

FCANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

N°: 500-11-060598-212

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

BLACKROCK METALS INC.

-and-

BLACKROCK MINING INC.

-and-

BRM METALS GP INC.

-and-

BLACKROCK METALS LP

Applicants

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MOTION FOR A SECOND EXTENSION OF THE STAY OF PROCEEDINGS

INTRODUCTION

1. The Applicants are debtor companies identified in the Application for the issuance of (i) an Initial Order, (ii) an Amended and Restated Initial Order, and (iii) an Order approving a Sale and Investment Solicitation Process and approving a Stalking Horse Agreement of Purchase and Sale filed on December 22, 2021 (the "**Application**"), for which a First Day Initial Order under the *Companies' Creditors Arrangement Act* ("**CCAA**") was issued in this Court file on December 23, 2021 (the "**First Day Order**"), an Amended and Restated Initial Order (the "**A&R Initial Order**"), and an Order Approving a Sale and Investment Solicitation Process and Approving a Stalking Horse Agreement of Purchase and Sale (including the Procedures of the Sale and Investment Solicitation Process attached therein as Schedule "A" (the "**Bidding Procedures**")) (the "**Bidding Procedures Order**") were both issued in this Court file on January 7, 2022, as appears from the Court record.

2. On February 24, 2022, and following the filing by the Applicants of the *Motion for a first extension of the stay of proceedings*, this Court issued an Order extending the Stay Period (as defined at paragraph 8 of the A&R Initial Order), until March 25, 2022 (the “**First Extension Order**”).
3. The Applicants hereby request an extension of the stay of proceedings until May 27, 2022, for the reasons exposed hereinafter.

ACTIVITIES SINCE THE ISSUANCE OF THE A&R INITIAL ORDER, THE BIDDING PROCEDURES ORDER AND THE FIRST EXTENSION ORDER

4. Since the issuance of, and pursuant to the Bidding Procedures Order, the Applicants undertook a sale and investment solicitation process (“**SISP**”) for the sale of their business, property, assets and undertakings (collectively, the “**Business**”), which is currently still being conducted by the Monitor for the Applicants in the manner set forth in the Bidding Procedures.
5. As appears from the Bidding Procures, the SISP is intended to solicit interest in, and opportunities for: (i) one or more sales or partial sales of all, substantially all, or certain portions of the Business; and/or (ii) for an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Applicants or their Business. Bids considered pursuant to the SISP may include one or more of an investment, restructuring, recapitalization, refinancing or other form of reorganization of the business and affairs of the Applicants as a going concern or a sale (or partial sales) of all, substantially all, or certain of the Business, or a combination thereof (the “**Opportunity**”).
6. To that effect, the Monitor has sent to potential bidders a letter describing the Opportunity (the “**Solicitation Letter**”) outlining the SISP and inviting recipients of the Solicitation Letter to express their interest pursuant to the SISP.
7. The Monitor has also made available to potential bidders a confidential virtual data room (the “**VDR**”) in relation to the Opportunity, provided that such potential bidders execute a non-disclosure agreement in form and substance satisfactory to the Monitor, in consultation with the Applicants (an “**NDA**”).
8. Pursuant to paragraph 13 of the Bidding Procedures, Phase 1 Qualified Bidders had until March 9, 2022, to submit their respective bids which had to be delivered in the form of a non-binding letter of intent (an “**LOI**”) to the Monitor.
9. On March 9, 2022, the Monitor received one (1) LOI from a Phase 1 Qualified Bidder (the “**Phase 1 Qualified Bidder LOI**”).
10. On March 11, 2022, and after initial review of the Phase 1 Qualified Bidder LOI, the Monitor requested clarifications on same from the Phase 1 Qualified Bidder pursuant to paragraph 16 of the Bidding Procedures.
11. On March 14, 2022, the Phase 1 Qualified Bidder responded to the Monitor’s request for clarifications, which response was shared with the Applicants.
12. On March 15, 2022, the Monitor confirmed to the Phase 1 Qualified Bidder that the Applicants, in consultation and with the consent of the Monitor, have determined that the

Phase 1 Qualified Bidder LOI constitutes a Phase 1 Successful Bid pursuant to paragraphs 14, 17 and 19 of the Bidding Procedures, and consequently, that the Phase 1 Qualified Bidder shall be deemed a Phase 2 Qualified Bidder (the “**Phase 2 Qualified Bidder**”).

13. Pursuant to paragraph 18 of the Bidding Procedures, only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP.
14. Also pursuant to paragraph 18 of the Bidding Procedures, the Stalking Horse Bidders are Phase 2 Qualified Bidders for all purposes under the SISP, including the Auction.
15. Therefore, both the Stalking Horse Bidders and the Phase 2 Qualified Bidder are permitted to proceed to Phase 2 of the SISP (collectively, the “**Phase 2 Qualified Bidders**”).
16. Pursuant to paragraph 21 of the Bidding Procedures, 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. (Eastern Standard Time) on May 11, 2022, or such other date or time as may be agreed by the Monitor in consultation with the Applicants and with the authorization of the Stalking Horse Bidders, acting reasonably (the “**Phase 2 Bid Deadline**”).
17. Pursuant to paragraph 28 of the Bidding Procedures, the Successful Bid and the Backup Bid (as defined in the Bidding Procedures) shall be selected by no later than May 16, 2022, and the definitive documentation in respect of the Successful Bid must be finalized and executed by no later than May 23, 2022.

FINANCIAL SITUATION TO DATE AND PROJECTIONS

18. The details of the Applicants’ financial situation as of this day as well as the cashflow forecast for the period ending June 10, 2022, are presently being finalized and will be communicated to the Court and the service list before the hearing on the present motion.
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 paragraphs 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.

NECESSITY TO EXTEND THE PROTECTION OF THE COURT

20. The Applicants request the extension of the Stay Period (as defined at paragraph 8 of the A&R Initial Order) until May 37, 2022, which, as the case may be and in accordance with the Bidding Procedures, shall be used as follows:
 - a) Receive the Phase 2 Qualified Bids by no later than May 11, 2022, at 5:00 p.m.;
 - b) If necessary, proceed with the Auction (as defined in the Bidding Procedures) and identify the Successful Bid and the Backup Bid by no later than May 16, 2022;

- c) Complete and finalize the definitive documentation in respect of the Successful Bid by no later than May 23, 2022.

CONCLUSION

21. Considering the above facts, the Applicants submit that it is appropriate to extend the Stay Period until May 27, 2022.
22. The Applicants have conducted themselves in good faith since the issuance of the First Day Order, the A&R Initial Order, the Bidding Procedures Order and the First Extension Order.
23. The Applicants, with the assistance of the Monitor, intend to continue the SISP, the whole in the interest of all stakeholders and with the ultimate objective of selling their Business to the highest qualified bidder.
24. The extension sought will not negatively impact the creditors as the Applicants continue to pay their post filing obligations in the normal course of business.
25. The Monitor has verbally announced that he supports the extension sought herein and that he will file a report regarding same, along with the cashflow forecast for the period ending June 10, 2022, before the hearing.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present *Motion for a second extension of the stay of proceedings* (the “**Motion**”);

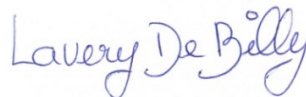
ABRIDGE the delays of presentation of the Motion;

EXTEND the Stay Period (as defined at paragraph 8 of the Amended and Restated Initial Order dated January 7, 2022) until May 27, 2022;

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

THE WHOLE without costs, except if contested.

MONTREAL, March 22, 2022



LAVERY, DE BILLY, L.L.P.
Lawyers for Applicants

AFFIDAVIT

I, the undersigned, SEAN CLEARY, CEO of BlackRock Metals Inc., BlackRock Mining Inc., BRM Metals GP Inc. and BlackRock Metals LP (collectively, the “**Applicants**”) having a place of business at 1606-1080, Beaver Hall Hill, in the city and judicial district of Montreal, Quebec, H2Z 1S8, solemnly affirm that:

1. I am the authorized representative of the Applicants;
2. All the facts alleged in the *Motion for a second extension of the stay of proceedings* are to my personal knowledge and true.

AND I HAVE SIGNED:



SEAN CLEARY

SOLEMNLY AFFIRMED before me on March 22, 2022 by videoconference Teams, in Montréal allowing me to recognize Sean Cleary, and witnessing him having read the motion and the sworn declaration and having signed it. The document transferred by email is the *Motion for a second extension of the stay of proceedings*.




Commissioner of Oaths for Province of
Quebec

NOTICE OF PRESENTATION

TO: **THE SERVICE LIST**


TAKE NOTICE that the present *Motion for a second extension of the stay of proceedings* will be presented for before the Honourable Justice Marie-Anne Paquette, S.C.J., **on March 25, 2022 at 2:15 p.m.** in a forum to be further announced to the Service List.

Any party wishing to object to this motion shall file a notice of objection **no later than March 23, 2022, at 4:00 p.m.**

If no one objects, judgment could be rendered without a hearing on March 25, 2022. If a notice of objection is filed, the coordinates will circulate for a hearing on March 25, 2022.

DO GOVERN YOURSELVES ACCORDINGLY.

MONTREAL, March 22, 2022



LAVERY, DE BILLY, L.L.P.
Lawyers for Applicants

NO.: 500-11-060598-212

SUPERIOR COURT
(Commercial Division)
DISTRICT OF MONTRÉAL

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

BLACKROCK METALS INC. et al

Applicants

and

DELOITTE RESTUCTURING INC.

Monitor

**MOTION FOR A SECOND EXTENSION OF THE
STAY OF PROCEEDINGS,
AFFIDAVIT AND NOTICE OF PRESENTATION**

ORIGINAL

O/file: 125468-00005

BL 1332

Me Jean Legault

jlegault@lavery.ca

Me Jonathan Warin

jwarin@lavery.ca

Me Ouassim Tadlaoui

otadlaoui@lavery.ca

LAVERY, DE BILLY, L.L.P.

LIMITED LIABILITY PARTNERSHIP

SUITE 4000, 1, PLACE VILLE MARIE, MONTREAL, QUEBEC H3B 4M4

TELEPHONE: 514 871-1522 FAX NUMBER: 514 871-8977

EMAIL NOTIFICATIONS: NOTIFICATIONS-MTL@LAVERY.CA