

CANADA

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)

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

**BLACKROCK METALS INC.**, a legal person  
having its head office at 1606-1080, Beaver  
Hall Hill, in the city and judicial district of  
Montreal, Quebec, H2Z 1S8;

and

**BLACKROCK MINING INC.**, a legal person  
having its head office at 1606-1080, Beaver  
Hall Hill, in the city and judicial district of  
Montreal, Quebec, H2Z 1S8;

and

**BRM METALS GP INC.**, a legal person having  
its head office at 1606-1080, Beaver Hall Hill,  
in the city and judicial district of Montreal,  
Quebec, H2Z 1S8;

and

**BLACKROCK METALS LP**, a legal person  
having its head office at 1606-1080, Beaver  
Hall Hill, in the city and judicial district of  
Montreal, Quebec, H2Z 1S8;

Applicants

and

**DELOITTE RESTRUCTURING INC.**, a legal  
person having a place of business at 1190 des  
Canadiens-de-Montreal Avenue, Suite 500, in  
the city and judicial district of Montreal,  
Quebec, H3B 0G7;

Proposed Monitor

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**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**

Sections 9, 11 and ff., 11.51, 11.52 and 23 of the *Companies' Creditors Arrangement Act*  
("CCAA")

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**TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN THE  
COMMERCIAL DIVISION IN AND FOR THE JUDICIAL DISTRICT OF MONTREAL, THE  
APPLICANTS RESPECTFULLY SUBMIT:**

**INTRODUCTION**

1. By the present application (this "**Application**"), the Applicants seek the protection of the CCAA in order for them to maintain their businesses and operations and protect their assets for the benefit of their creditors and other stakeholders through a court-supervised restructuring and reorganization process, as described more fully below (the "**Proposed Restructuring**").
2. The Proposed Restructuring is supported by the Proposed Monitor and the Applicants' principal secured creditors, OMF Fund II H Ltd. ("**Orion**") and Investissement Québec ("**IQ**").
3. The Applicants seek the issuance of an initial order (the "**First Day Order**") under the CCAA providing for, *inter alia*, the following relief:
  - i) the appointment of Deloitte Restructuring inc., a licensed insolvency trustee, as monitor for the Applicants in these proceedings (the "**Proposed Monitor**");
  - ii) a stay of proceedings against the Applicants and their respective directors and officers for an initial period of ten (10) days until January 2, 2022, in accordance with the CCAA (the "**Stay Period**");
  - iii) A deemed extension of the initial Stay Period, in light of the upcoming holiday season, from January 2, 2022 until January 7, 2022, the date of the proposed comeback hearing (the "**Comeback Hearing**"), to occur unless a contestation is served and filed by December 27, 2021 in accordance with the terms of the First Day Order;
  - iv) the granting of a limited administration charge (the "**Administration Charge**");
  - v) a sealing order with regards to certain exhibits filed in support of this Application.
4. At the Comeback Hearing, the Applicants will seek the issuance of an amended and restated initial order (the "**Initial Order**") providing for, *inter alia*, the following additional relief:
  - i) the extension of the Stay Period until March 4, 2022;
  - ii) the granting of an extended Administration Charge;

- iii) the granting of a Directors and Officers charge (the “**D&O Charge**”);
  - iv) the approval of an interim facility for the Applicants (the “**Interim Facility**”), to be advanced, if and when necessary, by IQ and Orion (in that capacity, the “**Interim Lender**”) and the granting of a super-priority charge (the “**Interim Financing Charge**”) to secure the Interim Facility; and
  - v) the granting of a super-priority charge (the “**Transaction Charge**”) to secure the reimbursement of the expenses payable to the Stalking Horse Bidder under the Stalking Horse Agreement (as such terms are defined below).
5. Furthermore, the Applicants will also seek the issuance at the Comeback Hearing of an Order (the “**Bidding Procedures Order**”) approving the proposed Sale and Investment Solicitation Process (the “**SISP**”) and approving the stalking horse agreement of purchase and sale (the “**Stalking Horse Agreement**”) entered into between the Applicants, on the one hand, and Orion and IQ on the other (in that capacity, the “**Stalking Horse Bidder**”), solely for the purpose of constituting the Stalking Horse Bid under the SISP, subject to further order of this Court following the completion or termination of the SISP.
  6. The draft First Day Order sought is communicated herewith as **Exhibit P-1** and the comparison between said draft and the model Initial Order issued by the commercial Division of the Superior Court of Québec is communicated herewith as **Exhibit P-2**.
  7. The draft Initial Order to be sought at the Comeback Hearing is communicated herewith as **Exhibit P-3** and the comparison between said draft and the model Initial Order issued by the commercial Division of the Superior Court of Québec is communicated herewith as **Exhibit P-4**.
  8. The draft Bidding Procedures Order is communicated herewith as **Exhibit P-5**.
  9. A pre-filing report prepared by the Proposed Monitor (the “**Pre-Filing Report**”) will be communicated prior to the hearing of this Application.

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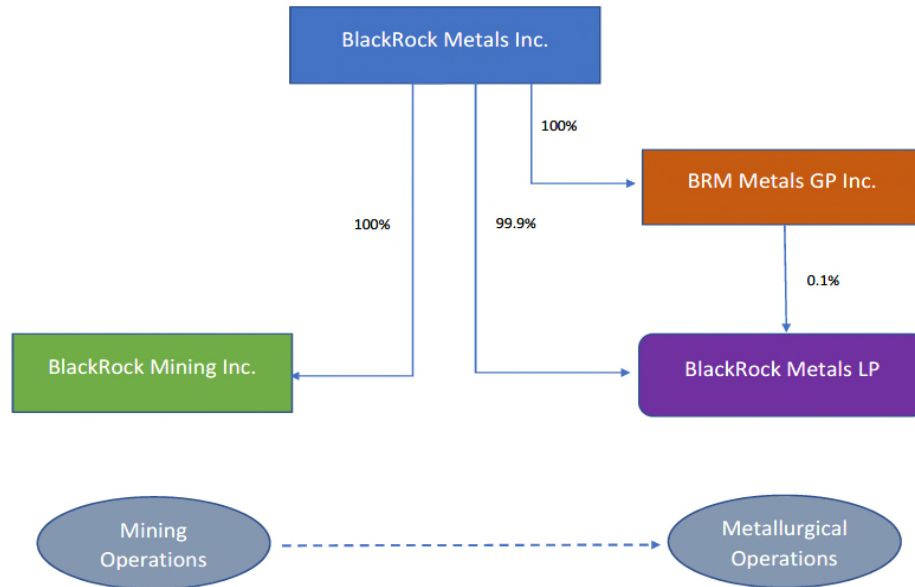
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## 1. THE APPLICANTS

### i) Corporate Structure and Governance

10. The Applicants are essentially a group of companies, whose main activity is the development and implementation of Project Volt, as described below.
11. BlackRock Metals Inc. (“**BRMI**”) is a corporation incorporated under the *Canada Business Corporations Act* (“**CBCA**”) and having its head office in Montréal, Québec, as appears from a copy of BRMI’s corporate registry communicated herewith as **Exhibit P-6**.
12. BlackRock Mining Inc. (“**BRM Mining**”) is a BRMI fully owned subsidiary incorporated under the CBCA and having its head office in Montréal, Québec, as appears from a copy of BRM Mining’s corporate registry communicated herewith as **Exhibit P-7**.
13. The Mining Rights (as defined hereinafter) are owned by BRM Mining.
14. BRM Metals GP Inc. (“**BRM GP**”) is also a BlackRock fully owned subsidiary incorporated under the CBCA and having its head office in Montréal, Québec and the General Partner of BlackRock Metals LP (“**BRM LP**”), a limited partnership incorporated under the *Civil Code of Québec* and having its head office in Montréal, Québec (BRMI, BRM Mining, BRM GP and BRM LP, collectively, the “**Applicants**” or the “**Company**”), as appears from a copy of BRM GP and BRM LP’s respective corporate registries communicated herewith *en liasse* as **Exhibit P-8**.
15. BlackRock was initially founded in 2008 by founders Sean Cleary (current CEO and Chairman of the board of directors) and David Caldwell (current VP Technical Services and board member) and merged with its then shareholder Winner World Holdings Limited (“**WWHL**”) in 2011, a holding company domiciled in Vancouver, British Columbia, as appears from BRMI’s corporate registry Exhibit P-6.
16. BRM Mining, BRM GP and BRM LP were all incorporated and registered in June of 2019 in the context of a restructuring of BRMI in order to maximize investment opportunities and enable the execution of specific agreements.
17. The Applicants are composed of BRMI, BRM Mining, BRM GP and BRM LP:

### The Applicants Org Chart



#### ii) Project Volt

18. The Applicants intend on becoming North America's specialty metals developer and are positioned to become a global supplier of vanadium, high purity pig iron and titanium products, three premium critical specialty metals, which are central to the green materials transition in North America.
19. To achieve this endeavour, the Applicants envisage a multi-metallic ferroalloy project in the province of Quebec targeting the production of vanadium, high purity pig iron and titanium products with an integrated mine and concentrator located in the Chibougamau region, and a metallurgical complex located at Port of Saguenay in the Saguenay region ("**Project Volt**").
20. Project Volt's mine and beneficiation plant will be located in Chibougamau, on traditional Cree First Nation territory (the "**Mine**") and its metallurgical complex in the Port of Saguenay (the "**Complex**" and together with the Mine, the "**Facility**").
21. It is to be noted that the Company is a development stage mining company that has not yet completed construction of its Facility, which is to be completed through the Construction Financing (as defined below), Consequently, the Company currently has no revenue generating activities.
22. Since 2008, the Applicants' efforts have all been aimed towards the development of Project Volt. Said efforts include, *inter alia*:

- a. Holding a 100% undivided ownership interest in the necessary mining rights which consist of 230 mining claims (the “**Mining Claims**”) and two non-exclusive leases to mine surface mineral substances (the “**BNEs**”) and together with the Mining Claims, the “**Mining Rights**”), all located in the Townships of Dollier, LeMoine, Queylus, Rinfret and McCorkill, Registration Division of Lac-Saint-Jean-Ouest, Québec, as appears from a list of the relevant excerpts of the Public Register of Real and Immovable Mining Rights (the “**Mining Register**”) and the Register of the Domain of the State (*Registre du domaine de l'État*) communicated herewith *en liasse* as **Exhibit P-9**;
- b. Assembling a very capable management team to run BRMI in particular, and more generally the Applicants' operations on a full and part time basis:
  - **Sean Cleary** (Chairman of the Board and CEO) who has over 20 years of experience in financing mining projects, mergers and acquisitions, corporate financing and scaling up companies;
  - **Gus Hiller** (COO) who holds a B.Sc. in Metallurgical Engineering from the University of Arizona and has many years of demonstrated track record in operations management, corporate restructuring and consulting experience in iron ore and coal mines pelletizing, DRI and HBI plants, sinter and blast furnace operations and various electric furnace steel plants both greenfield and distressed;
  - **Patrice Beaudry** (VP Project) who has over 25 years of experience in project management, procurement and business development;
  - **David A. Caldwell** (VP Technical Services and Director) who holds a BSc Geology, and a BSc Geophysics from University of Minnesota Institute of Technology, a Msc Geology and Geochemistry from New Mexico Institute of Mining and Technology and is a world expert in VTM deposits with over 28 years of experience in the development and extraction of mineral resources;
  - **Eva Carissimi** (VP Operations, mining and Metallurgical Plant) who holds a Bachelor of Science in Metallurgical Engineering from McGill University and has extensive experience in the mining and smelting industry. She was named one of Canada's Most Powerful Women: Top 100 Award Winners in the Trailblazers and Trendsetters category from the Women's Executive Network in 2011;
  - **Pierre Cossette** (VP Corporate Affairs) who has 30 years of experience in legal counseling, project development and energy management in the primary metals industry;
  - **Alexandre Meterissian** (VP Government Affairs) who has been a government affairs consultant at Teneo, a global strategic consulting firm (formerly, Hatley Strategy Advisors) since 2013 and has worked at various ministerial offices in Ottawa;
  - **Dan Nir** (CFO) who has held various corporate development and investment banking positions in Toronto and New York and has advised

clients on numerous mergers & acquisitions and corporate finance transactions;

- **Michael Lam** (VP Finance) who has more than 20 years of experience in accounting, management, audit and financial control in Canada, holds a Chartered Professional Accounting designation and formerly worked for a global accounting firm;
  - **Evelyne Bundock** (VP People, Culture and Performance) who has more than 30 years of experience in human resources management in both manufacturing and service industries;
  - **David Dufour** (Regional Development Manager) who has over 25 years of experience in the field of economic and strategic development;
  - **Danie Dutton** (Director of Vanadium Process & Products) who has 24 years of technical design and operational experience in the iron, steel, titanium, alloys and vanadium industry;
  - **Nathalie Laurin** (Board Secretary) who has over 30 years of experience in administration and accounting, primarily in the natural resources sector.
- c. Assembling BRMI's board of directors which includes preeminent members of the community, including a former Premier of Quebec and other members with significant experience in finance (capital markets) and the mining industry (the "**Board of Directors**"):
- **Sean Cleary** (Chairman of the Board and CEO);
  - **Edward Yu** (Vice-Chairman of the Board) who is President of Capital Market Global Limited and has over 30 years of experience in capital markets, iron ore trading, operating agreement and building mine projects;
  - **Pierre Marc Johnson** (Chairman of the Corporate Governance Committee) who is a former Premier of Quebec and has served on numerous Boards of Directors;
  - **Marc-André Lavoie** (Chairman of the Compensation Committee) who has extensive experience in international financial markets and natural resources;
  - **Robert P. Boisjoli** (Chairman of the Audit Committee) who is a Fellow Chartered Professional Accountant and a corporate finance/operational professional with over 30 years of operational and advisory experience;
  - **David A. Caldwell** (Director);
  - **Michael James Allen** (Director) who has over 40 years of experience in the steel industry, mining and exploration in industrial minerals, base and precious metals in Canada, Europe, China and South East Asia;



- **Nathalie Le Prohon** (Director) who has over 20 years of experience in the Information Technology and mobility/telecommunications industries and has been serving on numerous Boards since 2007;
  - **LeRoy Prichard** (Director) who holds a B.Sc. in Civil Engineering and an MBA and has had senior management responsibility with respect to the construction and start-up of at least six major metal mill capital projects.
- d. Securing through various financing structures, working capital for the design and early-stage development of Project Volt, including, inter alia:
- In 2011, US\$40M through an offtake agreement (as amended in 2015) with a Hong-Kong based company, Prosperity Materials Macao Commercial Offshore Limited (“**Prosperity**”), as appears from said Offtake Agreement (the “**Prosperity Offtake Agreement**”) communicated herewith as **Exhibit P-10**;
  - In 2013, US\$10M through an investment (purchase of common shares in the capital of BRMI, made by the Oman Oil Company S.A.O.C. (“**OOC**”);
  - In 2013, US\$5M through an investment (purchase of common shares in the capital of BRMI) made by Ressources Québec Inc. (“**RQ**”);
  - In 2015, approximately US\$5M through a private placement of Flow-Through common shares of BRMI arranged by Peartree Financial Services Ltd. (“**Peartree**”), as appears from the Subscription Agreement for Flow-Through Shares (the “**Peartree Agreement**”) communicated herewith as **Exhibit P-11**;
  - In 2015, approximately CAD\$1.6M through an investment (purchase of common shares in the capital of BRMI) made by RQ;
  - In 2016, approximately US\$8.3M through an investment (purchase of common shares in the capital of BRMI) made by RQ, Administration Régionale Baie James (“**ARBJ**”), Société de Développement de la Baie James (“**SDBJ**”) and Cree Nation Government (“**Cree Nation**”);
  - In 2017, US\$22.5M through an investment (purchase of common shares in the capital of BRMI) made by OMF Fund II (Be) Ltd.;
  - In 2017, approximately CAD\$3.3M through an investment (purchase of common shares in the capital of BRMI) made by RQ;
  - In 2019, \$70M through a Bridge Loan Credit Agreement, dated January 18, 2019 among BRMI as borrower, Orion and IQ and other lenders from time to time, and Orion as Administrative Agent (the “**Bridge Financing**”), as amended on five (5) occasions, as appears from the Bridge Loan Credit Agreement and its five (5) amendments, communicated herewith *en liasse* as **Exhibit P-12**.
- e. Entering into various key agreements with different stakeholders in respect of Project Volt, including, inter alia:

- A Lease Agreement with Développements Port Saguenay Inc. (“**Développement portuaire**”) and Administration Portuaire du Saguenay (“**Administration portuaire**”) for the Complex installations;
- A Development Agreement with the Innu First Nation La Première Nation des Pekuakamiulnuatsh (“**PNP**”) pertaining to the development of the Mine located near the region of Chibougamau, in the Townships of LeMoine, Rinfret, Dollier and Queylus and more particularly, to the measures to be implemented by BRMI to mitigate the Mine’s impact on PNP and its territory and to involve the PNP community in the Mine portion of Project Volt;
- A Partnership Agreement with PNP, la Première Nation Innue de Pessamit (“**Pessamit**”) and La Première Nation des Innus Essipiunnuat (“**Essipit**”) and together with PNP and Pessamit, the “**Innus First Nations**”) regarding the construction and exploitation phases of the Complex in order to develop and implement same with the Innus First Nations’ support and active implication;
- A Partnership and Cooperation Agreement with the Oujé Bougoumou Cree Nation, the Grand Council of the Crees (Eeyou Istchee) and the Cree Regional Authority (collectively, the “**Cree First Nation**”) pertaining to the establishment and maintenance of a long-term working relationship between BRMI and the Cree First Nation during all phases of Project Volt through a sustainable development approach, active implication from the Cree First Nation and collaboration throughout the implementation of Project Volt and the exploitation of the Mine and Complex;
- An Agreement for the Regional Collaboration with ARBJ, the City of Chapais and the City of Chibougamau regarding the development and implementation of Project Volt;
- An Equipment Supply and Services Agreement with Tenova S.P.A. and Tenova Goodfellow Inc. (collectively, “**Tenova**”) for the supply and service of Pig Iron and V-Slag Process Equipment;
- Engineering and Design Agreements with BBA Inc. (“**BBA**”) for the Mine Beneficiation Plant Detailed Engineering and for the Complex;
- A Service Agreement with Tetra-Tech QE Inc. (“**Tetra-Tech**”) for engineering services pertaining to the Complex;
- An Agreement Protocol with La Compagnie du Chemin de Fer Roberval Saguenay (“**CFRS**”) pertaining to the usage of rail services;
- Several Agreements with Hydro Quebec and Energir for, amongst others, high voltage contribution and supply of natural gas, both for the Complex and the Mine;
- Memorandums of Understanding with ABB Inc. (“**ABB**”) and FLSmidth USA Inc. for the Supply of Services and Proprietary Equipment for the development of the Mine and Beneficiation Plant;

- A Framework Agreement Proposal with V.J. Pamensky Canada Inc. (“**Pamensky**”) for the manufacture and supply of electrical products (Weg Motors);
- f. Securing the necessary Permits and Authorizations from governmental and para-governmental agencies such as the *Ministère de l’Environnement et de la Lutte contre les changements climatiques*, the *Ministère de l’Énergie et des Ressources naturelles* and the *Ministère des Forêts, de la Faune et des Parcs* for the development and implementation of the Mine and the Complex;
23. As demonstrated above, notably from the multiple agreements the Applicants secured with the Cree and Innus First Nations’ representatives, as well as from the multiple Permits and Authorizations granted by governmental and para-governmental agencies, Project Volt benefits from outstanding social and governmental acceptability.
24. Project Volt’s governmental acceptability is further demonstrated by the active implication of RQ (before its merger with IQ) and IQ in their multiple investments and financings of BRMI made throughout Project Volt’s development phase, and as will be detailed below, their interest in its construction and implementation phase, notably by their proposed involvement in its financing should the Applicants complete the Proposed Restructuring.
25. In fact, Project Volt is built on social acceptance, regional economic development, and First Nations and Government support.
26. Furthermore, Project Volt is a green mining project as it targets a zero-waste project through the sale of substantially all by-products and slag streams and as its facilities will be powered by hydroelectric power and natural gas (with practically no coal) which significantly reduce the Project’s environmental footprint.
27. The Applicants have been in the process of raising capital to fund the construction and implementation of the Mine and the Complex forming Project Volt, having substantially completed its design and development phase as described above (the “**Construction Financing**”).
28. It is currently contemplated that the Construction Financing will require approximately US\$1.1B in capital through various types of financing that will fund completion of Project Volt’s construction and implementation phase. However, the Applicants have been unable, to date, to finalize and secure the Construction Financing.
29. The construction and implementation phase of Project Volt will have a direct impact on the economic development of the Saguenay and James Bay regions, including the creation of more than 4,000 jobs and an impact on the Province of Quebec’s Gross Domestic Product of approximately \$438M during the construction phase, as appears from a report prepared by Raymond Chabot Grant Thornton at the request of BRMI and to be presented to the *Bureau d’audience publique sur l’environnement* (the “**BAPE Report**”), communicated herewith as **Exhibit P-13**.
30. As appears from the BAPE Report, during the operating phase, Project Volt’s direct economic impact would be the creation of 1058 jobs and an increase of Quebec’s Gross Domestic Product of approximately \$20,237M during the whole Project’s life span.

## 2. THE APPLICANTS' FINANCIAL SITUATION

### i) Assets of the Applicants

31. As appears from the Applicants' latest consolidated draft financial statements as of June 30, 2021 (the "**Draft FS**"), communicated herewith as **Exhibit P-14 (under seal)** the approximate book value of the Applicants' assets is detailed as follows:

<b>ASSETS</b>	<b>APPROXIMATE BOOK VALUE (EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)</b>
Receivables (including prepaid expenses and advances)	\$979
Cash and cash equivalents	\$7,230
Property (including Mining Rights and IP), plant and equipment	\$146,172
Financial asset collateral investment	\$11,936
Other	\$1,129
<b>TOTAL:</b>	<b>\$167,446</b>

32. As appears from the Applicants' most recent consolidated interim inhouse financial statements, as of November 30, 2021 (the "**Inhouse FS**" and collectively with the Draft FS, the "**Financial Statements**"), communicated herewith as **Exhibit P-15 (under seal)** the approximate book value of the Applicants' assets is detailed as follows:

<b>ASSETS</b>	<b>APPROXIMATE BOOK VALUE (EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)</b>
Receivables (including prepaid expenses and advances)	\$1,085
Cash and cash equivalents	\$3,826
Property (including Mining Rights and IP), plant and equipment	\$146,505
Financial asset collateral investment	\$11,936
Other	\$1,129
<b>TOTAL:</b>	<b>\$164,482</b>

33. The Financial asset collateral investment consists of Guaranteed Investment Certificates ("**GICs**") issued by Canadian banks, with an average interest rate of 0.33% and maturity

date ranging between September 2021 and January 2022. These GICs are in collateral of letters of credit issued by the Royal Bank of Canada (“RBC”) in favor of major utility suppliers (Hydro-Quebec and Energir), federal and provincial authorities (the “LCs”).

34. RBC holds several first ranking hypothecs charging the GICs as well as their related bank accounts (all held at RBC), communicated herewith *en liasse* as **Exhibit P-16**.

ii) Indebtedness of the Applicants

35. As of the date hereof, the Applicants are current in their payroll obligations, including accrued and unpaid wages, applicable source deductions, etc.

36. As appears from the Financial Statements, BRMI's main indebtedness is composed of the following secured and unsecured debts:

SECURED CLAIM (EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)	APPROXIMATE AMOUNT OF INDEBTEDNESS AS OF JUNE 30, 2021 (DRAFT FS)	APPROXIMATE AMOUNT OF INDEBTEDNESS AS OF NOVEMBER 30, 2021 (INHOUSE FS)
The Bridge Financing from IQ and Orion	\$85,496	\$90,759

LIABILITIES (EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)	APPROXIMATE AMOUNT OF INDEBTEDNESS AS OF JUNE 30, 2021 (DRAFT FS)	APPROXIMATE AMOUNT OF INDEBTEDNESS AS OF NOVEMBER 30, 2021 (INHOUSE FS)
Prosperity	Alleged \$49,576	Alleged \$50,964
PearTree Subscribers and CRA	\$3,000	\$3,000
Accounts payable and accrued liabilities	\$4,091	\$3,480
Others (Short term lease Obligations)	\$368	\$368
<b>TOTAL:</b>	<b>\$57,035</b>	<b>\$57,812</b>

iii) The Applicants' Financial Difficulties

37. As discussed above, over the past few years, the Applicants have actively been involved in the development phase of Project Volt, during which the Applicants did not derive any revenue from the project, which has not yet been constructed.

38. Therefore, the recovery of amounts recorded as assets in the Financial Statements as property, plant and equipment depends on the confirmation of the Applicants' interest in

Project Volt's underlying Mining Rights, their ability to finalize and secure the Construction Financing, and future profitable production or proceeds from the operation of the business or the disposition thereof.

39. As appears from the Draft FS, for the year ended June 30, 2021, the Applicants' have suffered a net loss of CA\$19,288M.
40. As detailed below, the Bridge Financing came to maturity on December 1, 2021, and is now due and immediately payable by the Applicants (as borrower and guarantors) to Orion and IQ, in capital, interests and fees, the whole in the amount of \$CAN 90,759M (the "**Secured Claim**").
41. As will be detailed below, judicial proceedings have been commenced by Prosperity in Hong Kong, by which it claims payment of the amount of US\$46M (including interests) from BRMI (the "**Contested Prosperity Unsecured Claim**"). Although contested, this claim generates uncertainty over the Applicants' business and the finalization and securing of the Construction Financing.
42. BRMI does not have the necessary funds to satisfy the Secured Claim or pay its other creditors and is entirely dependent on both debt and equity financing to continue its operations, such that BRMI is insolvent pursuant to the CCAA.
43. Pursuant to the Guarantees and the Adherence Agreements (as defined below), BRM Mining, BRM GP and BRM LP are also insolvent pursuant to the CCAA.

### 3. THE APPLICANTS' STAKEHOLDERS

#### i) BRMI's Shareholders

44. As of the date of the present proceedings and since July 4, 2018, there were approximately 148,847,572 BRMI common shares in circulation, as appears from the BRMI central securities register (the "**Securities Register**") communicated herewith as **Exhibit P-17**;
45. BRMI's share ownership structure, as appears from the Securities Register, is the following:

Shareholder Group	Number of Common Shares	Percentage
<b>Winner World Holdings Limited</b>	69,158,946	46%
<b>Orion</b>	27,366,370	18%
<b>Quebec Government</b>	18,092,342	12%
<b>Family, Friends, Retail, Others</b>	13,277,972	9%
<b>Local Development Funds (including Cree</b>	11,499,999	8%

<b>First Nation and James Bay) and Other</b>		
<b>Management &amp; Directors</b>	9,451,943	6%
<b>Total</b>	<b>148,847,572</b>	<b>100%</b>

46. Since inception, BRMI has raised approximately US\$67M in equity, through investment by BRMI's aforementioned shareholders.

ii) *IQ and Orion (Secured Claim):*

47. The Bridge Financing was provided on January 18, 2019, by two of the Company's shareholders, Orion and IQ (the "**Secured Lenders**"), for the purpose of financing, in part, the development and working capital requirements of Projet Volt, and for general corporate and administrative expenses of the Company. The initial maturity of the Bridge Financing was one year later, namely January 18, 2020.

48. Under the Bridge Financing, the maximum credit facility available of \$70 million bears interest at the rate of 12% per annum, payable quarterly until its maturity date, or following definitive agreements for the Construction Financing. Advances under the Bridge Financing are secured by a first ranking hypothec over the universality of the Applicants' assets (movable and immovable) and mining property and a General Security Agreement, communicated herewith with their respective registration confirmations *en liasse* as **Exhibit P-18**.

49. To further secure the Bridge Financing, BRM Mining, BRM GP and BRM LP have executed three (3) Guarantees as of February 13, 2020 by in favour of Orion, as administrative agent for and on behalf of IQ and Orion, as the Lenders (as defined therein) (the "**Guarantees**"), communicated herewith *en liasse* as **Exhibit P-19**.

50. BRM Mining, BRM GP and BRM LP also granted security over the universality of their assets to the Collateral Agent (as defined therein), as appears from the three (3) Adherence Agreements executed as of February 13, 2020 to secure the Guarantees (the "**Adherence Agreements**"), communicated herewith *en liasse* as **Exhibit P-20**.

51. At the request of the Applicants, the Secured Lenders agreed to extend the maturity date of the Bridge Financing five times (see Exhibit P-12) to allow for the continued development of Project Volt and for the Applicants to finalize and secure the Construction Financing. Pursuant to the last such agreement, the maturity date was extended to December 1, 2021.

52. As such, the Bridge Financing came to maturity and the Secured Claim is payable since December 1, 2021.

iii) *Unsecured Creditors:*

53. In 2015, BRMI entered into the Prosperity Offtake Agreement with Prosperity (amending an initial offtake agreement for iron ore concentrate, entered into in 2011), whereby BRMI granted Prosperity an option to buy up to 1 million tons of pig iron with deliveries to commence on 30 June 2019 or "*such other date as may be agreed to between the parties*"

in exchange for a payment of US\$ 40 million, as appears from the Prosperity Offtake Agreement Exhibit P-10.

54. The delivery date was subsequently modified after the Prosperity Offtake Agreement was signed to take into account Project Volt's completion schedule.
55. However, on May 11, 2020, Prosperity filed a Writ of Summons with the High Court of Hong Kong claiming that BRMI had not delivered the product and, as a result, Prosperity considered the Prosperity Offtake Agreement to be terminated for repudiatory breach and claimed the full reimbursement of the payment of US\$40 million.
56. In its Defense filed on April 29, 2021, BRMI disputes Prosperity's allegations of repudiatory breach on the grounds that *inter alia* the Prosperity payment amounted to an investment in Project Volt and that Prosperity knew or should have known that a project of the size and complexity of Project Volt would likely experience delays. No hearing date has been set yet.
57. Under the Peartree Agreement, and more specifically, pursuant to its Exhibit 4 *Flow-Through Benefits*, BRMI undertook to indemnify the Subscribers (as defined therein) for any tax liability resulting from their respective investments in BRMI through flow-through shares.
58. Since the Canada Revenue Agency ("**CRA**") rejected a portion of BRMI's Qualified Expenditures (as defined in the Peartree Agreement), the Subscribers were assessed by the CRA consequently, and equivalent notices of assessment are expected to be issued by Revenu Quebec.
59. Furthermore, and as a consequence of CRA's rejection of a portion of BRMI's Qualified Expenditures, penalties were imposed on BRMI by CRA, and equivalent penalties are expected to be imposed on BRMI by Revenu Quebec.
60. As such, the CRA and the Subscribers' unsecured claims, as well as the foreseen equivalent Revenu Quebec's unsecured claim against BRMI, total an approximate amount of CA\$3M (the "**Peartree Unsecured Claim**").

iv) *First Nations:*

61. As demonstrated above, namely by the numerous agreements executed with BRMI pertaining to Project Volt, the Innus and Cree First Nations are well involved in Project Volt, the Cree First Nation also being one of BRMI's important shareholders.
62. In fact, the Cree and Innu communities will greatly benefit from the construction and implementation of Project Volt, as demonstrated in the BAPE Report.

**4. THE APPLICANTS' PRE-FILING CONSTRUCTION FINANCING EFFORTS AND PROPOSED RESTRUCTURING**

63. The Applicants' management team, with the assistance of their financial consultants (Crédit Suisse and Goldman Sachs: the "**Financial Consultants**"), have conducted a global search for funding but, despite considerable time and effort, have not been able, to date, to finalize and secure the Construction Financing.



64. In particular and since 2018, taking into account the delays created by the Covid-19 pandemic, the Applicants have undertaken the following efforts in connection with the process for securing the Construction Financing, *inter alia*:
- a. They approached over one hundred and fifty (150) institutional potential investors (Asset Managers, Hedge Funds, Private Equity and Sovereign wealth funds), located in the UK, Abu Dhabi and Dubai (UAE), USA (New York, Boston, L.A. etc.), Hong Kong, France, Canada (Montreal, Toronto), Australia, Japan, Switzerland, Qatar, Oman and the Netherlands, including, *inter alia*, Air-Canada and BCE Pension Plans, Fonds de solidarité FTQ, JP Morgan Asset Management and Ontario Teachers' Pension Plan;
  - b. They approached over fifty (50) Family Offices located in North America (Canada and USA), Europe (UK, France, Greece, Monaco and Germany), the Middle East (Egypt and Saudi Arabia); and
  - c. They approached over ten (10) major European Credit funds.
65. The projected financing structure considered for the Construction Financing is described in the *Illustrative capital structure update* prepared by the Financial Consultants communicated herewith as **Exhibit P-21 (under seal)**.
66. The Applicants have been in discussions with IQ and Orion regarding their potential participation in the Construction Financing as well as the options available to the Applicants to deal with their significant indebtedness under the Bridge Financing.
67. Further to those discussions, IQ and Orion confirmed that they would not enforce their security over the Applicants' assets despite the Bridge Financing maturing on December 1, 2021, provided the Applicants take steps to initiate the CCAA process and implement the Proposed Restructuring.
68. IQ and Orion have also offered to make additional funding available to the Applicants under the Interim Facility, if necessary, to ensure the SISP, as described below, is fully funded and completed, and to act as Stalking Horse Bidder in the context of the SISP.
69. Without the Construction Financing being finalized and secured and considering that the Company did not have the necessary funds to satisfy the Secured Claim and pay its other creditors, the Board of Directors had to consider options available under these special circumstances and to this effect created a special committee of the Board of Directors to assist the Board in assessing the options and alternatives of the Company (the "**Special Committee**").
70. The Board of Directors, following the assessment of the Special Committee, after deliberation and taking into account its various stakeholders' interests, decided that the Proposed Restructuring would be in the best interest of the Company.
71. The Applicants have retained the services of the Proposed Monitor as a restructuring professional to assist in the CCAA proceedings, including by analysing their financial situation and by implementing the restructuring measures which would allow the Applicants to emerge as a profitable business in the future and to be able to seek to secure the necessary Construction Financing.

72. The Applicants are therefore seeking protection under the CCAA to allow them to pursue the SISP in a manner which will ultimately allow them to maximise the value of their assets through a transparent and court-supervised process.

i) The stalking horse SISP

73. The SISP has been developed by the Applicants, in consultation with the Proposed Monitor and with the support of IQ and Orion, as a means of seeking to maximize the Applicants' potential value.

74. The SISP, if approved by the Court, is to be conducted in accordance with the proposed bidding procedures (the "**Bidding Procedures**") and is intended to solicit interest in, and opportunities for: (i) sales in respect of the Applicants' business; and/or (ii) an investment, restructuring, recapitalization, refinancing or other form of reorganization transaction, in respect of the Applicants, as appears from a copy of the Procedures for the Sale and Investment Solicitation Process dated December 22, 2021, communicated herewith as **Exhibit P-22**.

75. The SISP is to be conducted by the Monitor in accordance with the Bidding Procedures. It is to be deployed in early January of 2022 and contemplates a two-phase bidding process according to the following timeline (subject to any extensions and modifications that may be made pursuant to the Bidding Procedures):

<u>Event</u>	<u>Contemplated deadline</u>
<b>Phase 1</b>	
Distribution of Solicitation Letter to potentially interested parties	January 10, 2022, at 5:00 p.m.
Access granted to CIM and VDR	January 10, 2022, at 5:00 p.m.
Phase 1 Qualified Bid Deadline (non-binding LOI)	February 9, 2022, at 5:00 p.m.
Identification and notification in respect of Phase 1 Successful Bid(s)	February 14, 2022, at 5:00 p.m.
Approval Hearing - If No Other Bids (Stalking Horse Bid retained)	February 25, 2022
Closing - If No Other Bids (Stalking Horse Bid retained)	March 4, 2022 or such earlier date as is achievable
<b>Phase 2</b>	
Phase 2 Qualified Bid Deadline (definitive offers on basis of Phase 1 Successful Bid(s), if applicable)	April 11, 2022,
Auction (if multiple Phase 2 Qualified Bids)	April 15, 2022
Selection of Successful Bid (if multiple Phase 2 Qualified Bids)	April 15, 2022, at 5:00 p.m.

<u>Event</u>	<u>Contemplated deadline</u>
Definitive Documentation (Successful Bid retained)	April 22, 2022
Approval Motion (Successful Bid)	April 29, 2022
Closing (Successful Bid)	May 6, 2022
Outside Date – Closing (Successful Bid)	May 6, 2022

the whole as appears from the Bidding Procedures.

76. According to the above timeline, the Applicants will be able to fund these CCAA proceedings and the SISP through their cashflows in the event the SISP is concluded after Phase 1 and the Stalking Horse Bid is retained, as appears from the cashflow projections annexed to the Pre-Filing Report.
77. In the event the SISP proceeds to Phase 2, the Interim Lender is prepared, as noted above, to provide funding under the Interim Facility for the continuation of the SISP. This ensures that the process will be completed and maximizes the prospect of identifying the best available offer for the Applicants and their stakeholders.
78. The Stalking Horse Bidder has concluded a definitive agreement with the Applicants to enter into a transaction whereby it would, in particular, acquire the shares of BRMI in consideration of a credit bid of its Secured Claim, which, as noted above, totals more than \$90,759M, the whole in accordance with the terms and conditions of the Stalking Horse Agreement, a copy of which is communicated herewith as **Exhibit P-23** (the “**Stalking Horse Bid**”).
79. The Stalking Horse Bid will serve as a baseline transaction for the Applicants with the potential for attracting a superior bid in the marketplace through the SISP. It also guarantees that a transaction can be implemented that will allow for the placement of the Construction Financing and the eventual completion of Project Volt.
80. In the event the Stalking Horse Bid is retained in accordance with the Bidding Procedures, the Applicants will seek Court-approval for the transactions contemplated in the Stalking Horse Agreement, which are expected to be implemented through a reverse vesting order (an “**RVO**”).
81. In the event the Stalking Horse Bid is not retained, and an alternative transaction is identified through the SISP, the Stalking Horse Bidder will be entitled to collect the reimbursement of its expenses in the amount of \$2,5M (the “**Expense Reimbursement**”), as compensation for the expenses incurred in connection with the preparation of the Stalking Horse Bid and the value added to the SISP. The Expense Reimbursement will be secured by the Transaction Charge.
82. As noted above, the Applicants have consulted with the Proposed Monitor as well as with IQ and Orion, their most important creditors, in developing the SISP and the Bidding

Procedures, which they consider to be in line with those used in other recent comparable insolvency proceedings.

ii) Governance throughout the Proposed Restructuring

83. The Proposed Restructuring contemplates various measures geared towards ensuring that the Applicants' corporate governance and decision making are conducted in a manner that is efficient, effective and independent.
84. As explained more fully below, the First Day Order and the Initial Order include protections for the Applicants' Directors and Officers to create favorable conditions for such individuals to operate freely and to focus their energy on the deployment and implementation of the Proposed Restructuring.
85. As noted above, the SISP will be conducted by the Monitor in accordance with the Bidding Procedures, which provides additional assurances that the process will be implemented in a fair and impartial manner.

**5. RELIEF SOUGHT AT THE FIRST DAY HEARING**

i) Appointment of the Proposed Monitor

86. The Proposed Monitor has been retained by the Applicants to assist in their restructuring and is already familiar with the Applicants' operations and financial situation.
87. The Proposed Monitor has obtained significant information in respect of the business, operations and assets of the Applicants and the many issues faced by the Applicants, relevant for their restructuring efforts.
88. The Proposed Monitor is qualified to act as it is a licensed insolvency trustee and there is no restriction on the Proposed Monitor being appointed Monitor in the present CCAA proceedings.
89. Subject to the authorisation of this Court, the Proposed Monitor has accepted to act as monitor to the Applicants in the present proceedings.
90. As mentioned above, prior to the presentation of this Application, the Proposed Monitor will file the Pre-filing Report, which will support the relief sought herein.

ii) Stay of Proceedings

91. The Applicants request that all proceedings and remedies taken or that might be taken in respect to the Applicants, any of their property and directors and officers, for an initial period of ten (10) days be stayed in accordance with the CCAA.
92. The Stay Period will allow the *Status quo* during the CCAA proceedings and prevent certain creditors from taking any steps to try and better their positions in comparison to other creditors, which will benefit all the stakeholders.
93. As mentioned above, given the current Holiday season, the Applicants request that a deemed extension to the Stay Period be authorized subject to the contestation mechanism provided for in the First Day Order.

iii) Administration Charge

94. Counsels for the Applicants, the Proposed Monitor and the Proposed Monitor's counsel, are essential to the restructuring of the affairs of the Applicants and have each advised that they are prepared to continue to provide services to the Applicants only if they are protected by a charge over the assets of the Applicants and that said charge should rank in priority over other rights, charges and securities held by existing creditors (the "Administration Charge").
95. The Applicants submit that an Administration Charge in the amount of \$500,000 is reasonable to cover the work that was done in the context of the preparation of the present proceedings and the work required until the Comeback Hearing.

iv) Sealing of Confidential Documents

96. The Applicants request that the following Exhibits be kept under seal: Exhibit P-14, Exhibit P-15 and Exhibit P-21.
97. These documents provide information as to the internal affairs of the Applicants which might give an undue advantage to third parties.
98. The Applicants are all private companies, and their financial statements are therefore not public. Although many financial details are contained herein and in the pre-filing report of the Proposed Monitor, the Applicants wish to keep confidential the rest of the information contained in the financial statements and other sensitive documents filed herewith under seal, as they may become of interest to third parties depending on the next steps of the restructuring process.

v) Extension of the time limit to hold the annual shareholders' meeting

99. Pursuant to subparagraph 133(1)(b) of the CBCA, BMRI must call an annual meeting of shareholders no later than six (6) months after the end of its preceding financial year, which was on June 30, 2021.
100. Given the present proceedings, the Applicants request that the time limit to call and hold the annual shareholders' meeting is extended until after the conclusion of the present CCAA proceedings, subject to further order of this Court.

**6. ADDITIONAL RELIEFS SOUGHT AT THE COMEBACK HEARING**

i) Initial Order

101. At the Comeback Hearing, the Applicants will request additional relief, namely the following, in order to allow the Proposed Restructuring to take place.
- Extension of the Stay Period
102. The Applicants seek an extension of the Stay period up to and including March 4, 2022, or such further and other date that this Court may consider appropriate.

103. The requested stay extension will allow the Applicants to deploy the SISP in accordance with the Bidding Procedures, and, if the Stalking Horse Bid is retained, seek court approval of the transactions contemplated in the Stalking Horse Agreement.
104. In the event the SISP proceeds to Phase 2, the Applicants intend to apply to the Court for a further extension of the Stay Period and any other relief that they may consider appropriate in the circumstances.
- Extended Administration Charge
105. Considering the nature of this file, which contemplates the conclusion of a complex, multifaceted transaction, it is respectfully submitted that the amount of the Administration Charge should be increased at the Comeback Hearing and that the amount of \$1M is appropriate in order to secure the fees of the professionals involved in the Proposed Restructuring.
- The Interim Facility and Interim Financing Charge
106. The Interim Lender has agreed to make additional credit available to the Applicants under the Interim Facility, in the aggregate amount of \$2M and pursuant to the terms and conditions of the Sixth Amending Agreement to the Bridge Financing (the “**Interim Financing Agreement**”), communicated herewith as **Exhibit P-24**.
107. The Interim Facility is intended to be used only if required by the Applicants and serves to provide comfort to all interested parties that the SISP will be implemented and completed in accordance with the Bidding Procedures.
108. It is respectfully submitted that the terms of the Interim Financing Agreement are reasonable in the circumstances and that such agreement and the Interim Financing Charge in the amount of \$2,4M should be approved.
- The D&O Charge
109. Restructuring efforts for the Applicants will be significantly enhanced with continuity of the Board of Directors and the Applicants’ management team, given the complexity of the Applicants businesses, BRMI’s share ownership structure and the mining industry as a whole.
110. The Applicants maintain primary and excess directors’ and officers’ liability insurance policies, as appears from a copy of *Management Liability, Professional Liability, Crime Coverage and Kidnap and Ransom/Extortion Coverage for Private Companies* issued by AIG Insurance Company of Canada (the “**Primary D&O Policy**”) and the *CODA Premier Directors and Officers Liability Excess DIC Policy* issued by Chubb Insurance Company of Canada (the “**Excess D&O Policy**”) and collectively with the Primary D&O Policy the “**D&O Policies**”), communicated herewith *en liasse* as **Exhibit P-25**.
111. The D&O Policies contain limits and exclusions that could potentially affect the total amount of insurance available to the directors and officers of the Applicants. For example:
- a. The Primary D&O Policy has an aggregate limit of liability of \$10,000,000 and the Excess D&O Policy has an aggregate limit of liability of \$5,000,000.

- b. All officers and directors of the Applicants share the limits available under the D&O Policies, which could further reduce amounts available to protect the officers and directors against claims instituted against them.
112. Although the Applicants intend to comply with the applicable laws and regulations, the directors and officers have expressed their concern with respect to potential personal liability in the context of the restructuring of the Applicants and therefore require the Applicants to indemnify them of all liabilities.
113. The Applicants request that a court-ordered charge over all of the Applicants' property in the amount of \$250,000 in favour of the directors and officers, to the extent that claims are not covered by the D&O Policies, in order to provide an adequate level of protection to directors and officers.
114. It is respectfully submitted that the D&O Charge is reasonable and appropriate in the circumstances and that it should be approved.
- The Transaction Charge
115. A court-ordered charge over the Applicants' property is also requested to secure the Expense Reimbursement payable to the Stalking Horse Bidder under the Stalking Horse Agreement.
116. It is respectfully submitted that this protection for the Stalking Horse Bidder, which is providing a significant contribution to the Proposed Restructuring through the Stalking Horse Bid, is reasonable and appropriate in the circumstances and should be approved.
- ii) The Bidding Procedures Order
117. As noted above, the Applicants have developed the SISP and the Bidding Procedures in consultation with the Proposed Monitor with a view to identifying a viable transaction as quickly and efficiently as possible that will meet their immediate and long terms needs.
118. The Applicants have determined that their preferred means of seeking to maximize value for their stakeholders is by conducting the SISP as a stalking horse process based on the Stalking Horse Bid. As explained above, the SISP is to be conducted by the Monitor in two phases and according to the contemplated timeline and other conditions set out in the Bidding Procedures.
119. The SISP enhances the prospect of receiving a bid that would be superior in value to the Stalking Horse Bid. If such a superior bid is received in Phase 2, it is noteworthy that the Bidding Procedures also provide for an auction to take place to further increase the potential value offered for the Applicants' business and/or assets.
120. Having expended considerable time and effort in seeking to secure the Construction Financing, the Applicants are of the view that the participation of IQ and Orion would maximize the prospect of successfully closing such financing and completing Project Volt.
121. IQ and Orion have therefore agreed to act as Stalking Horse Bidder in the context of the SISP, the whole with the objective of facilitating the Proposed Restructuring and allowing the Applicants to emerge as a rehabilitated business.

122. As noted above, the Stalking Horse Bid allows the Applicants to secure a transaction guaranteeing the future of Project Volt while the SISP sets up a fair and open sale process that will aim to maximize the value of the Applicants' assets, the whole to the benefit of the Applicants' stakeholders.
123. The approval of the Stalking Horse Bid as part of the SISP is therefore sought pursuant to the Application, although the approval of the transactions contemplated in the Stalking Horse Agreement, including the anticipated RVO, will be sought at a later date in the event the Stalking Horse Bid is retained.

## 7. CONCLUSION

124. For the reasons set out above, the Applicants respectfully submit that the relief sought in this Application is necessary and appropriate in the circumstances, is generally beneficial to the Company and is consistent with the remedial objectives of the CCAA.
125. The Proposed Restructuring, featuring the SISP grounded by the Stalking Horse Bid, guarantees the Applicants a path to financial rehabilitation and will allow the Applicants to test the market in an effort to identify the best available value generating transaction in respect of their business and/or assets.
126. The Applicants have developed the Proposed Restructuring with the support of both IQ and Orion and in consultation with the Proposed Monitor, which supports the relief sought in the Application, the whole as appears from the Pre-Filing Report.
127. It is therefore respectfully requested that the relief sought in the Application be granted.

### FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

**GRANT** the present *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* (the "**Application**").

### AT THE INITIAL HEARING,

**ISSUE** an initial order (the "**First Day Order**") in the form of the draft First Day Order communicated herewith as **Exhibit P-1**;

**SET THE COMEBACK HEARING** for January 7, 2022, in a room to be determined.

### AT THE COMEBACK HEARING,

**ISSUE** an amended and restated initial order (the "**Initial Order**") in the form of the draft Initial Order communicated herewith as **Exhibit P-3**.

**ISSUE** an Order approving the proposed Sale and Investment Solicitation Process and approving the stalking horse agreement of purchase and sale (the "**Bidding Procedures Order**") in the form of the draft Bidding Procedures Order communicated herewith as **Exhibit P-5**.

**THE WHOLE** without costs, save and except in case of contestation.



MONTREAL, December 22, 2021

*Lavery De Billy*

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**LAVERY, DE BILLY, L.L.P.**

Lawyers for the Applicants

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Me Jonathan Warin

Me Ouassim Tadlaoui

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**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 *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* are to my personal knowledge and true.

AND I HAVE SIGNED, IN OAKVILLE,  
ONTARIO:

  
 \_\_\_\_\_  
 SEAN CLEARY

SOLEMNLY AFFIRMED before me on December 22, 2021, 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 *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*



\_\_\_\_\_  
 Martin Laprade (#138734), Commissioner  
 of Oaths for Province of Quebec and outside  
 of Quebec

**AFFIDAVIT**

I, the undersigned, ROBERT BOISJOLI, CHAIRMAN OF THE AUDIT COMMITTEE AND THE SPECIAL COMMITTEE of BlackRock Metals Inc., mother company of 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 *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* are to my personal knowledge and true.

AND I HAVE SIGNED, IN  
MONT-TREMBLANT:

  
\_\_\_\_\_  
ROBERT BOISJOLI

SOLEMNLY AFFIRMED before me on December 22, 2021, by videoconference Teams, in Montréal allowing me to recognize Robert Boisjoli, and witnessing him having read the motion and the sworn declaration and having signed it. The document transferred by email is 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*



\_\_\_\_\_  
Martin Laprade (#138734), Commissioner  
of Oaths for Province of Quebec and outside  
of Quebec

CANADA

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 COMPROMISE OR  
ARRANGEMENT OF:**

**BLACKROCK METALS INC.**  
and  
**BLACKROCK MINING INC.**  
and  
**BRM METALS GP INC.;**  
and  
**BLACKROCK METALS LP**

Applicants

and

**DELOITTE RESTUCTURING INC.**

Proposed Monitor

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**NOTICE OF PRESENTATION**

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TO: **THE SERVICE LIST**

**TAKE NOTICE** that the present 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 will be presented for first day hearing adjudication before a judge of the Superior Court, sitting in the Commercial Division for the district of Montréal, at the Montreal Courthouse located at 1 Notre-Dame Street East, Montréal, Québec, H2Y 1B6, in **room 16.04**, on **December 23, 2021, at 9h15**, or as soon as counsel may be heard. The Comeback Hearing will be presented before a judge of that same court at a date and time to be determined at the first day hearing.

**DO GOVERN YOURSELVES ACCORDINGLY.**

MONTREAL, December 22, 2021

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

CANADA

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,  
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---

**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**

Applicants

and

**DELOITTE RESTUCTURING INC.**

Proposed Monitor

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**LIST OF EXHIBITS**


(In support of 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)

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- EXHIBIT P-1:** First Day Order;
- EXHIBIT P-2:** Comparison between draft First Day Order and the model Initial Order issued by the commercial Division of the Superior Court of Québec;
- EXHIBIT P-3:** Draft Initial Order to be sought at the Comeback Hearing;
- EXHIBIT P-4:** Comparison between Draft Initial Order and the model Initial Order issued by the commercial Division of the Superior Court of Québec;
- EXHIBIT P-5:** Draft Bidding Procedures Order;
- EXHIBIT P-6:** Corporate registry of BlackRock Metals Inc.;
- EXHIBIT P-7:** Corporate registry of BlackRock Mining Inc.;
- EXHIBIT P-8:** *En liasse*, corporate registry of BRM Metals GP Inc. and BlackRock Metals LP;
- EXHIBIT P-9:** *En liasse*, excerpts of the Public Register of Real and Immovable Mining Rights and the Register of the Domain of the State;

- EXHIBIT P-10:** Prosperity Offtake Agreement;
- EXHIBIT P-11:** Peartree Agreement;
- EXHIBIT P-12:** *En liasse*, Bridge Loan Credit Agreement, dated January 18, 2019 and its five (5) amendments;
- EXHIBIT P-13:** BAPE Report;
- EXHIBIT P-14:** **UNDER SEAL**, Applicants' latest consolidated draft financial statements as of June 30, 2021;
- EXHIBIT P-15:** **UNDER SEAL**, Applicants' most recent consolidated interim inhouse financial statements, as of November 30, 2021;
- EXHIBIT P-16:** *En liasse*, hypothecs in favour of Royal Bank of Canada;
- EXHIBIT P-17:** BRMI central securities register;
- EXHIBIT P-18:** *En liasse*, first ranking hypothec over the universality of the Applicants' assets (movable and immovable) and mining property and a General Security Agreement, communicated herewith with their respective registration confirmations;
- EXHIBIT P-19:** *En liasse*, three (3) Guarantees as of February 13, 2020;
- EXHIBIT P-20:** *En liasse*, three (3) Adherence Agreements executed as of February 13, 2020;
- EXHIBIT P-21:** **UNDER SEAL**, *Illustrative capital structure update* prepared by the Financial Consultants;
- EXHIBIT P-22:** Procedures for the Sale and Investment Solicitation Process dated December 22, 2021;
- EXHIBIT P-23:** Stalking Horse Agreement;
- EXHIBIT P-24:** Sixth Amending Agreement to the Bridge Financing;
- EXHIBIT P-25:** *En liasse, Management Liability, Professional Liability, Crime Coverage and Kidnap and Ransom/Extortion Coverage for Private Companies* issued by AIG Insurance Company of Canada and *CODA Premier Directors and Officers Liability Excess DIC Policy* issued by Chubb Insurance Company of Canada.

MONTREAL, December 22, 2021



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

NO.: 500-11- 060598-212

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SUPERIOR COURT  
(Commercial Division)  
DISTRICT OF MONTRÉAL

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

**BLACKROCK METALS INC. et al.**

Applicants

and

**DELOITTE RESTUCTURING INC.**

Proposed Monitor

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**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**  
Sections 9, 11 and ff., 11.51, 11.52 and 23 of the  
Companies' Creditors Arrangement Act ("CCAA"),  
**AFFIDAVITS, NOTICE OF PRESENTATION,  
LIST OF EXHIBITS**

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**ORIGINAL**

BL 1332

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Me Jean Legault  
Me Jonathan Warin  
Me Ouassim Tadlaoui

125468-00005

**LAVERY, DE BILLY, L.L.P.**

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