

**ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

ORIONIS CORPORATION

Applicant

- and -

ONTARIO GRAPHITE, LTD.

Respondent

**REPORT OF DELOITTE RESTRUCTURING INC., IN ITS CAPACITY AS
PROPOSED MONITOR OF ONTARIO GRAPHITE, LTD.**

DATED FEBRUARY 11, 2020

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INTRODUCTION

1. Deloitte Restructuring Inc. (“**Deloitte**” or the “**Proposed Monitor**”) understands that Orionis Corporation (“**Orionis**” or the “**Applicant**”) intends to bring an application before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) to commence proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and seek an order (the “**Proposed Initial Order**”) in respect of Ontario Graphite, Ltd. (“**OGL**” or the “**Debtor**”), among other things:
 - (a) Granting a stay of proceedings in respect of OGL until February 22, 2020;
 - (b) Appointing Deloitte as Monitor of OGL;
 - (c) Approving certain interim financing of up to \$200,000 (the “**Initial Advance**”) pursuant to the CCAA Debtor-in-Possession Financing Term Sheet dated on or about February 10, 2020 between Orionis and OGL (the “**DIP Term Sheet**”) and the DIP Lenders’ Charge (as defined herein);
 - (d) Approving the Administration Charge (as defined herein); and
 - (e) Approving the Directors’ Charge (as defined herein).
2. OGL is the respondent in this CCAA Proceeding and is an indirect investee of Orionis, as well as a debtor pursuant to various secured facilities. Further details in respect of OGL’s capital structure are provided later in this Pre-filing Report.
3. The Proposed Monitor files this report (the “**Pre-filing Report**”) prior to its appointment as Monitor, should this Court grant the Proposed Initial Order, in order to provide the Court

with information for its consideration in respect of the Applicant's CCAA application. Deloitte has consented to act as Monitor in these CCAA Proceedings should this Court grant the Proposed Initial Order.

4. Capitalized terms not defined in this Pre-filing Report are defined in the Affidavit of David Yanovich Wancier sworn on or about February 11, 2020 (the "**Second Wancier Affidavit**") and filed in support of the CCAA application. Mr. Wancier swore a previous affidavit on January 10, 2020 (the "**First Wancier Affidavit**", and together with the Second Wancier Affidavit, the "**Wancier Affidavits**") in support of a receivership application previously filed in respect of OGL (the "**Receivership Application**"). As a result of certain operational issues, it has been determined that a CCAA filing is more appropriate at this time, and the Receivership Application was not brought forward.

PURPOSE

5. Background information and the facts and circumstances giving rise to these CCAA Proceedings are included in the Wancier Affidavits.
6. The purpose of this Pre-filing Report is to provide this Court with information regarding:
 - (a) Deloitte's qualifications to act as Monitor;
 - (b) Background information related to OGL, including events leading up to its insolvency;
 - (c) Environmental matters related to the Kearney mine site, OGL's primary asset;
 - (d) OGL's corporate and capital structure;

- (e) The proposed Court-ordered priority charges in favour of the Monitor and its legal counsel, counsel to OGL, and counsel to the Applicant (the “**Administration Charge**”) and OGL’s directors and officers (the “**Directors’ Charge**”);
- (f) The proposed key employee retention program (the “**KERP**”) and Court-ordered priority charge (the “**KERP Charge**”), which will be the subject of a future motion;
- (g) The proposed sale and investment solicitation process (the “**SISP**”), which will be the subject of a future motion;
- (h) The proposed funding of the CCAA Proceeding pursuant to the DIP Term Sheet; and
- (i) The Debtor’s 29-week cash flow forecast (the “**Cash Flow Forecast**”) for the period from February 8 to August 28, 2020. A copy of the Cash Flow Forecast is attached hereto as Appendix “A”.

TERMS OF REFERENCE

7. In preparing this Pre-filing Report, Deloitte has been provided with, and has relied upon unaudited, draft and/or internal financial information, OGL’s books and records, discussions with management of OGL (“**Management**”), discussions with Orionis and its legal counsel, and information from third-party sources (collectively, the “**Information**”). Except as described in this Pre-filing Report:

- (a) Deloitte has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards

(“CAS”) pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Proposed Monitor expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and

- (b) Deloitte has prepared this Pre-filing Report in its capacity as Proposed Monitor to provide background to the Court for its consideration of the relief being sought. Parties using the Pre-filing Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.
8. Unless otherwise stated, all dollar amounts contained in this Pre-filing Report are expressed in U.S. dollars.
 9. This Pre-filing Report has been prepared with reference to the Wancier Affidavits, copies of which have been filed with the Court by Orionis. This Pre-filing Report should be read concurrently with the Wancier Affidavits for further context and background regarding OGL and the activities leading up to Orionis’ CCAA application.
 10. The Proposed Monitor understands that the following relief will be sought via a future motion (the “**Comeback Motion**”), which is anticipated to take place at a date and time to be fixed by a Commercial List Judge, but in no event later than February 22, 2020:
 - (a) An extension of the Stay Period;
 - (b) Further borrowings under the DIP Term Sheet;
 - (c) The KERP and the KERP Charge; and
 - (d) The SISP.

The Pre-filing Report contains information in respect of each of the items above.

OVERVIEW OF OGL

11. The Debtor's primary asset is an open pit graphite mine located near Kearney, Ontario (the "Mine"). The Mine has been on "care and maintenance" for over 25 years. When operating, the Mine produced large flake graphite for a variety of industrial uses. The Mine was put on care and maintenance in 1994 following a mechanical failure of expensive equipment at the Mine site and also due to a depressed graphite market.
12. Uses of graphite include the following:
 - (a) Raw materials for batteries, historically both lead and alkaline, but more recently lithium-ion;
 - (b) Fire retardant uses, including expandable graphite that has been further processed from the ore mined at the Mine site;
 - (c) Along with other materials, for heat diffusing applications in electronic devices;
 - (d) As a component of parts used in the refining and manufacture of steel and other metals; and
 - (e) As a lubricant in various industrial uses.
13. The Mine has two primary "zones" for the mining of the graphite substrate: the Sheehan Zone and the Maguire Zone. Of these two zones, only the Maguire zone is permitted for graphite extraction. The Sheehan Zone is a development property and has never been actively mined.
14. Since the Mine was idled in 1994, a number of activities, under various owners, have been undertaken at the site, including:

- (a) Mine permitting and prospecting;
 - (b) Mine resource estimating; and
 - (c) The carrying out of a definitive feasibility study (the “**DFS**”) related to the Mine’s operating prospects.
15. As at the date of this Pre-filing Report, activities at the Mine site are limited to environmental compliance related to its tailings and polishing ponds. The groundwater surrounding the Mine is naturally acidic and OGL has been “liming” the tailings and polishing ponds (i.e. pumping liquid lime stock into the ponds) to neutralize the acidity of the water before it is discharged into the local watershed.
16. Given that the Mine has no source of revenue, it has been dependent on third-party loans for day to day funding. The Proposed Monitor understands that no third-party lenders are willing to fund the Mine’s care and maintenance costs without a court-supervised process to market the asset. As such, OGL is insolvent.

ENVIRONMENTAL MATTERS

17. Due to various environmental issues at the Mine, the Debtor is subject to a Director’s Order issued by the Ontario Ministry of the Environment, Conservation and Parks (the “**MECP**”). OGL is also subject to the oversight of the Ministry of Energy, Northern Development and Mines (“**ENDM**”).
18. On January 26, 2016, the MECP issued Director’s Order Number 8555-A6ESGE (the “**First Director’s Order**”) to prevent, decrease or eliminate potential adverse environmental effects at the Kearney Mine. The MECP issued three amendments to the First Director’s Order between January 31, 2018 and April 12, 2019 and issued several

Environmental Penalty Orders against OGL related to effluent quality. OGL appealed the most recent amendment to the First Director's Order and the most recent Environmental Penalty Order to the Ontario Environmental Review Tribunal.

19. On October 5, 2019, OGL, along with certain officers and directors named in the First Director's Order, entered into a settlement agreement with the MECP to address OGL's outstanding appeal. The settlement was subsequently approved by the Environmental Review Tribunal. Simultaneously, OGL reached a plea agreement in respect of an outstanding MECP prosecution.
20. Pursuant to the settlement, the First Director's Order was revoked and replaced with a new order, Director's Order Number 7328-BEMKE5, issued October 18, 2019, and amended on December 11, 2019 (the "**Second Director's Order**").
21. The Second Director's Order requires, among other things, that OGL:
 - (a) Undertake certain work as proposed to the MECP (the "**Ordered Work**") in an interim plan dated September 19, 2019 and attached as Schedule A to the Second Director's Order (the "**Interim Plan**") by February 14, 2020. Such Ordered Work includes:
 - i. Installing a mobile treatment unit (the "**MTU**") to replace the current method of liming the polishing pond;
 - ii. Continuously monitoring the pH (i.e. acidity) of the water;
 - iii. Completing the Dredging (defined and discussed further below) and storing the sludge in specially designed containers to isolate the waste;
 - iv. Measuring the flow of the water exiting the polishing pond;

- v. Developing contingency measures to address, among other things, the operation of the MTU and response to alarms from the plant; critical spare parts for the MTU and any emergencies; effluent exceedances; and emergencies occurring during Dredging operations; and
 - vi. Monitoring the environmental impacts of water discharged from the polishing pond.
- (b) Submitting weekly updates to the MECP containing daily data related to the pH of the water being discharged from the polishing pond and daily data related to the flow of water leaving the polishing pond; and
 - (c) Completing, by July 17, 2020, a dredging program designed to improve the efficiency of the existing polishing pond by removing an accumulation of metal hydroxide sludge and undissolved lime from the polishing pond (the “**Dredging**”).
22. Also as a condition of the settlement, OGL must pay an environmental penalty of CDN\$130,000 (the “**Penalty**”) by August 17, 2020. If the Ordered Work (including the Dredging) is completed by July 17, 2020, then the MECP will revoke the Penalty.
23. As at the date of this Pre-filing Report, Deloitte has been advised by Management that the bulk of the Ordered Work has been completed with a limited number of exceptions. Due to the early onset of winter and the consequential freezing of the pond, the Dredging is now scheduled for the spring of 2020.
24. The Proposed Monitor is informed that, in addition to the Penalty and the Second Director’s Order, OGL is also subject to 13 charges under Ontario provincial legislation related to the environmental issues identified in the Second Director’s Order. The Proposed Monitor is

also informed that OGL has negotiated a plea arrangement with the Crown whereby 10 of 13 charges against OGL and certain executives will be dropped in exchange for OGL pleading guilty to the remaining three charges and paying fines totaling CAD\$75,000. The Proposed Monitor understands that the plea arrangement has not been approved by a court. The Proposed Monitor further understands that the plea arrangement will be submitted to the court for approval on or about August 30, 2020 after completion of the Ordered Work.

CORPORATE AND CAPITAL STRUCTURE

25. OGL is wholly-owned by Ontario Graphite Ltd., a holding corporation domiciled in the Cayman Islands (“**OGL Cayman**”). OGL Cayman is owned by a number of investors, including Orionis. Orionis holds the largest equity share of OGL Cayman.
26. The Proposed Monitor understands that OGL has unsecured debt of at least \$1.2 million. In addition, the following creditors, as more particularly detailed in the Second Wancier Affidavit, assert that they hold security over the assets of OGL¹:

Creditors	Nature of indebtedness	Amount
DRA Americas Miller Thomson LLP Northern Ontario Heritage Fund Corporation (collectively, the “ Secured Parties ”)	<ul style="list-style-type: none">• Fees related to the DFS• Legal work• Funding used for general corporate purposes	Approximately CAD\$2.2 million in total
Orionis	<ul style="list-style-type: none">• Funding used for general corporate purposes	Approximately \$15.8 million

¹ The Proposed Monitor understands that a portion of the security for these amounts may be unperfected, though, as set out in paragraph 28, neither the Proposed Monitor nor Stikeman has performed a security review with respect to all security granted by OGL.

Boulevard Asia Trading Limited (“BATL”)	<ul style="list-style-type: none"> Funding used for general corporate purposes 	Approximately \$2.4 million
Total		Approximately \$20 million

27. The secured debt owing to Orionis and BATL was provided pursuant to three separate bridge credit facilities (the “**Bridge Facilities**”):

Facility	Amount outstanding	Issue date	Lender
Bridge I	\$12,018,528	2016	Orionis
Bridge II	\$4,258,515	2017	Orionis (43%) and BATL (57%)
Bridge III	\$1,965,878	2019	Orionis
Total	\$18,242,919²		

28. The Proposed Monitor understands that, as a result of various agreements entered into between Orionis and BATL, the Bridge Facilities enjoy the following priority: first, Bridge I; second, Bridge III; and third, Bridge II (*pari passu* as between Orionis and BATL). The Proposed Monitor’s counsel, Stikeman Elliott LLP (“**Stikeman**”) has reviewed the security held by Orionis and, based on certain assumptions, concluded that Orionis’ security is valid and enforceable. Neither the Proposed Monitor nor Stikeman has conducted a review of the debt and security held by the Secured Parties. However, it appears from a review of the Ontario personal property security registry that some of the Secured Parties may rank ahead of Orionis and BATL.

² The stated amounts include interest earned to January 31, 2020 and are set out as provided by Orionis.

PROPOSED CHARGES

The Administration Charge

29. The Proposed Monitor understands that the Applicant, in connection with the CCAA application, will seek approval of the Administration Charge in the amount of \$200,000.
30. The proposed beneficiaries of the Administration Charge are the Monitor and its counsel, counsel to OGL, and counsel to the Applicant (the “**Professionals**”).
31. As of the date of this Pre-filing Report, the Proposed Monitor understands that OGL’s directors and officers have not retained independent counsel. The amount of the Administration Charge is the estimated amount of the monthly Professionals’ fees.
32. The Proposed Monitor is of the view that the Administration Charge is necessary for the effective participation of the Professionals in these CCAA Proceedings, and the quantum of the Administration Charge is reasonable.

The Directors’ Charge

33. The Applicants are also seeking approval of the Directors’ Charge to a maximum of \$200,000.
34. The Proposed Monitor understands that the OGL’s directors may be liable for payroll and vacation pay amounts in an amount up to \$80,000 following the CCAA application. In addition, OGL’s directors have requested an increase in the amount of the Directors’ Charge to reflect potential future liability for environmental matters. The Proposed Monitor understands that the Applicant and OGL’s directors have negotiated an increase in the proposed amount of the Directors’ Charge to \$200,000 on the basis that all parties

are reserving their rights with respect to whether any potential future liability is covered by the indemnity in favour of the directors and officers granted by the Proposed Initial Order.

35. The Proposed Monitor also understands that OGL's current directors and officers are the beneficiaries of an insurance policy that is paid on a monthly basis and expires on May 31, 2020. Given the potential liabilities facing OGL's directors and officers, they are at risk should OGL not be able to fund its operations in the future. The benefit of the Directors' Charge will provide additional comfort to allow the directors and officers to remain in place and assist with the administration of the SISP.
36. Based on the foregoing, including the negotiated reservation of rights, the Proposed Monitor supports the grant and quantum of the Directors' Charge. The Proposed Monitor understands that Orionis also supports the Directors' Charge.

PROPOSED KERP AND KERP CHARGE

37. The Proposed Monitor understands that the Applicant will seek approval of the KERP and the KERP Charge at the Comeback Motion.
38. The Proposed Monitor has reviewed the terms of the KERP, discussed same with Management and Orionis, and compared the KERP with key employee retention plans in other CCAA proceedings. The Proposed Monitor is advised that:
 - (a) The beneficiaries of the KERP are critical to OGL's business; and
 - (b) Their resignation during these CCAA Proceedings would be disruptive to the Monitor's ability to administer the SISP and allow OGL to restructure its affairs and re-commercialize the Mine.

39. Based on the foregoing, the Proposed Monitor is of the view that the terms and total quantum of the payments contemplated by the KERP, being approximately \$100,000, are reasonable.
40. The Proposed Monitor will provide the Court with additional details in respect of the proposed KERP in advance of the Comeback Motion.

PROPOSED SISP

41. The Proposed Monitor has been advised that Orionis is unwilling to continue funding the operations of OGL outside of a court supervised process to maximize the value of OGL through a sale or investment by another party.
42. Given the outlook for the use of graphite in the current economy, Orionis is hopeful that the SISP will provide a structured process to identify a new investor or owner who is willing to develop the mine. One of the highest price uses of graphite is for products that are ultimately used as a heat diffuser in electronics. This market has expanded significantly since the mine was idled in 1994. It is believed that these premium uses could be attractive to a new purchaser or investor.
43. The Proposed Monitor and its counsel, Stikeman, in consultation with Orionis and its counsel (Osler, Hoskin & Harcourt LLP), have developed a proposed SISP to solicit sale and investment proposals from potentially interested parties. A copy of the proposed SISP will be provided to the Court prior to the Comeback Hearing.
44. The following table sets out a summary of the key components of the SISP (to be undertaken by the Monitor and its affiliate, Deloitte Corporate Finance Inc. (“**DCF**”)). Capitalized terms in this section are as defined in the SISP to be provided.

Phase/Event	Date	Description of Activities
SISP Order	To be obtained as soon as practicable after appointment of the Monitor	<ul style="list-style-type: none"> Subject to the Proposed Monitor being appointed, seek order approving and ratifying the SISP
Publication notice	Within two weeks of the Initial Order being granted	<ul style="list-style-type: none"> Publication of the SISP in the Globe & Mail (National Edition) and appropriate industry publications
Phase 1		<ul style="list-style-type: none"> The Monitor will seek to identify Qualified Phase 1 bidders and provide each with notice of same Certain criteria are required to be met in order to be a Qualified Phase 1 Bidder Receipt of Non-Binding Indications of Interest by the deadline of April 15, 2020 Non-Binding Indications of Interest can be for a sale or investment in OGL
Phase 1 Bid Deadline	5:00 pm Toronto time on April 15, 2020	<ul style="list-style-type: none"> Non-Binding Indications of Interest due to be provided to the Monitor for each bidder to continue in the process
Assessment of Non-Binding Indications of Interest		<ul style="list-style-type: none"> As soon as possible after the Phase 1 Bid Deadline, the Monitor will assess each Non-Binding Indication of Interest and assess whether each party will be qualified for Phase 2 of the SISP Notice will be given to each party if they are a “Qualified Phase 2 Bidder” Monitor to seek directions from the Court if no Non-Binding Indications of Interest are received
Phase 2		<ul style="list-style-type: none"> Solicitation of a Qualified Purchase Bid or a Qualified Investment Bid Orionis may, within 5 days of the Phase 1 Bid Deadline, determine

		that it will issue a Bid Notice and declare its intention to make a Qualified Purchase Bid with its bid being provided to other Qualified Phase 1 Bidders
Phase 2 Bid Deadline	5:00pm Toronto time on June 22, 2020	<ul style="list-style-type: none"> Qualified Phase 2 Bidders to deliver Qualified Purchase Bids or Qualified Investment Bids to the Monitor by the Phase 2 Bid Deadline
Evaluation and Selection of the Successful Bid		<ul style="list-style-type: none"> The Monitor will evaluate each Qualified Bid in conjunction with Orionis The Monitor will clarify any Qualified Bids received and further negotiation may occur The Successful Bid will be chosen and the Successful Bidder will be notified The next best Qualified Bidder will be determined to be the Backup Bidder and will receive notification of same Definitive transaction documents will be settled
Approval Hearing	On not less than 5 days' notice to the service list	<ul style="list-style-type: none"> As soon as practical, but on not less than 5 days' notice to the service list, the Monitor will seek Court approval of the Successful Bid and the Backup Bid
Closing	Target of June 30, 2020	

FUNDING OF THE CCAA PROCEEDING AND THE DIP TERM SHEET

45. As detailed above, OGL has no current revenue and no sources of cash at this time other than from its largest secured creditor, Orionis.
46. Orionis has agreed to fund the CCAA Proceedings in accordance with a weekly budget through August 28, 2020, prepared by Management in consultation with the Proposed

Monitor. The Cash Flow Forecast is attached hereto as Appendix “A” and summarized in the table below.

Ontario Graphite Limited	
Summary of the Cash Flow Forecast	
USD 000s	
Receipts	
Operating funding from Orionis	\$ 2,150
MECP funding from Orionis	<u>375</u>
Total funding	2,525
Disbursements	
Payroll and benefits	(510)
Mine operations	(551)
General and administrative	(234)
MECP costs	(350)
Professional fees	<u>(843)</u>
Total disbursements	(2,487)
Net cash flow	<u>\$ 38</u>

47. As set out in the Cash Flow Forecast, OGL has immediate cash needs to enable it to fund its operations. Pursuant to the DIP Term Sheet, Orionis will fund OGL up to \$200,000 until the Comeback Motion. At the Comeback Motion, Court approval of up to \$2.75 million in DIP funding will be sought.
48. The DIP Term Sheet contemplates a Court-ordered priority charge on OGL’s assets in favour of Orionis. Additional provisions of the DIP Term Sheet are set out below:
- (a) The DIP Term Sheet is a non-revolving, multi-draw term facility in the total aggregate amount of \$2.75 million. The quantum of the DIP Term Sheet is based on the total forecast needs as set out in the Cash Flow Forecast plus an allowance for a 10% cumulative monthly disbursement overage. A copy of the Cash Flow Forecast is appended to the DIP Term Sheet as a budget to be respected by the Debtor;

- (b) The facility is to be used for general working capital needs, including to fund the SISP (if approved), complete the Ordered Work and to fund the payroll of OGL's employees;
 - (c) Interest shall accrue at 15% per annum unless there is an event of default, in which case the interest rate increases to the lower of 25% or the highest rate allowed by law;
 - (d) The proposed priority charge to be granted by the Court in respect of the DIP Term Sheet (the "**DIP Lender's Charge**") shall rank ahead of all other charges, other than the Administration Charge;
 - (e) The DIP Term Sheet shall expire on August 28, 2020 but may be extended upon agreement between Orionis and OGL; and
 - (f) The DIP Term Sheet contains a number of standard covenants, events of default and conditions precedent, all of which are common in similar facilities.
49. Given OGL's lack of liquidity (other than financing obtained from Orionis) and prior unsuccessful attempts to raise capital or secure additional financing, the Proposed Monitor is supportive of approval of both the DIP Term Sheet and the related DIP Lender's Charge.

QUALIFICATIONS AND CONSENT TO ACT AS MONITOR

50. On June 3, 2019, Deloitte was retained by Orionis to act as its financial consultant to review OGL's financial circumstances and prospects.
51. Deloitte is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*. In addition to this qualification, the Proposed Monitor notes the following:

- (a) The Proposed Monitor intends to engage DCFI, an entity that has significant experience selling distressed mining properties should Orionis be successful in seeking Court approval of the SISP. DCFI has assisted the Proposed Monitor since it was engaged by Orionis in June 2019;
- (b) Deloitte employs a number of geotechnical engineers that specialize in mining. Certain of these employees are part of Venmyn Deloitte, a geotechnical firm that merged with Deloitte LLP (the Proposed Monitor's ultimate parent in Canada); and
- (c) The Venmyn Deloitte personnel have unique experience that will provide significant efficiencies in marketing the Mine should the SISP be approved the Court.

52. Deloitte has consented to act as Monitor should the Court grant Orionis' CCAA application. Deloitte's consent to act is attached as Appendix "B".

All of which is respectfully submitted this 11th day of February, 2020.

Deloitte Restructuring Inc.

Solely in its capacity as the Proposed Monitor
of Ontario Graphite, LTD. and not
in its personal capacity

Per:



Philip J. Reynolds, LIT
Senior Vice-President

Appendix "A"

Cash Flow Forecast

Ontario Graphite Limited
Cash Flow Forecast to August 28, 2020
USD

Week ending	14-Feb-20	21-Feb-20	28-Feb-20	06-Mar-20	13-Mar-20	20-Mar-20	27-Mar-20	03-Apr-20	10-Apr-20	17-Apr-20	24-Apr-20
<i>Receipts</i>											
Orionis funding - MECP work	-	75,000	-	-	-	-	-	-	-	-	-
Orionis fundbng - Operating	300,000	-	-	225,000	-	-	-	225,000	-	-	-
Total receipts	300,000	75,000	-	225,000	-	-	-	225,000	-	-	-
<i>Disbursements</i>											
Payroll and benefits	(25,926)	(28,929)	-	(25,926)	-	(28,929)	-	(25,926)	-	(28,929)	-
Mine operations	(58,647)	(4,500)	(4,500)	(60,588)	(4,500)	(4,500)	(4,500)	(58,713)	(4,500)	(4,500)	(4,500)
General and administrative	(22,977)	(29,250)	(28,125)	(22,977)	-	-	-	(23,277)	-	-	-
MECP costs	-	(51,158)	-	-	-	-	-	-	-	-	-
Professional fees	(92,500)	-	-	(71,250)	-	-	-	(71,250)	-	-	-
Total disbursements	(200,050)	(113,837)	(32,625)	(180,741)	(4,500)	(33,429)	(4,500)	(179,166)	(4,500)	(33,429)	(4,500)
Net cash flow	99,950	(38,837)	(32,625)	44,259	(4,500)	(33,429)	(4,500)	45,834	(4,500)	(33,429)	(4,500)
Opening bank balance	-	99,950	61,113	28,488	72,748	68,248	34,819	30,319	76,153	71,653	38,224
Net cash flow	99,950	(38,837)	(32,625)	44,259	(4,500)	(33,429)	(4,500)	45,834	(4,500)	(33,429)	(4,500)
Closing cash balance	99,950	61,113	28,488	72,748	68,248	34,819	30,319	76,153	71,653	38,224	33,724

Ontario Graphite Limited
Cash Flow Forecast to August 28, 2020
USD

Week ending	01-May-20	08-May-20	15-May-20	22-May-20	29-May-20	05-Jun-20	12-Jun-20	19-Jun-20	26-Jun-20	03-Jul-20	10-Jul-20
<i>Receipts</i>											
Orionis funding - MECP work	50,000	50,000	75,000	75,000	-	-	-	-	-	-	-
Orionis fundbng - Operating	325,000	-	-	-	-	250,000	-	-	-	350,000	-
Total receipts	375,000	50,000	75,000	75,000	75,000	250,000	-	-	-	350,000	-
<i>Disbursements</i>											
Payroll and benefits	(25,926)	-	(28,929)	-	(25,926)	-	(28,929)	-	(25,926)	-	(28,929)
Mine operations	(58,713)	(4,500)	(4,500)	(4,500)	(41,374)	(21,839)	(4,500)	(4,500)	(41,374)	(24,464)	(4,500)
General and administrative	(22,977)	-	-	-	(6,990)	(16,079)	-	-	(6,990)	(15,987)	-
MECP costs	(60,517)	(60,517)	(60,517)	(60,517)	-	-	-	-	-	-	-
Professional fees	(93,750)	-	-	-	-	(93,750)	-	-	-	(93,750)	-
Total disbursements	(261,883)	(65,017)	(93,946)	(65,017)	(74,290)	(131,668)	(33,429)	(4,500)	(74,290)	(134,201)	(33,429)
Net cash flow	113,117	(15,017)	(18,946)	9,983	(74,290)	118,332	(33,429)	(4,500)	(74,290)	215,799	(33,429)
Opening bank balance	33,724	146,841	131,823	112,877	122,859	48,569	166,901	133,472	128,972	54,682	270,481
Net cash flow	113,117	(15,017)	(18,946)	9,983	(74,290)	118,332	(33,429)	(4,500)	(74,290)	215,799	(33,429)
Closing cash balance	146,841	131,823	112,877	122,859	48,569	166,901	133,472	128,972	54,682	270,481	237,052

Ontario Graphite Limited
Cash Flow Forecast to August 28, 2020
USD

Week ending	17-Jul-20	24-Jul-20	31-Jul-20	07-Aug-20	14-Aug-20	21-Aug-20	28-Aug-20	Total
<i>Receipts</i>								
Orionis funding - MECP work	-	-	-	-	-	50,000	-	375,000
Orionis fundbng - Operating	-	-	-	475,000	-	-	-	2,150,000
Total receipts	-	-	-	475,000	-	50,000	-	2,525,000
<i>Disbursements</i>								
Payroll and benefits	-	(25,926)	-	(28,929)	-	(25,926)	(100,000)	(509,911)
Mine operations	(4,500)	(4,500)	(41,374)	(21,839)	(4,500)	(4,500)	(41,374)	(551,297)
General and administrative	-	-	(14,945)	(8,032)	-	-	(14,945)	(233,551)
MECP costs	-	-	-	-	-	(56,391)	-	(349,619)
Professional fees	-	-	(93,750)	-	-	-	(232,500)	(842,500)
Total disbursements	(4,500)	(30,426)	(150,069)	(58,800)	(4,500)	(86,817)	(388,819)	(2,486,878)
Net cash flow	(4,500)	(30,426)	(150,069)	416,200	(4,500)	(36,817)	(388,819)	38,122
Opening bank balance	237,052	232,552	202,126	52,058	468,258	463,758	426,941	-
Net cash flow	(4,500)	(30,426)	(150,069)	416,200	(4,500)	(36,817)	(388,819)	38,122
Closing cash balance	232,552	202,126	52,058	468,258	463,758	426,941	38,122	38,122

Appendix "B"

Consent to Act as Monitor

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ORIONIS CORPORATION

Applicant

- and -

ONTARIO GRAPHITE, LTD.

Respondent

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

MONITOR'S CONSENT

Deloitte Restructuring Inc. hereby consents to act as Monitor of the Applicant in the within proceedings.

Dated as of February 12, 2020

Deloitte Restructuring Inc.

Per:



Name: Philip J. Reynolds

Title: Senior Vice President

ORIONIS CORPORATION
Applicant

ONTARIO GRAPHITE, LTD.
Respondent

Court File No: CV-20-00634195-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT: TORONTO

MONITOR'S CONSENT

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