**.
23. On March 11, 2022, and after initial review of the Shareholder Bidder’s LOI, the Monitor requested clarifications on same from the Shareholder Bidder as permitted under the Bidding Procedures.
24. On March 14, 2022, the Shareholder Bidder responded to the Monitor’s request for clarifications.
25. On March 15, 2022, the Monitor confirmed to the Shareholder Bidder that the Debtors, in consultation and with the consent of the Monitor, have determined that the Shareholder Bidder’s LOI constitutes a Phase 1 Successful Bid, and consequently, that the Shareholder Bidder shall be deemed a Phase 2 Qualified



Bidder.

26. The Shareholder Bidder's LOI conforms to the requirements of the Bidding Procedures in that, without limitation, it meets the "Minimum Purchase Price" requirement of providing at closing net cash proceeds that are not less than the aggregate of (a) the amount of cash payable under the Stalking Horse Agreement together with the amount of obligations being credit bid thereunder, (b) the amount of expense reimbursement payable to the Stalking Horse Bidders, plus (c) a minimum overbid amount of \$1 million;
27. The Monitor did not receive any other LOI on or before the Phase 1 Bid Deadline with the result that the Shareholder Bidder's LOI is the only Phase 1 Successful Bid.
28. Pursuant to the Bidding Procedures, only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP.
29. Also pursuant to the Bidding Procedures, the Stalking Horse Bidders are Phase 2 Qualified Bidders for all purposes under the SISP.
30. Therefore, only the Stalking Horse Bidders and the Shareholder Bidder are permitted to proceed to Phase 2 of the SISP.

The Debtors' Second Extension Motion

31. On March 25, 2022, after Phase 1 of the Bidding Procedures was completed, the Debtors presented a *Motion for a Second Extension of the Stay of Proceedings* by which they sought a second extension of the Stay of Proceedings until May 27, 2022 and presented to the Court a status report on the implementation of the SISP, as appears from the Court record.
32. In their Motion, the Debtors submitted that their financial situation was better than anticipated:

"[19] That being said, the Applicants are able to report that their financial situation as of the date of the present motion is better than originally forecasted in the cashflow provided by the Monitor in support of its Second Report to the Court, and that the Interim Facility provided for in the Interim Financing Agreement (exhibit P-23 of the Application) and described in paragraph 27 and following of the A&R Initial Order will only be needed by the Applicants on or around April 8, 2022, for a first draw of \$500,000."
33. In support of the Motion, the Monitor filed a Fourth Report dated March 23, 2022, as appears from the Court record.
34. In his Fourth Report, the Monitor reported on the implementation of the SISP and the results of Phase 1 as follows:

"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.

(...)

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.”

35. On the financial situation of the Debtors, the Monitor reported (at para. 43 of his Fourth Report) that the Debtors “*should have sufficient liquidity to continue to meet [their] obligations during the extension period. It is anticipated that [the Debtors] will need to have access to the funds provided by the Interim Financing to fund [their] operations after the extension period.*”
36. The Third Cash Flow Statement attached to the Monitor’s Fourth Report shows that for the period ending June 10, 2022, the Debtors will have a positive cash balance of 380 000\$.
37. On March 25, 2022, the Court granted the Debtors’ Motion and extended the Stay Period until May 27, 2022, as appears from the Court record.

Phase 2 of the SISP

38. The Bidding Procedures provide that the Phase 2 Qualified Bidders shall submit their Phase 2 Qualified Bid which shall be received by the Monitor by no later than 5:00 p.m. on May 11, 2022, or such other date or time as may be agreed by the Monitor in consultation with the Debtors and with the authorization of the Stalking Horse Bidders, acting reasonably (the “**Phase 2 Bid Deadline**”).
39. As and from the time that the SISP was approved by this Court, the Principals, acting individually and through the Shareholder Bidder, have commenced work on the design, structure and financing for their bid. They are fully committed to bring a Successful Bid to the table.
40. The Principals and Shareholder Bidder firmly believe that there is equity for the stakeholders of the Debtors, including the shareholders, based on their knowledge of the Company and on recent pre-money valuations of the Debtors performed by third parties which ranged between \$175 and \$350 million US.
41. This Court recognized the potential equity value of the Debtors in its judgment rendered on January 7, 2022, on the Comeback Hearing and on the proposed intervention of certain shareholders when it stated at paragraph 12:

« [12] Ici, le Tribunal ajoute que le processus envisagé aux termes du Stalking Horse Bid prévoit la vente des actions de Blackrock. Ainsi, il est difficile de statuer d'emblée que le Groupe d'actionnaires ne devrait pas avoir l'opportunité de faire valoir ses demandes et arguments au Tribunal. Une particularité supplémentaire découle ici de la situation financière de Blackrock. En effet, bien que Blackrock soit présentement insolvable, elle pourrait, à la suite de son acquisition au terme du SISP, disposer des moyens qui lui permettraient de mener à terme ses projets de développement et afficher une valeur nettement supérieure à la valeur des créances qui pèsent présentement contre elle. »

42. Bringing a final and fully financed bid in the range of \$100 million within 60 days is a monumental challenge which the Shareholder Bidder decided to take on because of its strong belief, and that of its Principals, that there is substantial value in the Blackrock project for itself and for all of the stakeholders.
43. The Shareholder Bidder is committed to bring a final bid that will be better than the Stalking Horse Bid in that it will reimburse in full the secured debt and Interim Facility owed to Orion and IQ, treat the other creditors fairly and preserve some form of equity for the existing shareholders.
44. In order to rapidly search the market for available term financing, the Shareholder Bidder had to first interview, then engage market leading intermediaries with mining expertise, brief them adequately, negotiate the terms of service agreements with them, allow them to develop marketing lists of possible investors/lenders, and then to approach the various parties listed who were interested in offering viable financing packages.
45. These tasks took longer to complete than the Shareholder Bidder could have anticipated. While the Monitor had prepared an excellent data room, financiers interested in the financing were asked to agree to non-negotiable NDAs which contained stricter terms than those usually encountered in the market. This added unnecessary difficulties with interested financiers and slowed the process as well.
46. In order to assist in designing and financing its final bid, the Shareholder Bidder has retained at its own costs the services of two recognized and reputable expert firms: FTI Capital Advisors Canada and ERG Securities US (the "**Consultants**").
47. The remuneration of the Consultants consists of a work fee for an agreed dollar amount payable upon the signing of the retainer agreement, a transaction completion fee for an agreed dollar amount payable upon closing of a transaction, a success fee based on a percentage of the amount of capital raised, or a combination thereof. The fee structure incentivizes the Consultants to achieve a successful outcome by way of a fully financed and executed transaction.
48. The Shareholder Bidder has already paid the work fee for each of the Consultants, totaling 200 000 \$.

49. The Consultants have immediately set in motion their vast networks of contacts worldwide and have relentlessly pursued leads with potential partners and investors.
50. The Consultants have contacted 156 investors to solicit interest in the opportunity, including a combination of (i) private equity firms, (ii) pension funds, (iii) strategic mining operating companies, (iv) hedge funds and (v) asset management firms. To date, seven (7) investors remain highly interested in the opportunity and have executed NDAs and are continuing to perform due diligence on the asset. An additional three (3) investors have expressed interest and are evaluating the opportunity internally before proceeding to execute an NDA. Investors that have executed NDAs have been added to the virtual data room (VDR) and are actively analyzing and reviewing Debtors' materials. The Consultants have prepared a report on the status of the financing process, filed under seal as **Exhibit A-3**;
51. The Consultants remain in close contact with the investors and are continuing to schedule calls, including with the Debtors' management team as necessary, to answer further diligence inquiries the investors may seek.
52. The Shareholder Bidder and the Consultants have been in constant contact with the Monitor and the Special Committee of the board of directors of the Debtors throughout Phase 2 of the SISP.
53. However, despite its good faith, due diligence and the enormous efforts invested to date, the Shareholder Bidder will not be able to deliver its Phase 2 Qualified Bid before the Phase 2 Bid Deadline of May 11, 2022.
54. The market conditions have changed considerably during Phase 2 of the SISP with the events unfolding in Ukraine and the worldwide uncertainty that they bring. In particular, Russia and Ukraine are among the largest producers of the metals found in the Blackrock Project. Several investors that declined interest or were unresponsive during Phase 1 of the SISP are now expressing renewed and different interest in Phase 2 of the SISP. The Consultants received initial interest from nine (9) investors that either changed their view on the opportunity or were unresponsive during the Monitor's reach-out process. Four (4) of these investors remain interested in the opportunity and are continuing to perform due diligence.
55. Upon receiving feedback from investors that have declined the opportunity, many expressed their concern around the Phase 2 Bid Deadline, and the ability to perform sufficient due diligence in the timeframe provided.
56. A number of investors have voiced their concern over the time constraints of the process and that it would be difficult to complete necessary diligence prior to the Phase 2 Bid Deadline. Specifically, Oz Minerals, who is a strong strategic fit with BlackRock, specifically noted that while they were very interested in the opportunity, it simply was not feasible for them to complete diligence with the short deadline and decided to pass on the opportunity.

57. Based on the feedback provided to the Consultants from investors and given the complexity of this transaction, the condensed timeframe is a significant hurdle for investors to perform the necessary due diligence in order to provide a commitment to finance the Shareholder Bidder's Phase 2 Qualified Bid. As such, the Consultants believe that additional time will have a material impact on the likelihood of raising the capital required to support the Shareholder Bidder's Phase 2 Qualified Bid.
58. Although they have made significant progress, the Shareholder Bidder and the Consultants need more time to pursue the various opportunities and finalize the business and financial terms which will form part of the Shareholder Bidder's Phase 2 Qualified Bid.
59. For example, the Shareholder Bidder did receive a signed non-binding letter of interest on May 6, 2022, from a serious investment fund for a USD\$65 million financing, conditional *inter alia* on a 30 days due diligence, a copy of which is filed under seal as **Exhibit A-4**.
60. There are several opportunities that are currently actively pursued. The Shareholder Bidder needs more time to further negotiate and finalize the financing of its Phase 2 Qualified Bid.
61. The Shareholder Bidder, with the support of the Consultants, believes that an additional delay of 30 days will be necessary to submit its Phase 2 Qualified Bid. The Shareholder Bidder is confident that its Phase 2 Qualified Bid will be substantially better than the Stalking Horse Bid and will deliver more value to all the stakeholders.
62. For example, the Stalking Horse Agreement provides for the exclusion of Excluded Assets and Excluded Obligations which are listed in its Schedule B.
63. Schedule B of the Stalking Horse Agreement lists 24 agreements of various nature (leases, offtake agreements, service agreements, etc.) with various counterparties (the "**Schedule B Parties**"), as well as certain liabilities towards terminated employees and tax authorities.
64. The Stalking Horse Agreement provides that the Stalking Horse Bidders will not assume any of these 24 agreements or any of the stated liabilities to terminated employees and tax authorities. The obvious result of the implementation of the Stalking Horse Agreement would be that all of these agreements with the Schedule B Parties would be disclaimed or resiliated, leaving the Schedule B Parties with little to no hope of recovery.
65. Section 32 of the CCAA provides that any agreement to which the company is a party may be disclaimed on the condition of a 30 days' written notice in the prescribed form to the other party to such agreement.
66. However, the Schedule B Parties have not received any notice of disclaimer to date,

and it would be impossible to afford the Schedule B Parties with the prescribed 30 days' disclaimer notice pursuant to the CCAA under the current deadlines of the Bidding Procedures with the result that this process does not conform to the prescriptions of section 32 of the CCAA.

67. More importantly, it is the intention of the Shareholder Bidder to assume all but one of the Schedule B agreements and liabilities. The Shareholder Bidder's Phase 2 Qualified Bid will be significantly better than the Stalking Horse Agreement because it will not affect or compromise the claims of the Schedule B Parties (except one), it will substantially preserve the claims of the terminated employees and tax authorities, and overall, it will deliver more value to the stakeholders.
68. Also, while the Stalking Horse Agreement writes off all of the equity of the existing shareholders, it is the intention of the Shareholder Bidder to preserve some of this equity for those shareholders who have invested and supported the Blackrock Project for many years and who deserve to participate in the future of this unique endeavor. This is another example of why the Shareholder Bidder's Phase 2 Qualified Bid will be significantly better than the Stalking Horse Agreement because it will provide more value to the stakeholders.

The Shareholder Bidder Requested an Extension of the Phase 2 Bid Deadline

69. In view of the foregoing, the Shareholder Bidder convened a conference call with the Monitor and the Debtors on May 9, 2022. During this call, the Shareholder Bidder and the Consultants provided a full and comprehensive update on the efforts and resources committed to date at finding the necessary financing for the Phase 2 Qualified Bid, including a list of the most probable prospects. The Shareholder Bidder and the Consultants answered questions. The Shareholder Bidder formally asked for a 30-day extension of the Phase 2 Bid Deadline.
70. The Monitor asked the Shareholder Bidder to put its request for an extension of the Phase 2 Bid Deadline in writing, which the Shareholder Bidder did the same day as appears from the letter from counsel for the Shareholder Bidder dated May 9, 2022, **Exhibit A-5**.
71. On May 10, 2022, further to its letter Exhibit A-5 and in addition thereto, the Shareholder Bidder sent to the Monitor a copy of the non-binding letter of interest Exhibit A-4;
72. On May 10, 2022, at 8:23pm, the Monitor sent an email to the Shareholder Bidder, through respective counsel, advising that the Monitor had communicated the Shareholder Bidder's request for an extension to the Stalking Horse Bidders and had received some initial feedback. The email of May 10, 2022 from counsel for the Monitor is filed as **Exhibit A-6**.
73. In his email, the Monitor advised as follows:

“At this time, the Stalking Horse Bidders are prepared to consider the request for a 30 day extension of the SISP subject to, among other things, receiving the following information / confirmations from your client:

1. confirmation that your client will fund: (i) all of BRM’s costs, including professional costs, during the extended 30 day period, with such funding subordinate to the existing indebtedness and DIP funding provided by the lenders to date (estimated by the Monitor to be approximately CAD\$500,0000; and (ii) 30 days of interest on the Orion / IQ debt (estimated to be approximately CAD\$44,000 per day for a total of CAD\$1,320,00 over a 30-day period, based on the statement of accounts we provided you). The Monitor estimates that the aggregate amount of this request from the Stalking Horse Bidder is approximately CAD\$1,820,000; and

2. written confirmation from the your client that, if granted the 30 day extension, it will not seek a further extension or object to the conclusion of the SISP and the selection of the stalking horse bid as the successful bid should it not submit a qualified phase 2 bid by the end of the 30 day extension.

In order to respond to certain other requests made by the Stalking Horse Bidders, we would also kindly ask for your client’s authorization to send copies of (i) your client’s Phase 1 Bid, (ii) the Monitor’s request for clarifications in respect of the Phase 1 Bid and (iii) your client’s response to the request for clarifications.”

74. The position of the Stalking Horse Bidder, as conveyed in the Monitor’s email Exhibit A-6, is abusive and unreasonable. For instance, the Stalking Horse Bidder demands payment of a sum of 1 320 000 \$ in interest for the next 30 days, whereas Orion and IQ have never collected interest from the Debtors on their Bridge Loan or Interim Facility.
75. Clearly, the Stalking Horse Bidder is not “acting reasonably” as demanded by section 21 of the Bidding Procedures.
76. In response to the position of the talking Horse Bidder and in an effort to find common ground on a reasonable basis, the Shareholder Bidder offered that it was prepared to agree to the following:
 - a. The Shareholder Bidder is prepared to offer the Debtors a further DIP loan in the face amount of C\$500K to fund the continuing operations of the Debtors during the further 30 day period of extension of the Phase 2 Bid Deadline which is required for the diligent investigation of potential interested financiers for its Phase 2 Qualified Bid.
 - b. The Shareholder Bidder is in a position to advance a first tranche of C\$200K of this further DIP loan within one week of the acceptance date, and the balance of C\$300K as needed, such need to be justified by the production of reasonable written evidence thereof by the Debtors or their solicitors on their behalf.

- c. The Shareholder Bidder's DIP loan for C\$500K is to be made on exactly the same terms and conditions as the existing DIP loans made by or on behalf of the secured creditors, and is to rank *pari passu* with them in all respects.

as appears from the email from counsel for the Shareholder Bidder of May 11, 2022, **Exhibit A-7**.

77. As of the time of service of this Application, the Shareholder Bidder has not received a response to its offer.
78. In view of the foregoing, the Shareholder Bidder is left with no choice but to ask this Court for the extension of the Phase 2 Bid Deadline.

The Extension is Reasonable and Should Be Granted

79. This Court has previously recognized the challenge of very short deadlines in the SISP and agreed to extend the Phase 1 period from 30 days to 60 days. In its January 7, 2022 Judgment, the Court wrote:

"[23] Par ailleurs, le Groupe d'actionnaires demande de prolonger de trente à soixante jours le délai prévu pour la phase I du SISP, le tout dans le but de donner pleinement la chance au processus et d'assurer une véritable opportunité de susciter des offres supérieures à celles du Stalking horse bid.

[24] Le Contrôleur témoigne qu'un délai plus long serait idéal, mais qu'il est nécessaire de tenir compte d'un ensemble de circonstances, dont le manque de liquidités de Blackrock. Il ajoute que le délai de 30 jours, même s'il est court, offre une opportunité raisonnable pour solliciter des offres concurrentes et que tout a été mis en place pour pouvoir agir rapidement.

[25] Dans les circonstances, le Tribunal retient que la demande de prolonger le délai de 30 à 60 jours n'est pas déraisonnable et doit être accordée, pour assurer que le marché a bénéficié d'une réelle opportunité de formuler des offres concurrentes à celles du Stalking horse bid. Dans les circonstances, aux fins d'arrêter les échéances appropriées, on ne peut s'en remettre aux seules exigences d'Orion et d'IQ, qui sont certes prêteur intérimaire, mais également les acheteurs aux termes du Stalking horse bid. » (*underlining added*)

80. Likewise, it is not unreasonable for the Shareholder Bidder to request a 30-day extension of the Phase 2 Bid Deadline.
81. As mentioned above, the Bidding Procedures do allow for the Phase 2 Bid Deadline to be extended on consent of the Monitor in consultation with the Debtors and the authorization of the Stalking Horse Bidder, acting reasonably.
82. The Shareholder Bidder submits that the Stalking Horse Bidder is not acting reasonably.
83. The Shareholder Bidder submits that it is in the best interests of all the stakeholders

that it be allowed to submit a Phase 2 Qualified Bid, notably because its Phase 2 Qualified Bid will be substantially better than the Stalking Horse Bid and will deliver more value to the stakeholders, and that it is reasonable to extend the Phase 2 Bid Deadline for 30 days to allow this to occur.

84. Extending the Phase 2 Bid Deadline by 30 days will not cause any material prejudice to the Debtors, the Stalking Horse Bidders or the other stakeholders.
85. The Stalking Horse Bidders will suffer no material prejudice from an extension since under a Phase 2 Qualified Bid from the Shareholder Bidder, they would be paid in full for the Bridge Loan and the Interim Facility.
86. Since there are no other Phase 2 Qualified Bidders, an extension will not cause any prejudice to other competing bidders.
87. IQ and Orion, as secured creditors under the Bridge Loan and Interim Lenders, would not be materially prejudiced by an extension of the Phase 2 Bid Deadline as:
 - a. The amount that the Debtors may draw from the Interim Facility is limited;
 - b. The Bridge Loan and the Interim Facility are fully secured;
 - c. IQ and Orion will be paid in full if the Shareholder Bidder's Phase 2 Qualified Bid is the Successful Bid;
 - d. IQ and Orion will be paid in full if the Shareholder Bidder's Phase 2 Qualified Bid is not the Successful Bid;
88. On the contrary, since there are no other bidders, if the Shareholder Bidder cannot file its Phase 2 Qualified Bid, then the Stalking Horse Bid will be implemented which is the equivalent of a taking in payment, and there will be no value left for the creditors or shareholders.
89. The Debtors have sufficient funds to cover their expenditures if the Phase 2 Bid Deadline is extended for 30 days. For example, the Shareholder Bidder learned that the first tranche of 500 000 \$ of the \$2 million Interim Facility which the Debtors had anticipated would be needed on April 8, 2022, was in fact only drawn on or about April 26, 2022.

Conclusion

90. For all of the foregoing reasons, the Shareholder Bidder submits that the Phase 2 Bid Deadline should be extended by 30 days, and that other deadlines in the Bidding Procedures should be amended in consequence, as per the draft *Order Approving Amended Bidding Procedures*, Exhibit A-1.



WHEREFORE, MAY IT PLEASE THE COURT:

GRANT the present Application.

ABRIDGE the delays of presentation of the Application.

ORDER that the Phase 2 Bid Deadline as defined in Annex I of the Bidding Procedure Orders issued by the Court on January 7, 2022, is extended from May 11, 2022, to June 13, 2022, and all other deadlines are adjusted accordingly as per the *Order Approving Amended Bidding Procedures*, Exhibit A-1.

ORDER that the Non-Binding LOI of the Shareholder Bidder dated March 9, 2022, Exhibit A-2, the Report on the status of the financing process from FTI Capital Advisors Canada and ERG Securities US, Exhibit A-3, and the May 6, 2022 non-binding letter of interest, Exhibit A-4, be filed and kept under seal until further order of this Court.

ORDER the provisional execution of the order to be rendered notwithstanding appeal.

THE WHOLE, without costs save in the event of contestation.

MONTREAL, May 11, 2022

DS Lawyers Canada LLP

DS LAWYERS CANADA LLP

Mtre. Jean-Yves Simard

1080, Beaver Hall Hill, suite 2100

Montreal (Québec) H2Z 1S8

Telephone : (514) 360-5102

Fax : (514) 284-3235

Email : jysimard@dsavocats.ca
notification@dsavocats.ca

Counsel for 13482332 Canada Inc.

SOLEMN DECLARATION

I, the undersigned, Edward Yu, domiciled and residing at 19/F, Flat C, One Convoy, 169 Electric Road, North Point, Hong Kong, hereby make the following solemn declaration:

1. I am the President and duly authorized representative of the Shareholder Bidder, 13482332 Canada Inc.;
2. All the facts contained in the present APPLICATION FOR EXTENSION OF THE PHASE 2 BID DEADLINE AND THE ISSUANCE OF AN ORDER APPROVING AMENDED BIDDING PROCEDURES are true.

AND I HAVE SIGNED:



EDWARD YU

Solemnly declared before me via
videoconference, this May 11, 2022
Commissioner of oaths for Québec

Karine Landry 209761

DS

NOTICE OF PRESENTATION

TO: THE SERVICE LIST

TAKE NOTICE that the present *Application for Extension of the phase 2 bid deadline and the issuance of an amended and restated bidding procedures order* will be presented for before the Honourable Justice Marie-Anne Paquette, S.J.C., **at a time and in a forum to be further announced** to the Service List.

DO GOVERN YOURSELVES ACCORDINGLY

MONTREAL, May 11, 2022

DS Lawyers Canada LLP

DS LAWYERS CANADA LLP

Mtre. Jean-Yves Simard

1080, Beaver Hall Hill, suite 2100

Montreal (Québec) H2Z 1S8

Telephone : (514) 360-5102

Fax : (514) 284-3235

Email : jysimard@dsavocats.ca
notification@dsavocats.ca

Counsel for 13482332 Canada Inc.

C A N A D A

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

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

(Sitting as a court designated pursuant to
the Companies' Creditors Arrangement
Act, R.S.C. 1995, c. 36, as amended)

N° 500-11- 060598-212

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

BLACKROCK METALS INC.

-and-

BLACKROCK MINING INC.

-and-

BRM METALS GP INC.

-and-

BLACKROCK METALS LP

Debtors

-and-

DELOITTE RESTRUCTURING INC.

Monitor

-and-

13482332 CANADA INC.

Applicant

-and-

INVESTISSEMENT QUÉBEC

-and-

OMF FUND II H LTD.

Secured Creditors

LIST OF EXHIBITS

EXHIBIT A-1: *Draft Order Approving Amended Bidding Procedures*

EXHIBIT A-2: **(under seal)** 13482332 Canada Inc.'s non-binding LOI dated
March 9, 2022

EXHIBIT A-3: **(under seal)** Report on the status of the financing process from FTI
Capital Advisors Canada and ERG Securities US



- EXHIBIT A-4:** (under seal) May 6, 2022, non-binding letter of interest
- EXHIBIT A-5:** Letter from counsel for the Shareholder Bidder dated May 9, 2022
- EXHIBIT A-6:** Email from the counsel for Monitor dated May 10, 2022
- EXHIBIT A-7:** Email from counsel for the Shareholder Bidder dated May 11, 2022

MONTREAL, May 11, 2022

DS Lawyers Canada LLP

DS LAWYERS CANADA LLP

Mtre. Jean-Yves Simard

1080, Beaver Hall Hill, suite 2100

Montreal (Québec) H2Z 1S8

Telephone : (514) 360-5102

Fax : (514) 284-3235

Email : jysimard@dsavocats.ca
notification@dsavocats.ca

Counsel for 13482332 Canada Inc.

No : **500-11- 060598-212**

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
SUPERIOR COURT**

(Commercial Division)

(Sitting as a court designated pursuant to the Companies'
Creditors Arrangement Act, R.S.C. 1995, c. 36, as
amended)

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

BLACKROCK METALS INC.

-and-

BLACKROCK MINING INC.

-and-

BRM METALS GP INC.

-and-

BLACKROCK METALS LP

Debtors

-and-

DELOITTE RESTRUCTURING INC.

Monitor

-and-

13482332 CANADA INC.

Applicant

-and-

INVESTISSEMENT QUÉBEC

-and-

OMF FUND II H LTD.

Secured Creditors

**APPLICATION FOR EXTENSION OF THE
PHASE 2 BID DEADLINE AND THE
ISSUANCE OF AN ORDER APPROVING
AMENDED BIDDING PROCEDURES**



Mtre. Jean-Yves Simard

DS LAWYERS CANADA, LLP

Counsel for 13482332 Canada Inc.

1080, Beaver Hall Hill, suite 2100

Montréal (Québec) H2Z 1S8

Telephone : 514 360-5102

Fax : 514-284-3235

Email : jysimard@dsavocats.ca

Notification : notification@dsavocats.ca

CODE BD 4095

O/☞: 43000.001