

**Court File No. CV-20-00634195-00CL**

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

**BETWEEN:**

**ORIONIS CORPORATION**

Applicant

**- and -**

**ONTARIO GRAPHITE, LTD.**

Respondent

**SUPPLEMENTAL SECOND REPORT OF THE MONITOR**

**DATED APRIL 28, 2020**

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## INTRODUCTION

1. On February 12, 2020, Orionis Corporation (“**Orionis**”), as secured creditor, commenced a proceeding (the “**CCAA Proceeding**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), in respect of Ontario Graphite, Ltd. (“**OGL**”) for the purpose of commencing a court-supervised sale and investment solicitation process in respect of OGL’s assets, undertakings, and properties, real and personal (collectively, the “**Assets**”).
2. As a result of Orionis’ application, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (as amended and restated on February 20, 2020, the “**Initial Order**”) that among other things:
  - (a) Appointed Deloitte Restructuring Inc. (“**Deloitte**”) as monitor (the “**Monitor**”) of OGL;
  - (b) Granted a stay of proceedings in respect of OGL through to April 29, 2020;
  - (c) Approved a charge in favour of OGL’s directors and officers in the amount of CAD\$200,000 (the “**Administration Charge**”);
  - (d) Approved a charge in respect of the fees and expenses of the Monitor, its counsel, counsel to Orionis and counsel to OGL in the amount of CAD\$200,000; and
  - (e) Approved a debtor-in-possession credit facility (the “**DIP Facility**”) established under a CCAA Debtor-In-Possession Financing Term Sheet dated February 10, 2020 (the “**DIP Term Sheet**”) between OGL and Orionis (the “**DIP Lender**”) and also approved a charge in favour of Orionis in respect of such DIP Facility.

3. On February 20, 2020, the Court granted a further Order (the “**SISP Approval Order**”), among other things, approving a sale and investment solicitation procedure (the “**SISP**”) to identify bidders or investors for the Assets. The SISP was to be administered by the Monitor.
4. The Monitor administered the SISP in accordance with its terms. At the conclusion of Phase 1 of the SISP (as such term is defined in the SISP), the Monitor received three bids and shared a summary of same with Orionis. Orionis was not satisfied that the bids were compliant with the requirements set out in the SISP or provided sufficient value and, as a result, issued a notice terminating the DIP Facility.
5. The DIP Facility was OGL’s only source of liquidity and, as a result of its termination, OGL has no ongoing source of funding. Given this fact, the Monitor issued a notice of material adverse change (the “**MAC Notice**”) and filed its second report, dated April 21, 2020 (the “**Second Report**”).
6. Orionis’ counsel has advised OGL and the Monitor that Orionis will not be taking steps to address the expiry of the Stay Period on April 29, 2020.

## **PURPOSE**

7. The Monitor files this Supplemental Second Report in respect of the expiry of the Stay Period and the effect of the MAC Notice.
8. Given the termination of the DIP Facility and Orionis declining to take action with respect to the expiry of the Stay Period, the Monitor is seeking advice and direction from the Court with respect to such expiry. This includes the following relief:

- (a) Terminating these CCAA Proceedings and discharging the Monitor upon the Monitor filing a certificate with the Court. The Monitor contemplates filing the Certificate with the Court once OGL's Kearney Mine (the "**Mine**") is transferred to the Ministry of Energy, Northern Development and Mines (the "**ENDM**");
- (b) Approving the activities of the Monitor and its counsel since the commencement of the CCAA Proceeding. This includes an approval of the first report of the Monitor dated February 19, 2020 (the "**First Report**"), Second Report, this Supplemental Second Report and the activities described therein;
- (c) Maintaining the various charges created by the Initial Order;
- (d) Approving the Monitor's fees and disbursements and the fees and disbursements of its counsel Borden Ladner Gervais LLP ("**BLG**"). Such approval includes an estimate of fees to be incurred in the future for each of BLG and the Monitor;
- (e) Providing the Monitor and its counsel with a release, including a process to be followed if there are claims against the Monitor, its counsel or certain related persons; and
- (f) Continuing to provide the Monitor and its counsel with the protections granted to it and BLG as part of the Initial Order.

## **TERMS OF REFERENCE**

9. In preparing this Supplemental Second 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 Supplemental Second 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 Monitor expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
- (b) Deloitte has prepared this Supplemental Second Report in its capacity as Monitor to provide background to the Court for its consideration in respect of the MAC Notice and the expiry of the Stay Period. Parties using the Supplemental Second Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.

10. Unless otherwise stated, all dollar amounts contained in this Supplemental Second Report are expressed in U.S. dollars.

#### **ACTIVITIES SINCE THE ISSUANCE OF THE MAC NOTICE AND THE RELIEF SOUGHT**

11. Since the date of the MAC Notice, a number of steps have been taken OGL and the Monitor. Such activities include:
- (a) Convening a conference call with representatives of the Ministry of the Environment, Conservation and Parks (the “**MECP**”) and the ENDM. The purpose

of this call was to advise the various regulators of the events leading up to the issuance of the MAC Notice and to commence the process to hand over the Mine to ENDM in accordance with the *Mining Act* (Ontario). ENDM has subsequently made a document request of OGL to enable it to commence this process;

- (b) Arranging for certain liquidators to attend the OGL site with a view to providing auction proposals in respect of OGL's assets. No formal proposals have been received as at the date of this Supplemental Second Report;
- (c) Engaging in discussions with the bidders that submitted non-binding expressions of interest to advise them that their bids were not acceptable and that the SISP was being terminated; and
- (d) Providing Management with a template bid letter to be shared with a party who may be interested in acquiring OGL outside of the SISP.

12. OGL's status remains fluid and both it and the Monitor are hopeful that a party may be able to step forward and provide OGL with needed liquidity in order to generate some returns for creditors. In the absence of such solutions, the Monitor is of the view that it is necessary to address the expiry of the Stay Period. As such, the Monitor is seeking an Order from the Court that:

- (a) Terminates these CCAA Proceedings and discharges the Monitor;
- (b) Approves the activities of the Monitor and its counsel since the commencement of the CCAA Proceeding;
- (c) Approves the Monitor's fees and disbursements and the fees and disbursements of BLG;

- (d) Maintains the charges that were created by the Initial Order;
  - (e) Provides the Monitor and its counsel with a release, including a process to be followed if there are claims against the Monitor, its counsel or certain related persons; and
  - (f) Continues to provide the Monitor and its counsel with the protections granted to it and BLG as part of the Initial Order.
13. A draft Order in respect of the relief being sought by the Monitor is attached as Appendix “A” to this Supplemental Second Report.

#### **RATIONALE FOR RELIEF SOUGHT**

14. Given OGL’s lack of liquidity due to the termination of the DIP Facility and the results of the SISP, there is no reason for the CCAA Proceeding to continue. The sole purpose of the CCAA Proceeding was to find a buyer or investor of OGL’s assets or business. Given the results of the SISP, the Monitor is of the view that, aside from a lack of ongoing funding, there is no reason to continue with the CCAA Proceeding, especially since Orionis, as Applicant, will be taking no steps to continue it.
15. As a result of the lack of urgency to continue the CCAA Proceeding, it will no longer be necessary to have the Monitor continue its role overseeing the process.
16. In addition to requesting that the CCAA Proceeding be terminated, the Monitor is seeking to have the Court approve its fees and the fees of its counsel BLG for the CCAA Proceeding. Attached as Appendices “B” and “C”, respectively, hereto are the fee affidavits for Deloitte and BLG, which include the redacted accounts of Deloitte and BLG. While OGL does not have the necessary liquidity to fund the payment of such fees,



each party is a beneficiary of the Administration Charge and seeks Court approval in the event that any funds come into OGL's estate to fund the payment of such fees.

17. The Monitor anticipates that it and BLG will continue to provide OGL with some ongoing support should it be necessary to consummate some sort of transaction in the future.
18. In addition to the approval of the Monitor and BLG's fees, the Monitor is also seeking Court approval of its activities. Such activities are summarized in the Pre-filing Report of the Monitor dated February 11, 2020, the First Report and the Second Report. The Pre-filing Report and the First Report, without appendices, are attached as Appendices "D" and "E" to this Supplemental Second Report.
19. The Monitor is also seeking a release from the Court in respect of its activities. Given that the Monitor contemplates it may have ongoing interaction with respect to OGL (either in respect of an asset liquidation process or in the handoff of the Mine to ENDM) it is also seeking an Order that continues the protections afforded to it and BLG in the Initial Order.
20. Should OGL identify any parties that are able to consummate a transaction on an urgent basis, the Monitor will seek further direction of the Court, including the possibility of obtaining an approval and vesting order in respect of any transaction. Prior to doing so, the Monitor will consult with Orionis to obtain its views.

## RECOMMENDATIONS

21. For the reasons set out above, the Monitor respectfully recommends that the Court approve the relief that the Monitor is seeking and issue the draft Order attached as Appendix "A".

All of which is respectfully submitted this 28<sup>th</sup> day of April, 2020.

**Deloitte Restructuring Inc.**  
Solely in its capacity as the Monitor  
of Ontario Graphite, Ltd. and not  
in its personal capacity

Per:



Philip J. Reynolds, LIT  
Senior Vice-President

**Appendix "A"**

**Draft Order**

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

THE HONOURABLE MADAM ) WEDNESDAY, THE 29<sup>th</sup> DAY  
 )  
JUSTICE GILMORE ) OF APRIL, 2020

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

**CCAA TERMINATION ORDER**

**THIS MOTION**, made by Deloitte Restructuring Inc. ("**Deloitte**" or the "**Monitor**"), in its capacity as the Court-appointed Monitor in respect of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended ("**CCAA**") proceedings of the respondent, Ontario Graphite, Ltd. ("**OGL**") for an order (i) terminating the within CCAA proceedings, (ii) approving the Second Report of the Monitor dated April 21, 2020 (the "**Second Report**"), the Supplement to the Second Report of the Monitor dated April 28, 2020 (the "**Supplement to the Second Report**"), the activities set out therein, and all prior reports filed and activities described

therein (iii) authorizing the discharge of the Monitor, and (iv) approving the professional fees and disbursements of the Monitor and its counsel, and such further relief as may be required in the circumstances and which this Court deems as just and equitable, was heard by videoconference this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Second Report, the Supplement to the Second Report, the affidavit of Alex MacFarlane sworn April 28, 2020 (the “**MacFarlane Affidavit**”), and the affidavit of Todd Ambachtsheer, sworn April 28, 2020 (the “**Ambachtsheer Affidavit**”), filed, and on hearing the submissions of counsel for the Monitor, counsel for OGL, counsel for the Applicant Orionis Corporation (“**Orionis**”), and such other parties who were in attendance and no one else appearing although served as evidenced by the Affidavit of Service of Adrianna Gaspari sworn April 28, 2020, filed,

1. **THIS COURT ORDERS** that all defined terms used herein, not otherwise defined shall have the meaning attributed to them in the Second Report and the Initial Order as Amended and Restated dated February 20, 2020 (the “**Initial Order**”).
2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is validated so that the Motion is properly returnable today and hereby dispenses with further service thereof, including without limitation, any prescribed notice requirements under the CCAA.
3. **THIS COURT ORDERS** that the Second Report, the Supplement to the Second Report, all prior reports filed by the Monitor in these proceedings, and the activities of the Monitor as set out therein be and are hereby approved.
4. **THIS COURT ORDERS AND DECLARES** that the Monitor has duly and properly satisfied, discharged and performed all of its obligations, liabilities, responsibilities and duties in respect of the CCAA proceedings and in accordance with the CCAA, the Initial Order, and all other Orders of this Court made in the within proceedings.
5. **THIS COURT ORDERS** that the within CCAA proceeding, bearing Court File No. CV-20-00634195-00CL (the “**CCAA Proceedings**”) is hereby terminated, effective on the date and time (the “**CCAA Termination Date**”) at which the Monitor files the certificate, substantially in

the form attached hereto as Schedule “A” (the “**Monitor’s Certificate**”), certifying that all matters to be attended to in connection with the CCAA Proceedings have been completed, including transition of the Mine to the Minister of Energy, Northern Development and Mines (“**MENDM**”), and the CCAA Proceedings shall be automatically terminated without any further act or formality.

6. **THIS COURT ORDERS** that the Stay Period as set out in the Initial Order shall expire on the CCAA Termination Date.

7. **THIS COURT ORDERS** that the Monitor shall, at least 5 days prior to the proposed CCAA Termination Date, post on the Monitor’s website and serve on the Service List for these CCAA Proceedings notice of the Monitor’s intention to file the Monitor’s Certificate.

8. **THIS COURT ORDERS** that the fees and disbursements of the Monitor up to and including April 29, 2020, as set out in the Ambachtsheer Affidavit, are hereby approved, and that the fees and disbursements of the Monitor as estimated not to exceed \$50,000, incurred in connection with the completion by the Monitor of its remaining duties and the administration of the CCAA Proceedings, are hereby approved without further Order of the Court.

9. **THIS COURT ORDERS** that the fees and disbursements of the Monitor’s counsel up to and including April 26, 2020, as set out in the MacFarlane Affidavit, are hereby approved, and that the fees and disbursements of the Monitor’s counsel as estimated not to exceed \$30,000, incurred in connection with the completion by the Monitor of its remaining duties and the administration of the CCAA Proceedings, are hereby approved without further Order of the Court.

10. **THIS COURT ORDERS AND DECLARES** that, effective as at the CCAA Termination Date, Deloitte shall be discharged as Monitor and shall have no further duties, obligations or responsibilities as Monitor in these CCAA Proceedings.

11. **THIS COURT ORDERS** that the Monitor and its counsel and each of their respective affiliates, officers, directors, partners, employees and agents (collectively, the “**Released Persons**”) shall be and are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Persons, whether known or

unknown, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of this Order in any way relating to, arising out of or in respect of the within proceedings or with respect to their conduct in the within proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Persons shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Released Persons.

12. **THIS COURT ORDERS** that, at the CCAA Termination Date, and subject to paragraph 13 below, the Released Persons shall be released and discharged from any and all claims that any person may have or be entitled to assert against the Released Persons, whether known or unknown, foreseen or unforeseen, existing or thereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place following the date of this Order in any way relating to, arising out of or in respect of the within proceedings or with respect to their respective conduct in the within proceedings (collectively, the “**Subsequent Released Claims**”), and any such Subsequent Released Claims shall be released, stayed, extinguished and forever barred and the Released Persons shall have no liability in respect thereof, provided that the Subsequent Released Claims shall not include any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Released Persons.

13. **THIS COURT ORDERS** that in the event that any person objects to the release and discharge of the Subsequent Released Claims, that person must send a written notice of objection and the grounds thereof to the Monitor such that the notice of objection is received by the Monitor prior to the proposed CCAA Termination Date. If no objection is received by the Monitor prior to the CCAA Termination Date, the release and discharge of Subsequent Released Claims pursuant to paragraph 12 above shall be automatically deemed effective upon the CCAA Termination Date, without further Order of the Court. If an objection is received prior to the CCAA Termination Date, the release and discharge of the Subsequent Released Claims shall not become effective pending further Order of the Court.

14. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, the termination of the CCAA Proceedings or the discharge of the Monitor, nothing herein shall affect, vary, derogate from, limit or amend, and the Monitor and its counsel shall continue to have the benefit of, the approvals and protections in favour of the Monitor at law or pursuant to the Initial Order or any other Order of this Court in the CCAA Proceedings, all of which are expressly continued and confirmed, including in connection with any actions taken by the Monitor pursuant to this Order following the filing of the Monitor's Certificate.

15. **THIS COURT ORDERS** that all charges, and in particular the Administration Charge, Directors' Charge and DIP Lender's Charge, shall survive and remain in place following the CCAA Termination Date, and on the same basis and priority as set out in the Initial Order.

16. **THIS COURT ORDERS** that, notwithstanding the discharge of the Monitor and the termination of the CCAA Proceedings, this Court shall remain seized of any matter arising from these CCAA Proceedings, and each of Orionis, OGL, the Monitor and any other interested party shall have the authority from and after the date of this Order to apply to this Court to address matters ancillary or incidental to these CCAA Proceedings notwithstanding the termination thereof. The Monitor is authorized to take such steps and actions as the Monitor determines are necessary to give effect to this Order following the date of this Order until the CCAA Termination Date.

17. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist OGL and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist OGL and the Monitor and their agents in carrying out the terms of this Order.

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Schedule "A"

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FORM OF MONITOR'S CERTIFICATE

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

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 CERTIFICATE

RECITALS

1. Ontario Graphite, Ltd. ("**OGL**") obtained protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), as amended and restated on February 20, 2020 (the "**Initial Order**")
2. Deloitte Restructuring Inc. (in such capacity, the "**Monitor**") was appointed as the Monitor of OGL in the CCAA Proceedings pursuant to the Initial Order.

3. Pursuant to the Termination Order, granted April 29, 2020, the Court approved, among other things, the termination of the CCAA Proceedings effective at the date and time on which the Monitor files this Monitor's certificate with the Court (the "**CCAA Termination Date**").

**THE MONITOR CONFIRMS** the following:

4. The Monitor has been informed by OGL that all matters to be attended to in connection with the CCAA Proceedings have been completed.

5. The Monitor confirms that the Mine, as previously operated by OGL and located in Kearney, Ontario, has been duly transferred to the Minister of Energy, Northern Development and Mines, and further confirms that •

6. Accordingly, the CCAA Termination Date has occurred at the date and time set forth below.

DATED at Toronto, Ontario this \_\_\_\_\_ day of \_\_\_\_\_, 2020

**DELOITTE RESTRUCTURING INC., solely in  
its capacity as Monitor and not in its  
personal capacity**

Per: \_\_\_\_\_

Name:

Title:

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

ORIONIS CORPORATION  
Applicant

-AND-

ONTARIO GRAPHITE, LTD.  
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**CCAA TERMINATION ORDER**

**BORDEN LADNER GERVAIS LLP**  
Bay Adelaide Centre, East Tower  
22 Adelaide Street West, Suite 3400  
Toronto ON M5H 4E3

**Alex MacFarlane – LSO No. 28133Q**  
Tel: 416.367.6305  
Email: amacfarlane@blg.com

**Bevan Brooksbank - LSO No. 56717U**  
Tel: 416.367.6604  
Email: bbrooksbank@blg.com

Lawyers for Deloitte Restructuring Inc., in its capacity as  
Court-Appointed Monitor

**Appendix "B"**

**Monitor Fee Affidavit**

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

**B E T W E E N:**

**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**

**AFFIDAVIT OF TODD AMBACHTSHEER  
(Sworn April 28, 2020)**

I, **TODD AMBACHTSHEER**, of the City of Toronto, in the Province of Ontario, **MAKE  
OATH AND SAY:**

1. I am a VP at Deloitte Restructuring Inc. ("**Deloitte**"), and as such have knowledge of the matters hereinafter deposed to.
2. This affidavit is made in support of a motion for, among other things, the approval of the fees and disbursements of Deloitte for the period from June 27, 2019 to April 27, 2020 (the "**Fees Period**"). Attached hereto and marked as **Exhibit "A"** is a true copy of the account of Deloitte for the Fees Period, in the total amount of \$235,548.43.

3. The account attached as Exhibit A provide a fair and accurate description of the activities undertaken by Deloitte. Attached hereto and marked as **Exhibit "B"** is a summary of the hourly rate and time expended by the professionals at Deloitte during the Fees Period.

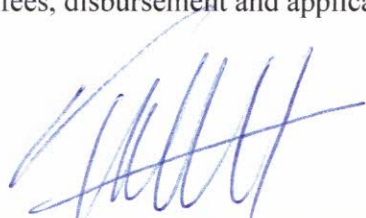
4. Deloitte requests that the Court approve its account for the Fees Period for fees in the amount of \$200,000.00, disbursements of \$21,548.43 and administrative expenses of \$14,000.00 for services rendered and recorded.

5. Deloitte estimates that it will incur no more than \$50,000.00 in additional fees and disbursements, inclusive of applicable taxes, for services to be provided by the Monitor through to the date of the Monitor's discharge. Deloitte requests that the Court approve its estimated fees and disbursements for the period from April 27, 2020 through to the date of the Monitor's discharge in the amount of up to \$50,000.00, inclusive of fees, disbursement and applicable taxes.

SWORN BEFORE ME over video )  
teleconference this 28 day of April, 2020. )  
The affiant was located in Toronto, )  
Ontario, while the commissioner, )  
Mariela Adriana Gasparini, was located )  
in Vaughan, Ontario. )

  
\_\_\_\_\_  
A Commissioner for Taking Affidavits )

P14458

  
\_\_\_\_\_  
**TODD AMBACHTSHEER**

**EXHIBIT A**

This is the Exhibit marked "A" referred to  
in the Affidavit of TODD AMBACHTSHEER,  
sworn before me this 28<sup>th</sup> day of April, 2020.

A handwritten signature in blue ink, appearing to read "Robert J. [unclear]", is written over a horizontal line.

A Commissioner for Taking Affidavits

**P14458**



**Invoice 8001136574**

**Deloitte Restructuring Inc.**

Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

Orionis Corporation c/o Deloitte Restructuring Inc.  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9  
Canada

Tel: (416) 601-6150  
Fax: (416) 601-6151  
www.deloitte.ca

Date: April 22, 2020  
Client No.: 1329590  
WBS#: ORI00127  
Engagement Partner: Philip Reynolds

**For professional services rendered**

**Fees**

Related to Deloitte Restructuring Inc.'s appointment as Ontario Graphite Limited's CCAA Monitor for the period up to April 3, 2020.

Total Fees 238,065.00  
Less: Discount 38,065.00

Please see attached appendix.

No tax applicable 200,000.00

**Expense**

No tax applicable 21,548.43  
Administrative Expense 14,000.00

**Total Amount Due (CAD) 235,548.43**

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.





Invoice Number 8001136574

April 22, 2020

**Use the following payment methods and ensure your payment contains the details provided in the example.**

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Orionis Corporation c/o Deloitte Restructuring Inc.	1329590	8001136574	235,548.43	Payment for invoice 8001136574

**Contact:**

Please send payment confirmation by email to: [receivablesdebitours@deloitte.ca](mailto:receivablesdebitours@deloitte.ca), and reference the invoice number(s) paid

## Payment Options



## Appendix #1

### Summary of Fees

Name	Level	Hours	Rate	Amount
Reynolds, Philip	Partner	40.5	750.00	30,375.00
Becker, Kevin	Partner	27.3	750.00	20,475.00
Sleeth, Jordan	Partner	2.0	750.00	1,500.00
Ghafur, Mohammed	Director	2.0	675.00	1,350.00
Ambachtsheer, Todd	Senior Manager	122.4	550.00	67,320.00
Chirisa, Munyaradzi	Senior Manager	15.5	550.00	8,525.00
Paddock, Thomas	Manager	24.1	475.00	11,447.50
Dost Muhammad, Aamir	Manager	23.0	475.00	10,925.00
Purba, Naveen	Senior	114.0	400.00	45,600.00
Borzellino, Krista	Senior	85.2	400.00	34,080.00
Keene, Ashley	Analyst	15.6	325.00	5,070.00
Klein, Emily	Analyst	2.5	325.00	812.50
Brown, Rose	Analyst	1.8	325.00	585.00
<b>Total Professional Hours and Fees</b>		<b>475.9</b>		238,065.00
<b>Average blended hourly rate (\$)</b>				<b>500.24</b>
Discount				(38,065.00)
<b>Discounted Fee</b>				<b>200,000.00</b>
Administrative Fee @ 7%				14,000.00
Disbursement:				21,548.43
<b>Total fees and disbursements</b>				<b>235,548.43</b>



## Appendix #2

### Work performed to April 3, 2020.

Date	Name	Narrative	Hours
6/27/2019	Sleeth, Jordan	QA report and provide comments	2.0
6/28/2019	Ambachtsheer, Todd	Finalize report to Orionis	5.4
6/28/2019	Chirisa, Munyaradzi	Call with Hazen and SGS on profiling studies	1.0
6/28/2019	Reynolds, Philip	Discussions regarding report	2.0
7/2/2019	Ambachtsheer, Todd	Drafting report to Orionis; discussions regarding same with P. Reynolds	7.5
7/2/2019	Chirisa, Munyaradzi	Call with Hazen	0.5
7/3/2019	Ambachtsheer, Todd	Draft report for Orionis; discuss same with P. Reynolds	10.4
7/3/2019	Becker, Kevin	Update call with Orionis	1.0
7/3/2019	Reynolds, Philip	Review and discuss report to Orionis	1.0
7/4/2019	Ambachtsheer, Todd	Drafting report for Orionis; discussions with P. Reynolds; emails to E. Castor	8.2
7/5/2019	Ambachtsheer, Todd	Draft report for Orionis	7.9
7/8/2019	Ambachtsheer, Todd	Emails regarding report	0.8
7/9/2019	Ambachtsheer, Todd	Report	1.2
7/10/2019	Ambachtsheer, Todd	Drafting report	0.9
7/11/2019	Reynolds, Philip	Discussions regarding distribution of report	0.5
7/12/2019	Ambachtsheer, Todd	Call with Orionis	1.8
7/23/2019	Ambachtsheer, Todd	Comments on email to Orionis	0.5
7/25/2019	Reynolds, Philip	Discussion with Osler regarding status	1.0
7/26/2019	Ambachtsheer, Todd	Calls with Orionis and Osler regarding status	1.5
8/14/2019	Keene, Ashley	Invoice request	0.1
8/26/2019	Chirisa, Munyaradzi	Mine attendance and discussions thereon; review background materials	4.0
8/27/2019	Chirisa, Munyaradzi	Mine attendance and discussions thereon; review background materials	3.0
8/28/2019	Chirisa, Munyaradzi	Mine attendance and discussions thereon; review background materials	2.0
8/29/2019	Chirisa, Munyaradzi	Mine attendance and discussions thereon; review background materials	3.0
8/30/2019	Chirisa, Munyaradzi	Mine attendance and discussions thereon; review background materials	2.0
9/5/2019	Ambachtsheer, Todd	Emails regarding status; internal discussions	0.8

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
9/9/2019	Reynolds, Philip	Follow up with Orionis on status	0.5
9/23/2019	Ambachtsheer, Todd	Discussions regarding status and next steps	0.6
9/23/2019	Reynolds, Philip	Discussions with T. Ambachtsheer and Osler	1.0
9/24/2019	Ambachtsheer, Todd	Calls regarding status; follow up	2.1
9/24/2019	Keene, Ashley	Invoice administration	0.2
9/24/2019	Reynolds, Philip	Discussions with T. Ambachtsheer and Osler	1.0
9/25/2019	Ambachtsheer, Todd	Call with Azurita group; coordination with P. Reynolds	1.3
9/25/2019	Brown, Rose	Trust Banking Administration - Disbursement cheque.	0.2
9/25/2019	Reynolds, Philip	Calls with Osler and Orionis	2.0
9/26/2019	Ambachtsheer, Todd	Discussions regarding status	1.7
9/26/2019	Reynolds, Philip	Review cash flows; receivership planning	1.0
9/27/2019	Ambachtsheer, Todd	Updated materials to Orionis	2.9
9/27/2019	Reynolds, Philip	Discussions regarding cash flows; T. Ambachtsheer call	1.0
9/28/2019	Keene, Ashley	Time entry admin.	0.2
10/1/2019	Brown, Rose	Trust Banking Administration - Review Ascend and send copy of retainer cheque to Billing/Accounting	0.1
10/7/2019	Keene, Ashley	Invoice administration	0.1
10/11/2019	Reynolds, Philip	Discussions regarding receivership planning; call with counsel	1.0
10/17/2019	Reynolds, Philip	Follow up on Bell Potter status; discussions with T. Ambachtsheer	1.0
10/18/2019	Klein, Emily	Updating projected cashflow up until the end of July, 2020	1.5
10/21/2019	Ambachtsheer, Todd	Review cash flow and provide comments to E. Klein	0.6
10/21/2019	Klein, Emily	Updating projected cashflows up until July 2020	1.0
10/22/2019	Ambachtsheer, Todd	Planning considerations	2.8
10/23/2019	Ambachtsheer, Todd	Planning discussions	3.1
10/23/2019	Reynolds, Philip	Review of filing material; call with Orionis and Osler regarding status of Receivership application material and readiness	1.5
10/24/2019	Ambachtsheer, Todd	Discussions regarding planning	2.3
10/24/2019	Keene, Ashley	Wire instructions; engagement management	0.3
11/1/2019	Brown, Rose	Input incoming wire (Retainer) to Ascend	0.2
11/1/2019	Reynolds, Philip	Attend call with Stikemans regarding environmental situation; review Directors order, Cash flow and other related information regarding env situation	1.0
11/4/2019	Ambachtsheer, Todd	Prefiling report	1.8

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
11/8/2019	Reynolds, Philip	Further review of environmental situation; attend call with Osler and Orionis	1.0
11/10/2019	Reynolds, Philip	Further review of environmental situation / documents and discussion with Ellerton Castor to assess probability of compliance with Directors Order	1.5
11/11/2019	Borzellino, Krista	Started the set-up of the OGL web page for the Restructuring Website. Wrote out details for the website and sent emails to initiate the set-up and create an inbox/phone number	0.3
11/11/2019	Brown, Rose	Website request	0.1
11/12/2019	Borzellino, Krista	Edited OGL website information and sent it across to R. Brown and A. Keene to get it finalized and ready to publish	0.3
11/12/2019	Borzellino, Krista	Call with OGL management and Osler discussing parameters of the engagement in the initial stages of planning the receivership	0.5
11/12/2019	Brown, Rose	Review website set up with A. Keene	0.1
11/12/2019	Keene, Ashley	Website creation	1.5
11/12/2019	Reynolds, Philip	Calls with Osler and Osler + Orionis regarding environmental situations and likely non-compliance with Directors Order / implications on timing of receivership application	1.5
11/15/2019	Borzellino, Krista	Call with L. Xu about set up of toll-free phone number for the Restructuring website	0.3
11/18/2019	Borzellino, Krista	Call with Osler, Stikeman Elliot and Management of the company to discuss environmental matters with respect to the engagement	0.8
11/18/2019	Borzellino, Krista	Drafted a plan based on the materials provided for the engagement, such as the SISP, reports written and the Court order	2.5
11/19/2019	Borzellino, Krista	Spoke with T. Ambachtsheer regarding various matters of the engagement, such as deliverables and specifics in terms of the timeline	0.5
11/19/2019	Keene, Ashley	Banking administration	0.3
11/25/2019	Reynolds, Philip	Call with Orionis and Osler re: planning; internal discussions re: next steps	1.0
11/27/2019	Reynolds, Philip	Discussions regarding marketing materials	1.0
12/2/2019	Reynolds, Philip	Receivership planning and related discussions	1.0
12/19/2019	Reynolds, Philip	Discuss status of compliance with Directors Order (environmental situation); review the latest Directors Order and related appendices	2.2
12/30/2019	Reynolds, Philip	Update call with Stikemans regarding Kearney environmental situation	1.0
12/31/2019	Reynolds, Philip	Attend call with MECP regarding env standstill	0.5
1/2/2020	Ambachtsheer, Todd	Calls and emails regarding planning	0.6
1/8/2020	Reynolds, Philip	Call with ENDM regarding env situation and standstill	0.5

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
1/15/2020	Reynolds, Philip	Various pre-receivership matters	0.5
1/16/2020	Reynolds, Philip	Review pre-filing report of proposed receiver, review cash flow	1.3
1/21/2020	Reynolds, Philip	Calls with Orionis, T. Ambachtsheer	1.0
1/23/2020	Reynolds, Philip	Planning discussions with Osler, T. Ambachtsheer	1.0
1/24/2020	Reynolds, Philip	Call with MECF	0.5
1/28/2020	Reynolds, Philip	Call with Osler and Stikeman	1.0
1/29/2020	Reynolds, Philip	Discussions with T. Ambachtsheer and Osler	0.5
1/30/2020	Reynolds, Philip	Discussions with Osler regarding CCAA planning	1.0
2/3/2020	Ambachtsheer, Todd	Calls with Osler and E. Castor; review and discuss cash flow forecast	3.6
2/3/2020	Purba, Naveen	CIM Research and internal meetings	3.0
2/4/2020	Brown, Rose	Discuss wire payment with A. Keene	0.1
2/4/2020	Keene, Ashley	Conversations with R. Brown, K. Borzellino regarding invoice payment instructions; email approval and escalation for payment; follow up regarding same; email regarding wire escalation with AP; call with Finance, emails Filomena, supplier invoice creation ticket & form	2.6
2/4/2020	Purba, Naveen	CIM Research and internal meetings	3.0
2/5/2020	Ambachtsheer, Todd	Calls to plan for filing; review cash flows	2.3
2/5/2020	Purba, Naveen	CIM Research and internal meetings	3.0
2/6/2020	Keene, Ashley	Scan, print, bind hard copy of report; report conversion to text; emails with K. Borzellino	1.1
2/6/2020	Purba, Naveen	CIM Research and internal meetings	3.0
2/6/2020	Reynolds, Philip	CCAA planning discussions	1.0
2/7/2020	Ambachtsheer, Todd	Calls regarding status	0.6
2/7/2020	Purba, Naveen	CIM Research and internal meetings	4.0
2/7/2020	Reynolds, Philip	Review and discuss pre-filing report	1.0
2/10/2020	Ambachtsheer, Todd	Drafting report; preparation for filing; calls with E. Castor and Orionis, Osler; attend to website and hotline	6.2
2/10/2020	Borzellino, Krista	Drafted CIM slides utilizing Roskill report	2.0
2/10/2020	Keene, Ashley	Monitor's consent	0.1
2/10/2020	Purba, Naveen	Preparing CIM (company overview and investment highlights)	8.0
2/10/2020	Reynolds, Philip	Prepare regarding for court; review report	0.5
2/11/2020	Ambachtsheer, Todd	Finalize report; discussions with P. Reynolds and A. Taylor; discussions with Orionis	4.5
2/11/2020	Borzellino, Krista	Drafted CIM slides utilizing Roskill report	2.0

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
2/11/2020	Keene, Ashley	Pre-filing report.	0.2
2/11/2020	Purba, Naveen	Preparing CIM (company overview and investment highlights)	8.0
2/12/2020	Ambachtsheer, Todd	All hands call; discussions with Orionis and OGL staff	3.1
2/12/2020	Borzellino, Krista	Call with CF team to discuss direction of CIM, CIM updates from the call	3.0
2/12/2020	Keene, Ashley	Website updates: motion records, reports, service lists, order, endorsement, website live; emails & TC regarding same; file management	1.7
2/12/2020	Purba, Naveen	Preparing CIM (company overview and investment highlights)	8.0
2/12/2020	Reynolds, Philip	Attend court	0.5
2/13/2020	Ambachtsheer, Todd	Respond to creditors; calls with E. Castor and L. Dault; set up monitoring protocol	1.4
2/13/2020	Borzellino, Krista	Drafted various forms for the website, set up advertising in the Globe and mail	3.0
2/13/2020	Brown, Rose	Have Form 1 signed and prepare regarding email to register CCAA with the OSB	0.5
2/13/2020	Purba, Naveen	Preparing CIM ( Opportunity overview Section and investment highlights)	8.0
2/14/2020	Ambachtsheer, Todd	Discussions regarding SISP; respond to creditor queries; review OSB forms to be filed	3.2
2/14/2020	Brown, Rose	Help in prepare regarding labels for mailing	0.3
2/14/2020	Keene, Ashley	Creditor list editing; print, stuff and mail credit list; website updates	3.9
2/14/2020	Purba, Naveen	Preparing CIM (Financial and Industry Sections)	8.0
2/17/2020	Becker, Kevin	Call with Ellerton	1.5
2/17/2020	Borzellino, Krista	Addressed comments with respect to T. Ambachtsheer's review from prior week ended February 14	4.0
2/17/2020	Purba, Naveen	CIM Research and internal meetings	2.0
2/18/2020	Ambachtsheer, Todd	Prepare regarding mailing materials; discussions regarding materials to be filed with OSB; cash flow reiew	4.3
2/18/2020	Borzellino, Krista	Prepared payment approvals for L. Dault (Controller) for the week ended February 21	3.0
2/18/2020	Keene, Ashley	Website update	0.2
2/18/2020	Purba, Naveen	CIM Research and internal meetings	2.0
2/18/2020	Reynolds, Philip	Discuss report	0.5
2/19/2020	Borzellino, Krista	Prepared variance reporting for the week ended February 21	2.0
2/19/2020	Keene, Ashley	Website updates; edit First Report of the Monitor; discussions with T. Ambachtsheer regarding same	1.6
2/19/2020	Purba, Naveen	Graphite Research and internal meetings	2.0

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
2/20/2020	Ambachtsheer, Todd	Call with Orionis; discussions with M&A group regarding SISP; Monitor report	4.5
2/20/2020	Borzellino, Krista	Addressed comments with respect to CIM.	2.0
2/20/2020	Dost Muhammad, Aamir	Discussions regarding CIM and SISP	8.0
2/20/2020	Keene, Ashley	Website updates and TC T.Ambachtsheer regarding same	0.6
2/20/2020	Purba, Naveen	CIM Research and internal meetings	2.0
2/20/2020	Reynolds, Philip	Review report; discussions with T. Ambachtsheer	0.5
2/21/2020	Borzellino, Krista	Addressed comments within CIM to be distributed to potential bidders	2.0
2/21/2020	Dost Muhammad, Aamir	discussions regarding CIM and SISP	7.0
2/21/2020	Keene, Ashley	Website update and TC K. Borzellino	0.2
2/21/2020	Paddock, Thomas	Intro call with CF team	1.0
2/21/2020	Purba, Naveen	CIM Research and internal meetings	2.0
2/22/2020	Dost Muhammad, Aamir	Discussions regarding CIM and SISP	8.0
2/23/2020	Becker, Kevin	Detailed CIM review	2.5
2/24/2020	Ambachtsheer, Todd	Discussions regarding cash flow items	1.1
2/24/2020	Becker, Kevin	Internal team call on outreach and international strategy	2.0
2/24/2020	Borzellino, Krista	Prepared the variance reporting for the week ended February 21 with updated payment requests from L. Dault	2.0
2/24/2020	Paddock, Thomas	Review CIM and DFS	2.0
2/24/2020	Purba, Naveen	Client call; Buyer outreach prep (compiling contacts / emails)	3.0
2/25/2020	Ambachtsheer, Todd	Discussions regarding SISP; buyer list	0.9
2/25/2020	Borzellino, Krista	Corresponded with L. Dault regarding outstanding queries with respect to a few variances within the actuals report	2.0
2/25/2020	Brown, Rose	Trust Banking Administration - Review Accounts for retainer funds	0.2
2/25/2020	Keene, Ashley	TC T. Ambachtsheer & D. Chan regarding invoice payment and retainer	0.5
2/26/2020	Ambachtsheer, Todd	Discuss cash flows	1.2
2/26/2020	Borzellino, Krista	Addressed comments with respect to variance reporting, corresponded with L. Dault (Controller) regarding outstanding queries	2.0
2/26/2020	Purba, Naveen	Prep for marketing process (calls, emails, finalizing documents)	3.0
2/27/2020	Ambachtsheer, Todd	Respond to creditors; discussions with K. Becker	0.8
2/27/2020	Becker, Kevin	Client update call. Compliance discussion on CIM	1.5
2/27/2020	Borzellino, Krista	Addressed comments with respect to T. Ambachtsheer's review	2.0



<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
2/27/2020	Purba, Naveen	Buyer call, tracker updates	1.0
2/27/2020	Reynolds, Philip	Call with Orionis; discuss with T. Ambachtsheer	1.0
2/28/2020	Ambachtsheer, Todd	Call with Orionis	0.9
2/28/2020	Borzellino, Krista	Addressed comments with respect to T. Ambachtsheer's review	2.0
2/28/2020	Purba, Naveen	Weekly status update, Buyer call	1.0
3/1/2020	Becker, Kevin	Internal correspondence	0.5
3/2/2020	Ambachtsheer, Todd	Bidder correspondence review	0.8
3/2/2020	Becker, Kevin	Cf team discussion. with Todd and Phil. CIM comments from Ellerton reviews	1.5
3/2/2020	Borzellino, Krista	Prepared the variance reporting for the week ended February 28	2.0
3/2/2020	Paddock, Thomas	Drafting and review of teaser	1.8
3/2/2020	Purba, Naveen	Buyer Outreach; Tracker Updates; CIM/marketing material updates	5.0
3/3/2020	Ambachtsheer, Todd	Call with bidders; discussions with K. Becker; call with E. Castor	1.3
3/3/2020	Becker, Kevin	Initial calls with St. Jean	1.5
3/3/2020	Borzellino, Krista	Prepared payment approvals for L. Dault to process	2.0
3/3/2020	Paddock, Thomas	Buyer outreach & Deloitte international outreach	1.5
3/3/2020	Purba, Naveen	Buyer Outreach; Tracker Updates	4.0
3/4/2020	Ambachtsheer, Todd	Review items to pay and discuss same with K. Borzellino	0.5
3/4/2020	Becker, Kevin	Internal correspondence with international team members: Australia and S Africa	0.8
3/4/2020	Borzellino, Krista	Corresponded with L. Dault regarding outstanding queries with respect to a few variances within the actuals report	2.0
3/4/2020	Paddock, Thomas	Buyer outreach & Deloitte international outreach	0.5
3/4/2020	Purba, Naveen	Buyer Outreach; Tracker Updates	4.0
3/4/2020	Reynolds, Philip	Call with E. Castor; discussions with T. Ambachtsheer	2.0
3/5/2020	Ambachtsheer, Todd	Discussions regarding environmental status, cash flows	1.0
3/5/2020	Becker, Kevin	Client update call and follow up	1.0
3/5/2020	Borzellino, Krista	Addressed comments with respect to variance reporting, corresponded with L. Dault (Controller) regarding outstanding queries	2.0
3/5/2020	Purba, Naveen	Client call, CIM distribution / buyer correspondence	1.0
3/6/2020	Ambachtsheer, Todd	Call with Orionis	1.5
3/6/2020	Becker, Kevin	Update call and internal preparation	1.0
3/6/2020	Borzellino, Krista	Addressed comments with respect to T. Ambachtsheer's review	2.0

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
3/6/2020	Paddock, Thomas	Buyer outreach & Deloitte international outreach. Call with client	2.0
3/6/2020	Purba, Naveen	Weekly status update, tracker updates, internal updates	2.0
3/9/2020	Becker, Kevin	Internal meeting to review with target list. Japan calls. Australia correspondence. Us team discussion on opportunity and key PE approach	2.5
3/9/2020	Borzellino, Krista	Prepared the variance reporting for the week ended March 6	2.0
3/9/2020	Ghafur, Mohammed	Review of Ontario Graphite Teaser only on Feb 19, 2020.	2.0
3/9/2020	Paddock, Thomas	Buyer outreach & Deloitte international outreach. Call prospective buyer	2.0
3/9/2020	Purba, Naveen	Internal touchpoints and strategy	1.0
3/10/2020	Ambachtsheer, Todd	Discussions with K. Becker and N. Purba regarding bidder discussions	0.3
3/10/2020	Borzellino, Krista	Prepared payment approvals for L. Dault to process.	2.0
3/10/2020	Purba, Naveen	Update meetings, buyer tracker updates and email correspondence	1.0
3/11/2020	Borzellino, Krista	Corresponded with L. Dault regarding outstanding queries with respect to a few variances within the actuals report	2.0
3/11/2020	Purba, Naveen	Update meetings, buyer tracker updates and email correspondence	2.5
3/12/2020	Borzellino, Krista	Addressed comments with respect to variance reporting, corresponded with L. Dault (Controller) regarding outstanding queries	2.0
3/12/2020	Purba, Naveen	Drafting status update, updating buyer tracker	1.0
3/13/2020	Ambachtsheer, Todd	Call with Orionis; bidder discussions; discussions with CF regarding buyers	2.6
3/13/2020	Becker, Kevin	Update call and prep regarding and post discussion	1.5
3/13/2020	Borzellino, Krista	Addressed comments with respect to T. Ambachtsheer's review	2.0
3/13/2020	Paddock, Thomas	Buyer outreach & Deloitte international outreach. Call with client	2.0
3/13/2020	Purba, Naveen	Client status update and buyer correspondence (NDA, questions, gathering feedback)	1.5
3/16/2020	Purba, Naveen	Update meetings, buyer tracker updates and email correspondence	1.0
3/17/2020	Borzellino, Krista	Prepared the variance reporting for the week ended March 13	2.0
3/17/2020	Purba, Naveen	Update meetings, buyer tracker updates and email correspondence	1.0
3/18/2020	Ambachtsheer, Todd	Review cash flows; discussions with K. Becker regarding buyer list	1.2
3/18/2020	Borzellino, Krista	Corresponded with L. Dault regarding outstanding queries with respect to a few variances within the actuals report	4.0
3/19/2020	Ambachtsheer, Todd	Calls with K. Bekcer	0.8

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
3/19/2020	Becker, Kevin	Discussion with St Jean - site visit interest	1.5
3/19/2020	Borzellino, Krista	Addressed comments with respect to variance reporting, corresponded with L. Dault (Controller) regarding outstanding queries	2.0
3/20/2020	Ambachtsheer, Todd	Call with Orionis	0.8
3/20/2020	Becker, Kevin	Update call plus pregarding and post followwith up	2.0
3/20/2020	Borzellino, Krista	Addressed comments with respect to T. Ambachtsheer's review	2.0
3/20/2020	Purba, Naveen	Update Call and email correspondence	1.0
3/23/2020	Becker, Kevin	Team update and outreach strategy. Discussion with Gary Doran of HK / China firm on newwith approach	1.5
3/23/2020	Borzellino, Krista	Prepared the variance reporting for the week ended March 20	1.0
3/23/2020	Paddock, Thomas	Buyer outreach. Call with prospective buyer	1.5
3/23/2020	Purba, Naveen	1 hour for internal updates. 1 hour buyer outreach / follow-ups	2.0
3/24/2020	Becker, Kevin	Followwith on emails	0.5
3/24/2020	Borzellino, Krista	Prepared payment approvals for L. Dault to process	2.0
3/24/2020	Paddock, Thomas	Buyer outreach & Deloitte international outreach	0.5
3/25/2020	Ambachtsheer, Todd	Discussion wth K. Borzellino regarding payments	0.4
3/25/2020	Becker, Kevin	Email to Pedro Pablo	0.5
3/25/2020	Borzellino, Krista	Corresponded with L. Dault regarding outstanding queries with respect to a few variances within the actuals report	1.0
3/26/2020	Ambachtsheer, Todd	Call with E. Castor; discussiosn with P. Reynolds	0.7
3/26/2020	Becker, Kevin	Reviewith of Ellerton's updated names and correspondence	1.0
3/26/2020	Borzellino, Krista	Addressed comments with respect to variance reporting, corresponded with L. Dault (Controller) regarding outstanding queries	2.0
3/26/2020	Paddock, Thomas	Buyer outreach & Deloitte international outreach	1.0
3/26/2020	Purba, Naveen	Drafting status update, following-up with buyers, internal updates	2.0
3/27/2020	Ambachtsheer, Todd	Call with Orionis; pre-call with K. Becker	1.5
3/27/2020	Becker, Kevin	Update call. Call with lomiko. Other followwith up	1.5
3/27/2020	Borzellino, Krista	Addressed comments with respect to T. Ambachtsheer's review	1.0
3/27/2020	Paddock, Thomas	Buyer outreach & Deloitte international outreach. Call with client	1.0
3/27/2020	Purba, Naveen	Client update; buyer call; buyer debrief	3.0
3/30/2020	Borzellino, Krista	Prepared the variance reporting for the week ended March 27	2.0
3/30/2020	Keene, Ashley	WIP administration	0.2
3/31/2020	Ambachtsheer, Todd	Review DIP calculations and cash flows	0.6

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
3/31/2020	Borzellino, Krista	Prepared payment approvals for L. Dault to process	2.0
3/31/2020	Paddock, Thomas	Buyer outreach and international coordination	1.3
3/31/2020	Purba, Naveen	Internal update call and follow-ups with buyers	1.0
4/1/2020	Ambachtsheer, Todd	Discussion with K. Becker; review cash flows and distribute to Orionis	1.2
4/1/2020	Borzellino, Krista	Corresponded with L. Dault regarding outstanding queries with respect to a few variances within the actuals report	2.0
4/1/2020	Paddock, Thomas	Outreach. IFA	1.0
4/1/2020	Purba, Naveen	Buyer tracker updates	1.0
4/2/2020	Ambachtsheer, Todd	Call regarding cash flows with K. Borzellino	0.4
4/2/2020	Borzellino, Krista	Addressed comments with respect to variance reporting, corresponded with L. Dault (Controller) regarding outstanding queries	2.0
4/2/2020	Paddock, Thomas	Call with Ellerton, outreach to potential buyers, IFA	3.5
4/2/2020	Purba, Naveen	Client call; following-up; building status update	3.0
4/3/2020	Ambachtsheer, Todd	Weekly call with Orionis; discussions with K. Becker	1.5
4/3/2020	Borzellino, Krista	Addressed comments with respect to T. Ambachtsheer's review	2.0
4/3/2020	Paddock, Thomas	Call with client, buyer tracker and reaching out to parties	1.5
4/3/2020	Purba, Naveen	Client status update, NDA negotiation	2.0
<b>Total</b>			<b>475.9</b>

**EXHIBIT B**

This is the Exhibit marked "B" referred to  
in the Affidavit of TODD AMBACHTSHEER,  
sworn before me this 28<sup>th</sup> day of April, 2020.



\_\_\_\_\_  
A Commissioner for Taking Affidavits

**P14458**

**EXHIBIT “B”**

**Summary of Fees and Disbursements of Deloitte Restructuring Inc.  
for the period from June 27, 2019 to April 27, 2020**

<b>Name</b>	<b>Level</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Reynolds, Philip	Partner	40.5	750.00	30,375.00
Becker, Kevin	Partner	27.3	750.00	20,475.00
Sleeth, Jordan	Partner	2.0	750.00	1,500.00
Ghafur, Mohammed	Director	2.0	675.00	1,350.00
Ambachtsheer, Todd	Senior Manager	122.4	550.00	67,320.00
Chirisa, Munyaradzi	Senior Manager	15.5	550.00	8,525.00
Paddock, Thomas	Manager	24.1	475.00	11,447.50
Dost Muhammad, Aamir	Manager	23.0	475.00	10,925.00
Purba, Naveen	Senior	114.0	400.00	45,600.00
Borzellino, Krista	Senior	85.2	400.00	34,080.00
Keene, Ashley	Analyst	15.6	325.00	5,070.00
Klein, Emily	Analyst	2.5	325.00	812.50
Brown, Rose	Analyst	1.8	325.00	585.00
<b>Total Professional Hours and Fees</b>		<b>475.9</b>		238,065.00
<b>Average blended hourly rate (\$)</b>			<b>500.24</b>	
Discount				(38,065.00)
<b>Discounted Fee</b>				<b>200,000.00</b>
Administrative Fee @ 7%				14,000.00
Disbursement:				21,548.43
<b>Total fees and disbursements</b>				<b>235,548.43</b>

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

ORIONIS CORPORATION

– and –

ONTARIO GRAPHITE, LTD.

**Applicant**

**Respondent**

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

PROCEEDINGS COMMENCED AT TORONTO

**AFFIDAVIT OF TODD AMBACHTSHEER**  
(Sworn April 28, 2020)

**BORDEN LADNER GERVAIS LLP**

Bay Adelaide Centre, East Tower  
22 Adelaide St W  
Toronto, Ontario M5H 4E3  
Tel: 416-367-6000  
Fax: 416-367-6749

**Alex MacFarlane – LSO No. 28133Q**

Tel: 416-367-6305  
[amacfarlane@blg.com](mailto:amacfarlane@blg.com)

**Bevan Brooksbank – LSO No. 56717U**

Tel: 416.367.6604  
[bbrooksbank@blg.com](mailto:bbrooksbank@blg.com)

Lawyers for Deloitte Restructuring Inc., in its capacity as  
Court-appointed Monitor

**Appendix “C”**

**BLG Fee Affidavit**



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

B E T W E E N:

**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**

**AFFIDAVIT OF ALEX MACFARLANE  
(Sworn April 28<sup>th</sup>, 2020)**

I, **ALEX MACFARLANE**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a partner at the law firm of Borden Ladner Gervais LLP ("**BLG**"), counsel to Deloitte Restructuring Inc., in its capacity as Court-appointed Monitor (the "**Monitor**"), and as such have knowledge of the matters hereinafter deposed to.

2. This affidavit is made in support of a motion for, among other things, the approval of the fees and disbursements of BLG for the period from February 19, 2020 to April 26, 2020 (the "**Fees Period**"). Attached hereto and marked as **Exhibit "A"** are true copies of the accounts of BLG for the Fees Period, in the total amount of \$39,219.14.

3. The accounts attached as Exhibit A provide a fair and accurate description of the activities undertaken by BLG. Attached hereto and marked as **Exhibit “B”** is a summary of the hourly rate and time expended by the professionals at BLG during the Fees Period.

4. BLG requests that the Court approve its accounts for the Fees Period for fees in the amount of \$34,651.50, disbursements of \$55.70 and taxes of \$4,511.94 for services rendered and recorded.

5. BLG estimates that it will incur no more than \$30,000 in additional fees and disbursements, inclusive of applicable taxes, for services to be provided to the Monitor through to the date of the Monitor’s discharge. BLG requests that the Court approve its estimated fees and disbursements for the period from April 27, 2020 through to the date of the Monitor’s discharge in the amount of up to \$30,000, inclusive of fees, disbursement and applicable taxes.

SWORN BEFORE ME over video )  
teleconference this 28<sup>th</sup> day of April, )  
2020. The affiant was located in Toronto, )  
Ontario, while the commissioner, Mariela )  
Adriana Gasparini, was located in )  
Vaughan, Ontario. )

  
\_\_\_\_\_  
**A Commissioner for Taking Affidavits** )

  
\_\_\_\_\_  
**ALEX MACFARLANE**

**EXHIBIT A**

This is the Exhibit marked "A" referred to  
in the Affidavit of ALEX MACFARLANE,  
sworn before me this 28<sup>th</sup> day of April, 2020.



---

A Commissioner for Taking Affidavits

**EXHIBIT "B"**

**Summary of Fees and Disbursements of Borden Ladner Gervais LLP  
for the period from February 19, 2020 to April 26, 2020**

<b>Name of Professional</b>	<b>Total Hours Billed</b>	<b>Avg. Hourly Rate (\$/Hr) 2018/2019</b>	<b>Total Amount Billed</b>
A. MacFarlane	24.3	\$990.00	\$24,057.00
C. Mason	1.00	\$755.00	\$755.00
B. Brooksbank	14.7	\$580.00	\$8,526.00
N. Lyn-Kew	0.6	\$250.00	\$150.00
T. McNaughton	0.5	\$435.00	\$217.50
A. Gasparini	4.3	\$220.00	\$946.00
Total Hours/Average Rate/Total Fees	<b>45.4</b>	<b>\$538.33</b>	<b>\$34,651.50</b>
Total Disbursements			<b>\$55.70</b>
Total Fees and Disbursements excluding Tax			<b>\$34,707.20</b>
Taxes (GST/HST)			<b>\$4,511.94</b>
Total Fees and Disbursements including Tax			<b>\$39,219.14</b>



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Deloitte Restructuring Inc.  
Bay Adelaide Centre, East Tower, Suite 200  
22 Adelaide Street West  
Toronto, ON M5H 0A9

March 16, 2020

Attention: Philip Reynolds

Invoice # 697821971  
Page 1

Re: Ontario Graphite

File No: 560836/000011

PROFESSIONAL SERVICES rendered to February 29, 2020 in connection with the above matter as described in the attached.

Fees	\$ 8,612.00
Disbursements	0.00
HST on Fees and Taxable Disbursements	1,119.56
Total this Invoice	<u>\$ 9,731.56</u>

THIS IS OUR ACCOUNT - E. & O.E.

**BORDEN LADNER GERVAIS LLP**

By: Alex MacFarlane

Deloitte Restructuring Inc.  
Re: Ontario Graphite

March 16, 2020  
Invoice # 697821971  
File No: 560836/000011  
Page 2

PROFESSIONAL SERVICES RENDERED to February 29, 2020

Feb 19, 2020	B. Brooksbank	1.50	Initial review of Monitor report, factum from initial order motion for background to matter, emails with A. MacFarlane re stay extension and SISP approval.	\$ 870.00
Feb 19, 2020	A. Gasparini	1.80	Retrieve motion materials; draft affidavit of service; review service list; serve first report on service list; send confidential letter to J. Earl; coordinate confidential appendix with J. Earl; coordinate with student to file court document; email J. Francis re filing; email fist report to T. Ambachtsheer, C. Leith and S. Davis.	396.00
Feb 19, 2020	N. Lyn-Kew	0.60	Delivered documents for filing for A Gasparini.	150.00
Feb 19, 2020	A. MacFarlane	0.20	Telephone attendance with P. Reynolds re retention as counsel to the Monitor.	198.00
Feb 19, 2020	A. MacFarlane	0.10	Follow-up telephone attendance with T. Ambachtsheer re report.	99.00
Feb 19, 2020	A. MacFarlane	0.20	Telephone attendance with T. Ambachtsheer re Monitor's Report.	198.00
Feb 19, 2020	A. MacFarlane	1.20	Review of final draft Report of Monitor.	1,188.00
Feb 19, 2020	A. MacFarlane	0.80	Review and revise First Report of the Monitor.	792.00
Feb 19, 2020	A. MacFarlane	0.20	Office discussion with A. Gasparini re service and filing of Monitor's Report.	198.00
Feb 19, 2020	A. MacFarlane	0.30	Emails to/from T. Ambachtsheer re Monitor's Report.	297.00
Feb 19, 2020	A. MacFarlane	0.20	Email to Justice Gilmore re Monitor's Report.	198.00
Feb 19, 2020	A. MacFarlane	0.40	Preparation for court attendance.	396.00
Feb 19, 2020	A. MacFarlane	0.10	Telephone attendance with S. Abitan re being retained as counsel to the Monitor.	99.00
Feb 20, 2020	B. Brooksbank	0.80	Review of amended initial order, and SISP approval order with endorsement.	464.00

Deloitte Restructuring Inc.  
Re: Ontario Graphite

March 16, 2020  
Invoice # 697821971  
File No: 560836/000011  
Page 3

Feb 20, 2020	A. MacFarlane	0.50	Preparation of submissions for court attendance.	495.00
Feb 20, 2020	A. MacFarlane	0.80	Attendance at Court for approval of SISP, DIP Facility and Stay Extension.	792.00
Feb 21, 2020	A. MacFarlane	0.10	Voicemail to T. Ambachtsheer re priority payments.	99.00
Feb 21, 2020	A. MacFarlane	0.20	Review of precedent NDAs.	198.00
Feb 21, 2020	A. MacFarlane	0.20	Review of Amended and Restated Initial Order and payment provisions.	198.00
Feb 21, 2020	A. MacFarlane	0.10	Email to/from T. Ambachtsheer re priority payments.	99.00
Feb 21, 2020	A. MacFarlane	0.30	Email to T. Ambachtsheer re NDA.	297.00
Feb 21, 2020	A. MacFarlane	0.30	Review of draft NDA.	297.00
Feb 21, 2020	A. MacFarlane	0.20	Email to T. Ambachtsheer re draft NDA.	198.00
Feb 24, 2020	A. MacFarlane	0.30	Review of draft	297.00
Feb 24, 2020	A. MacFarlane	0.10	Email to/from T. Ambachtsheer re	99.00

TO OUR FEES

\$ 8,612.00

FEE SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Avg. Rate/Hr.</u>	<u>Amount</u>
B. Brooksbank	2.30	\$ 580.00	\$ 1,334.00
A. Gasparini	1.80	220.00	396.00
N. Lyn-Kew	0.60	250.00	150.00
A. MacFarlane	6.80	990.00	6,732.00
	<u>11.50</u>		<u>\$ 8,612.00</u>



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Deloitte Restructuring Inc.  
Re: Ontario Graphite

March 16, 2020  
Invoice # 697821971  
File No: 560836/000011  
Page 4

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Total Fees and Disbursements	8,612.00
HST on Fees and Taxable Disbursements	1,119.56
<b>TOTAL THIS INVOICE</b>	<b>\$ 9,731.56</b>





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Toronto, ON M5H 0A9

March 16, 2020  
Invoice # 697821971  
AM/AM

Re: Ontario Graphite

File No: 560836/000011

**REMITTANCE COPY**

Fees	\$ 8,612.00
Disbursements	0.00
HST on Fees and Taxable Disbursements	1,119.56
	<hr/>
Total this Invoice	<b><u>\$ 9,731.56</u></b>

PLEASE REFER TO PAYMENT OPTIONS PAGE FOR REMITTANCE INFORMATION.



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April 17, 2020

Attention: Philip Reynolds

Invoice # 697834848  
Page 1

Re: Ontario Graphite

File No: 560836/000011

PROFESSIONAL SERVICES rendered to March 31, 2020 in connection with the above matter as described in the attached.

Fees	\$ 2,240.00
Disbursements	0.00
HST on Fees and Taxable Disbursements	291.20
	<hr/>
Total this Invoice	<b><u><u>\$ 2,531.20</u></u></b>

THIS IS OUR ACCOUNT - E. & O.E.

**BORDEN LADNER GERVAIS LLP**

*Borden Ladner Gervais LLP*

For: Alex MacFarlane

Deloitte Restructuring Inc.  
Re: Ontario Graphite

April 17, 2020  
Invoice # 697834848  
File No: 560836/000011  
Page 2

PROFESSIONAL SERVICES RENDERED to March 31, 2020

Mar 2, 2020	A. MacFarlane	0.40	Review of revisions to NDA.	\$ 396.00
Mar 2, 2020	A. MacFarlane	0.10	Email to/from Deloitte with respect to NDA.	99.00
Mar 2, 2020	A. MacFarlane	0.10	Email to/from N. Purba re changes to NDA.	99.00
Mar 3, 2020	A. MacFarlane	0.10	Email to T. Ambachtsheer re	99.00
Mar 3, 2020	A. MacFarlane	0.20	Meeting with C. Mason to discuss changes to	198.00
Mar 3, 2020	C. Mason	1.00	Reviewing and revising Oaktree NDA.	755.00
Mar 5, 2020	A. MacFarlane	0.20	Email to Deloitte re further changes to	198.00
Mar 5, 2020	A. MacFarlane	0.10	Review of additional changes to	99.00
Mar 26, 2020	A. MacFarlane	0.30	Telephone attendance with T. Ambachtsheer, P. Reynolds and K. Becker to discuss status of SISP and go-forward strategy.	297.00

TO OUR FEES \$ 2,240.00

FEE SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Avg. Rate/Hr.</u>	<u>Amount</u>
A. MacFarlane	1.50	\$ 990.00	\$ 1,485.00
C. Mason	1.00	755.00	755.00
	<u>2.50</u>		<u>\$ 2,240.00</u>



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Deloitte Restructuring Inc.  
Re: Ontario Graphite

April 17, 2020  
Invoice # 697834848  
File No: 560836/000011  
Page 3

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Total Fees and Disbursements	2,240.00
HST on Fees and Taxable Disbursements	291.20
<b>TOTAL THIS INVOICE</b>	<b>\$ 2,531.20</b>



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Toronto, ON M5H 0A9

April 17, 2020  
Invoice # 697834848  
AM/AM

Re: Ontario Graphite

File No: 560836/000011

**REMITTANCE COPY**

Fees	\$ 2,240.00
Disbursements	0.00
HST on Fees and Taxable Disbursements	291.20
	<hr/>
Total this Invoice	<b><u><u>\$ 2,531.20</u></u></b>

PLEASE REFER TO PAYMENT OPTIONS PAGE FOR REMITTANCE INFORMATION.



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Deloitte Restructuring Inc.  
Bay Adelaide Centre, East Tower, Suite 200  
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Toronto, ON M5H 0A9

April 28, 2020

Attention: Philip Reynolds

Invoice # 697838238  
Page 1

Re: Ontario Graphite

File No: 560836/000011

PROFESSIONAL SERVICES rendered to April 26, 2020 in connection with the above matter as described in the attached.

Fees	\$ 23,799.50
Disbursements	55.70
HST on Fees and Taxable Disbursements	3,101.18
Total this Invoice	<u><u>\$ 26,956.38</u></u>

THIS IS OUR ACCOUNT - E. & O.E.

**BORDEN LADNER GERVAIS LLP**

*Borden Ladner Gervais LLP*

For: Alex MacFarlane

Deloitte Restructuring Inc.  
Re: Ontario Graphite

April 28, 2020  
Invoice # 697838238  
File No: 560836/000011  
Page 2

PROFESSIONAL SERVICES RENDERED to April 26, 2020

Apr 1, 2020	A. MacFarlane	0.20	Review of revised NDA.	\$ 198.00
Apr 1, 2020	A. MacFarlane	0.20	Email to and from N. Purba re: NDA provisions.	198.00
Apr 2, 2020	A. MacFarlane	0.10	Email to and from M. Purba re: revised NDA.	99.00
Apr 2, 2020	A. MacFarlane	0.10	Review of revised NDA.	99.00
Apr 2, 2020	A. MacFarlane	0.40	Review and revise NDA.	396.00
Apr 3, 2020	A. MacFarlane	0.10	Telephone attendance with M. Purba to discuss NDA changes.	99.00
Apr 4, 2020	A. MacFarlane	0.20	Review of revised NDA.	198.00
Apr 4, 2020	A. MacFarlane	0.10	Review powerpoint presentation.	99.00
Apr 4, 2020	A. MacFarlane	0.70	Review and revise NDA.	693.00
Apr 4, 2020	A. MacFarlane	0.30	Email to T. Paddock re: revised NDA.	297.00
Apr 4, 2020	A. MacFarlane	0.10	Email to and from T. Ambachtsheer re: revised powerpoint presentation.	99.00
Apr 5, 2020	A. MacFarlane	0.20	Email to T. Ambachtsheer re: additional consideration on SISP comparison analysis.	198.00
Apr 7, 2020	A. MacFarlane	0.20	Review of revised NDA.	198.00
Apr 7, 2020	A. MacFarlane	0.20	Review of Option Agreements.	198.00
Apr 7, 2020	A. MacFarlane	0.30	Telephone conference call with N. Purba and C. Mulherin re: NDA.	297.00
Apr 7, 2020	A. MacFarlane	0.20	Email to and from T. Ambachtsheer re: Option Agreement.	198.00
Apr 7, 2020	A. MacFarlane	0.10	Email to N. Purba re: revised NDA.	99.00
Apr 8, 2020	A. MacFarlane	0.40	Review of Option Agreements.	396.00
Apr 8, 2020	A. MacFarlane	0.20	Email to T. Ambachtsheer re: Option Agreements.	198.00
Apr 13, 2020	A. MacFarlane	0.20	Emails from T. Ambachtsheer and K. Becker re: SISP and various scenarios.	198.00
Apr 13, 2020	A. MacFarlane	0.70	Telephone conference call with Oslers, Deloitte and Orionis re: SISP.	693.00
Apr 13, 2020	A. MacFarlane	0.50	Follow-up call with Oslers, Deloitte and Orionis re: SISP issues.	495.00

April 28, 2020

Invoice # 697838238

File No: 560836/000011

Page 3

Deloitte Restructuring Inc.  
Re: Ontario Graphite

Apr 13, 2020	A. MacFarlane	0.20	Telephone attendance with T. Ambachtsheer and P. Reynolds re: mine shut down and environmental issues.	198.00
Apr 16, 2020	A. MacFarlane	0.20	Review of summary of offers in sales process.	198.00
Apr 17, 2020	A. MacFarlane	0.20	Telephone attendance with T. Ambachtsheer and P. Reynolds re: Ontario Graphite Mine and DIP Termination Notice.	198.00
Apr 19, 2020	A. MacFarlane	0.20	Review of DIP Termination from Orionis.	198.00
Apr 19, 2020	A. MacFarlane	0.50	Telephone conference call with Deloitte, K. Mahar, Osler, Orionis re: DIP termination notice and CCAA.	495.00
Apr 19, 2020	A. MacFarlane	0.10	Follow-up telephone call with T. Ambachtsheer re: MAC notice and report to court.	99.00
Apr 20, 2020	A. MacFarlane	0.50	Telephone conference call with Deloitte, K. Mahar, E. Castor re: going forward strategy for OGL on account on DIP financing being terminated.	495.00
Apr 20, 2020	A. MacFarlane	0.10	Telephone attendance with T. Ambachtsheer re: MAC Notice.	99.00
Apr 20, 2020	A. MacFarlane	0.10	Follow-up telephone attendance with T. Ambachtsheer re: MAC Notice.	99.00
Apr 20, 2020	A. MacFarlane	0.30	Review of draft MAC Notice.	297.00
Apr 20, 2020	A. MacFarlane	0.70	Review and revise MAC Notice.	693.00
Apr 20, 2020	A. MacFarlane	0.50	Review of Second Report of the Monitor.	495.00
Apr 20, 2020	A. MacFarlane	0.30	Review of changes from Miller Thomson re: MAC Notice and Second Report of the Monitor.	297.00
Apr 20, 2020	A. MacFarlane	0.10	Email to and from T. Ambachtsheer re: Second Report of the Monitor.	99.00
Apr 20, 2020	A. MacFarlane	0.20	Email to and from T. Ambachtsheer re: Miller Thomson changes to MAC Notice and Second Report.	198.00
Apr 21, 2020	B. Brooksbank	1.40	Initial review of Monitor report re withdrawal of DIP funding.	812.00



Deloitte Restructuring Inc.  
Re: Ontario Graphite

Apr 21, 2020	A. Gasparini	1.00	Read emails; review service list; draft affidavit of service; draft back page to monitor's report; serve report upon service list; email and call A. MacFarlane re report for service; email A. MacFarlane and T. Ambachtsheer re parties inquiry; attend to administrative tasks.	220.00
Apr 21, 2020	A. MacFarlane	0.30	Review of Osler's revisions to MAC Notice and Second Report.	297.00
Apr 21, 2020	A. MacFarlane	0.20	Preparation of draft email to Service List.	198.00
Apr 21, 2020	A. MacFarlane	0.10	Telephone attendance with T. Ambachtsheer to discuss changes to MAC Notice and Monitor's Second Report.	99.00
Apr 21, 2020	A. MacFarlane	0.20	Email to and from A. Gasparini and J. Earl with respect to service of Report of Monitor.	198.00
Apr 21, 2020	A. MacFarlane	0.10	Email to and from T. Ambachtsheer re: MAC Notice.	99.00
Apr 21, 2020	A. MacFarlane	0.20	Email to J. Earl and A. Gasparini re: service of Second Report.	198.00
Apr 21, 2020	A. MacFarlane	0.10	Email from T. Ambachtsheer re: cover email.	99.00
Apr 22, 2020	B. Brooksbank	1.80	Review of Monitor materials, call with A. MacFarlane re motion to conclude CCAA and emails with client on same.	1,044.00
Apr 22, 2020	A. MacFarlane	0.20	Telephone attendance with B. Brooksbank re: termination of CCAA proceedings and discharge of Monitor.	198.00
Apr 22, 2020	A. MacFarlane	0.40	Telephone conference call with Deloitte, K. Mahar, Ellerton and Ontario Ministry of the Environment re: termination of CCAA proceedings and hand-off of mine site to Ministry.	396.00
Apr 22, 2020	A. MacFarlane	0.20	Email to and from T. Ambachtsheer re: termination of CCAA proceedings.	198.00

April 28, 2020

Invoice # 697838238

File No: 560836/000011

Page 5

Deloitte Restructuring Inc.  
Re: Ontario Graphite

Apr 23, 2020	B. Brooksbank	2.00	Review of precedent materials, bidder letter and emails with A. MacFarlane; initial drafting of notice of motion re Monitor motion for termination of CCAA.	1,160.00
Apr 23, 2020	A. Gasparini	1.00	Request and review WIP report; revise affidavit of service; speak with A. MacFarlane and J. Peacock-Singh re serving court document; email A. MacFarlane re serving of document; speak with J. Power re WIP report; draft fees affidavit; speak with mailroom re court document.	220.00
Apr 23, 2020	A. MacFarlane	0.20	Review of draft bid.	198.00
Apr 23, 2020	A. MacFarlane	0.10	Review of revised draft bid letter.	99.00
Apr 23, 2020	A. MacFarlane	0.20	Review of Miller Thomson comments on draft bid letter.	198.00
Apr 23, 2020	A. MacFarlane	0.10	Review of further revised bid letter.	99.00
Apr 23, 2020	A. MacFarlane	0.20	Telephone attendance with A. Gasparini re: Fee Approval Affidavit and service.	198.00
Apr 23, 2020	A. MacFarlane	0.10	Voicemail to T. Ambachtsheer re: comments on bid letter.	99.00
Apr 23, 2020	A. MacFarlane	0.30	Emails to and from T. Ambachtsheer, K. Mahar and P. Reynolds re: revised bid letter.	297.00
Apr 23, 2020	A. MacFarlane	0.20	Email to and from T. Ambachtsheer re: termination of CCAA proceedings and discharge of the Monitor.	198.00
Apr 23, 2020	A. MacFarlane	0.20	Email to and from D. Touchette (ENDM) re: list of documents and information that the ministry needs for transfer of mine.	198.00
Apr 23, 2020	A. MacFarlane	0.10	Email to A. Gasparini re: service.	99.00
Apr 24, 2020	B. Brooksbank	2.50	Work on dual materials for termination of CCAA or stay extension, emails and call with A. MacFarlane on same.	1,450.00
Apr 24, 2020	A. Gasparini	0.50	Call with A. MacFarlane re fees affidavit; sign affidavit of service.	110.00
Apr 24, 2020	A. MacFarlane	0.20	Telephone attendance with B. Brooksbank re: Motion Record.	198.00

April 28, 2020

Invoice # 697838238

File No: 560836/000011

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Deloitte Restructuring Inc.  
Re: Ontario Graphite

Apr 24, 2020	A. MacFarlane	0.40	Telephone conference call with P. Reynolds, T. Ambachtsheer, K. Mahar, Ellerton re: Bid term sheet letter.	396.00
Apr 24, 2020	A. MacFarlane	0.10	Voicemail to B. Brooksbank re: termination of CCAA proceedings and discharge of the Monitor.	99.00
Apr 24, 2020	A. MacFarlane	0.20	Email to and from B. Brooksbank re: Motion Record.	198.00
Apr 24, 2020	A. MacFarlane	0.20	Email to and from T. Ambachtsheer re: revisions to bid letter.	198.00
Apr 24, 2020	A. MacFarlane	0.20	Email to and from J. Earl re: scheduling motion date.	198.00
Apr 24, 2020	A. MacFarlane	0.10	Email to P. Reynolds and T. Ambachtsheer re: update conference call.	99.00
Apr 24, 2020	T. McNaughton	0.50	Commissioning (virtually) an affidavit of service sworn by A Gasparini; correspondence with A Gasparini re same.	217.50
Apr 25, 2020	B. Brooksbank	2.90	Review of precedent material and drafting of stay extension and CCAA termination motion materials, emails with A. MacFarlane on same.	1,682.00
Apr 26, 2020	B. Brooksbank	1.80	Revisions to dual motion materials, review of correspondence re progress of bid; emails to A. MacFarlane re draft materials.	1,044.00
Apr 26, 2020	A. MacFarlane	0.50	Review of draft Notices of Motion and potential bids.	495.00
Apr 26, 2020	A. MacFarlane	0.20	Emails to and from P. Reynolds, T. Ambachtsheer re: Motion materials.	198.00
Apr 26, 2020	A. MacFarlane	0.20	Emails to and from B. Brooksbank re: draft Notices of Motion and Orders.	198.00
Apr 26, 2020	A. MacFarlane	0.10	Email to P. Reynolds and T. Ambachtsheer re: court date.	99.00

TO OUR FEES

\$ 23,799.50

Deloitte Restructuring Inc.  
Re: Ontario Graphite

April 28, 2020  
Invoice # 697838238  
File No: 560836/000011  
Page 7

FEE SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Avg. Rate/Hr.</u>	<u>Amount</u>
B. Brooksbank	12.40	\$ 580.00	\$ 7,192.00
A. Gasparini	2.50	220.00	550.00
A. MacFarlane	16.00	990.00	15,840.00
T. McNaughton	0.50	435.00	217.50
	<u>31.40</u>		<u>\$ 23,799.50</u>

DISBURSEMENTS:

<u>Taxable</u>		G=GST; Q=QST; H=HST; P=PST	
	Binding Charges	\$6.20	H
	Copies	49.50	H
	Total Taxable Disbursements	<u>55.70</u>	
	Total Disbursements		55.70
	Total Fees and Disbursements		<u>23,855.20</u>
	HST on Fees and Taxable Disbursements		<u>3,101.18</u>
	TOTAL THIS INVOICE		<u>\$ 26,956.38</u>



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April 28, 2020  
Invoice # 697838238  
AM/AM

Re: Ontario Graphite

File No: 560836/000011

**REMITTANCE COPY**

Fees	\$ 23,799.50
Disbursements	55.70
HST on Fees and Taxable Disbursements	3,101.18
	<hr/>
Total this Invoice	<b><u>\$ 26,956.38</u></b>

PLEASE REFER TO PAYMENT OPTIONS PAGE FOR REMITTANCE INFORMATION.

**EXHIBIT B**

This is the Exhibit marked "B" referred to  
in the Affidavit of ALEX MACFARLANE,  
sworn before me this 28<sup>th</sup> day of April, 2020.

A handwritten signature in blue ink, appearing to read "Edward J. [unclear]", written over a horizontal line.

A Commissioner for Taking Affidavits

**EXHIBIT "B"**

**Summary of Fees and Disbursements of Borden Ladner Gervais LLP  
for the period from February 19, 2020 to April 26, 2020**

<b>Name of Professional</b>	<b>Total Hours Billed</b>	<b>Avg. Hourly Rate (\$/Hr) 2018/2019</b>	<b>Total Amount Billed</b>
A. MacFarlane	24.3	\$990.00	\$24,057.00
C. Mason	1.00	\$755.00	\$755.00
B. Brooksbank	14.7	\$580.00	\$8,526.00
N. Lyn-Kew	0.6	\$250.00	\$150.00
T. McNaughton	0.5	\$435.00	\$217.50
A. Gasparini	4.3	\$220.00	\$946.00
Total Hours/Average Rate/Total Fees	<b>45.4</b>	<b>\$538.33</b>	<b>\$34,651.50</b>
Total Disbursements			<b>\$55.70</b>
Total Fees and Disbursements excluding Tax			<b>\$34,707.20</b>
Taxes (GST/HST)			<b>\$4,511.94</b>
Total Fees and Disbursements including Tax			<b>\$39,219.14</b>

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

ORIONIS CORPORATION

– and –

ONTARIO GRAPHITE, LTD.

**Applicant**

**Respondent**

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

PROCEEDINGS COMMENCED AT TORONTO

**AFFIDAVIT OF ALEX MACFARLANE**  
(Sworn April 28, 2020)

**BORDEN LADNER GERVAIS LLP**

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Lawyers for Deloitte Restructuring Inc., in its capacity as  
Court-appointed Monitor



**Appendix “D”**

**Pre-filing Report**

**(without appendices)**

**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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## APPENDICES

**APPENDIX “A” – Cash Flow Forecast**

**APPENDIX “B” – Consent to Act as Monitor**

## 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 OGL<sup>1</sup>:

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

<sup>1</sup> 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"> <li>Funding used for general corporate purposes</li> </ul>	Approximately \$2.4 million
<b>Total</b>		<b>Approximately \$20 million</b>

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

<b>Facility</b>	<b>Amount outstanding</b>	<b>Issue date</b>	<b>Lender</b>
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
<b>Total</b>	<b>\$18,242,919<sup>2</sup></b>		

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.

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

		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"> <li>Qualified Phase 2 Bidders to deliver Qualified Purchase Bids or Qualified Investment Bids to the Monitor by the Phase 2 Bid Deadline</li> </ul>
Evaluation and Selection of the Successful Bid		<ul style="list-style-type: none"> <li>The Monitor will evaluate each Qualified Bid in conjunction with Orionis</li> <li>The Monitor will clarify any Qualified Bids received and further negotiation may occur</li> <li>The Successful Bid will be chosen and the Successful Bidder will be notified</li> <li>The next best Qualified Bidder will be determined to be the Backup Bidder and will receive notification of same</li> <li>Definitive transaction documents will be settled</li> </ul>
Approval Hearing	On not less than 5 days' notice to the service list	<ul style="list-style-type: none"> <li>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</li> </ul>
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.

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

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 11<sup>th</sup> 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 “E”**  
**First Report**  
**(without appendices)**

**Court File No. CV-20-00634195-00CL**

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

**BETWEEN:**

**ORIONIS CORPORATION**

Applicant

**- and -**

**ONTARIO GRAPHITE, LTD.**

Respondent

**FIRST REPORT OF THE MONITOR**

**DATED FEBRUARY 19, 2020**

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## INTRODUCTION

1. On February 12, 2020, Orionis Corporation (“**Orionis**”) commenced a proceeding (the “**CCAA Proceeding**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), in respect of Ontario Graphite, Ltd. (“**OGL**”). As a result of Orionis’ application, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**Initial Order**”) in respect of OGL.
2. Among other things, the Initial Order:
  - (a) appointed Deloitte Restructuring Inc. (“**Deloitte**”) as monitor (the “**Monitor**”) of OGL;
  - (b) granted a stay of proceedings in respect of OGL through February 22, 2020 (the “**Stay Period**”);
  - (c) approved a charge in favour of OGL’s directors and officers in the amount of CAD\$200,000 (the “**Directors’ Charge**”);
  - (d) approved a charge in respect of the fees and expenses of the Monitor, its counsel, counsel to Orionis and counsel to OGL in the amount of CAD\$200,000 (the “**Administration Charge**”); and
  - (e) approved a debtor-in-possession credit facility (the “**DIP Facility**”) to be provided by Orionis and also approved a charge in favour of Orionis in respect of such DIP Facility (the “**DIP Lender’s Charge**”). The quantum of the approved borrowings were limited to CAD\$200,000 with the expectation that further borrowings (to a limit of USD\$2.75 million) (the “**Increased Borrowings Authorization**”) would

be approved at a hearing to be held prior to the expiry of the Stay Period (the “**Comeback Hearing**”).

3. Deloitte, in its capacity as proposed monitor of OGL, filed a report with the Court dated February 11, 2020 (the “**Pre-filing Report**”). The Pre-filing Report contains background with respect to OGL and the causes of its insolvency. A copy of the Pre-filing Report, without appendices, is included in this report (the “**First Report**”) as Appendix “**A**”.

## **PURPOSE**

4. The Monitor files this First Report in respect of certain matters to be addressed at the Comeback Hearing and to provide the Court with a summary of its activities since the commencement of these CCAA Proceedings.
5. This First Report includes information in respect of Orionis’ motion seeking, among other things:
  - (a) Court approval in respect of the Increased Borrowings Authorization;
  - (b) Court approval in respect of the incentive and retention plan (the “**IRP**”) and the related charge on OGL’s assets (the “**IRP Charge**”) to secure certain retention payments contemplated thereunder;
  - (c) Court approval in respect of the proposed sale and investment solicitation procedure (the “**SISP**”), a summary of which was provided in the Pre-Filing Report and is attached in full to this First Report as Appendix “**B**”;
  - (d) an Order deeming that all references to currency in the DIP Term Sheet (as defined below) represent U.S. dollars (unless otherwise specified); and
  - (e) an extension of the Stay Period to April 29, 2020.

6. This First Report also contains information in respect of the Monitor's review of the Cash Flow Forecast.

## **TERMS OF REFERENCE**

7. In preparing this First 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 First 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 Monitor expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
- (b) Deloitte has prepared this First Report in its capacity as Monitor to provide background to the Court for its consideration of the relief being sought. Parties using the First 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 First Report are expressed in **U.S. dollars.**

## THE MONITOR'S ACTIVITIES SINCE THE COMMENCEMENT OF THE CCAA PROCEEDINGS

9. Since its appointment pursuant to the Initial Order, the Monitor has conducted the following activities:
- (a) established a protocol for monitoring and monitored OGL's receipts and disbursements;
  - (b) held a number of calls with OGL staff to provide guidance to them with respect to these CCAA Proceedings;
  - (c) sent notice, on February 14, 2020, to all known creditors of OGL with claims exceeding CAD\$1,000 and arranged for the publication of a notice of the CCAA Proceedings in the *Globe and Mail* (National Edition) in accordance with the Initial Order. Such advertisements will be published once per week for two weeks in accordance with the Initial Order;
  - (d) established the Monitor's case website, which can be found at [www.deloitte.insolvencies.ca/ca-en/ogl](http://www.deloitte.insolvencies.ca/ca-en/ogl) (the "**Website**");
  - (e) established an email inbox ([ogl@deloitte.ca](mailto:ogl@deloitte.ca)) and telephone hotline (1-844-966-0778) for interested parties to obtain information from the Monitor;
  - (f) filed certain statutory documents with the Office of the Superintendent of Bankruptcy;
  - (g) drafted certain marketing materials related to the proposed SISP;
  - (h) worked with OGL, Orionis and its counsel to, among other things, design the IRP including sizing the IRP Charge, and the SISP;

- (i) reviewed draft motion materials relating to the Comeback Hearing; and
- (j) prepared this First Report.

## **DIP FINANCING**

10. As set out in the Pre-filing Report, Orionis has agreed to provide OGL with a DIP Facility in the maximum amount of \$2.75 million, subject to the terms and conditions contained in the DIP Term Sheet. The purpose of the DIP Facility is to provide OGL with funds for general working capital needs and to fund the costs of this CCAA Proceeding, including the costs of the SISP and the payment to suppliers in respect of environmental remediation work (the “**Ordered Work**”) that is being undertaken pursuant to an order (the “**Second Director’s Order**”) issued by the Ministry of the Environment, Conservation and Parks (the “**MECP**”). Additional information in respect of both the Ordered Work and the Second Director’s Order can be found in the Pre-Filing Report. A copy of the DIP Term Sheet is attached to this First Report as Appendix “C”.
11. The Initial Order authorized funding in the amount of CAD\$200,000 to OGL ahead of the Comeback Hearing with the full quantum of the DIP Facility to be approved, should the Court see fit to do so, at the Comeback Hearing. Orionis is now seeking Court approval to provide the DIP Facility up to its stated maximum of \$2.75 million.
12. Given OGL’s lack of operational funding, it is dependent on advances from Orionis to fund all operations related to the Ordered Work and these CCAA Proceedings, including the SISP. For this reason, the Monitor is supportive of the Court granting the Increased Borrowings Authorization in the amount of \$2.75 million. Under the circumstances, it is

the Monitor's view that any attempt to locate alternate lending arrangements through another financier would be futile and costly.

### **PROPOSED IRP AND IRP CHARGE**

13. Orionis is currently seeking Court approval of the IRP and the approval of the IRP Charge. Both of these were detailed in the Pre-filing Report and in Orionis' CCAA filing materials, although they were previously identified as the KERP and the KERP Charge, respectively, in such materials. The Monitor understands that one of the beneficiaries of the proposed plan is an independent contractor and not an employee of OGL. Accordingly, the names of the plan and the related charge have been revised to more accurately reflect the nature of the beneficiaries.
14. As detailed in the Pre-Filing Report, the Monitor is supportive of the IRP Charge and noted that additional details would be provided in respect of same prior to the Comeback Hearing.
15. Information related to the IRP, which is attached as Confidential Appendix "1", is summarized as follows:
  - (a) All of OGL's five employees, and one contractor who works solely for OGL, are beneficiaries of the IRP;
  - (b) The provisions of the IRP require, among other things, that:
    - (i) employees do not voluntarily leave their employment at OGL and are not terminated for cause prior to transaction relating to the Kearney mine (the "**Mine**") resulting from the SISP (the "**Transaction**");
    - (ii) the IRP participants continue to comply with their current duties in respect of OGL; and

- (c) The IRP, with one exception related to potential bonuses that could be paid thereunder, provides that OGL's employees will be paid the equivalent of two months' of their respective 2019 salary, or in the case of the contractor, twice the monthly fees charged in 2019 (plus HST), payable at the earlier of:
  - (i) the termination, not for cause, of their employment or of the services arrangement;
  - (ii) the closing of a Transaction; and
  - (iii) the termination of the CCAA Proceedings.
- 16. The purpose of the IRP is to provide OGL with continuity in respect of the administration of the SISP and the completion of the Ordered Work.
- 17. The Monitor continues to support the IRP and the IRP Charge for the following reasons:
  - (a) the Monitor worked with OGL and Orionis to design the IRP by providing its view prior to the issuance of the Initial Order;
  - (b) the employees at OGL and the contractor are critical to the success of the implementation of the Ordered Work given their long-term involvement with the requirements of the MECP and the Second Director's Order. In the Monitor's view, it would be difficult to quickly replace such workers given the highly technical nature of the environmental remediation program. Given the implications of the Ordered Work, it is imperative that workers with knowledge of such requirements remain with OGL for continuity purposes;
  - (c) OGL's sole officer has substantial knowledge regarding the technical and financial elements of OGL's assets. Such expertise is critical to the SISP;

- (d) The IRP provides an incentive for employees to remain employed at OGL and for the contractor to continue providing services as their retention payments are payable after a Transaction relating to the Mine is completed. The IRP incents OGL's sole officer to achieve a higher sale price for the benefit of all stakeholders;
- (e) The quantum of the IRP is not excessive in terms of its quantum, and in the Monitor's view it still provides a meaningful incentive; and
- (f) Orionis, OGL's key largest secured creditor whose pre-filing interests would be subordinated by the IRP Charge, is supportive of the IRP and the IRP Charge.

#### **THE PROPOSED SISP**

- 18. The Pre-filing Report contained a summary of the proposed SISP. The complete version of the proposed SISP is included as Appendix "B".
- 19. The Monitor, OGL, and Orionis and their counsel have developed the proposed SISP with respect to the marketing and sale of OGL's assets/business to potentially interested parties. Orionis is of the view that it is necessary to execute the SISP to properly market OGL's business and assets and is seeking the Court's approval to do so. The Monitor shares this view.
- 20. The following table summarizes the key activities and milestones related to the proposed SISP<sup>1</sup>.

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<sup>1</sup> Potentially interested parties are recommended to review the full terms of the SISP with legal counsel. The table below sets out a summary of key terms of the proposed SISP only. This summary is qualified in its entirety by the actual terms of any SISP granted by the Court.



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

		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"> <li>Qualified Phase 2 Bidders to deliver Qualified Purchase Bids or Qualified Investment Bids to the Monitor by the Phase 2 Bid Deadline</li> </ul>
Evaluation and Selection of the Successful Bid		<ul style="list-style-type: none"> <li>The Monitor will evaluate each Qualified Bid in conjunction with Orionis and OGL</li> <li>The Monitor will clarify any Qualified Bids received and further negotiation may occur</li> <li>The Successful Bid will be chosen and the Successful Bidder will be notified</li> <li>The next best Qualified Bidder will be determined to be the Backup Bidder and will receive notification of same</li> <li>Definitive transaction documents will be settled</li> </ul>
Approval Hearing	On not less than 5 days' notice to the service list	<ul style="list-style-type: none"> <li>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</li> </ul>
Closing	Target of June 30, 2020	

21. In order to execute the SISP, the Monitor will be assisted by its corporate finance affiliate, Deloitte Corporate Finance Inc. (“**DCFI**”). DCFI has significant experience in marketing mining properties at various stages of development.

22. The Monitor is of the view that the proposed SISP provides an appropriate process to market a unique asset and that it will assist in finding an appropriate buyer or investor for OGL’s assets or business.

## **CURRENCY OF DIP TERM SHEET**

23. The Initial Order approved CAD\$200,000 of borrowings pursuant to DIP Facility prior to the Comeback Hearing. The terms of the DIP Facility are governed by a term sheet between Orionis and OGL previously approved by the Court in these CCAA Proceedings (the “**DIP Term Sheet**”)
24. Notwithstanding the currency of the initial borrowing amount that was approved by the Initial Order and set out in Section 17 of the DIP Term Sheet, the Monitor understands that it was always the intention of the parties to have the DIP Term Sheet denominated in U.S. funds as this is the currency in which OGL reports to Orionis and is the currency in which it forecasts its cash flows.
25. Accordingly, Orionis will be seeking an Order deeming that, notwithstanding Section 17 of the DIP Term Sheet, all references to currency therein shall be references to U.S. dollars (unless specified therein). The Monitor is supportive of this relief.

## **THE CASH FLOW FORECAST**

26. The Cash Flow Forecast is attached as Appendix “**D**” to this First Report.
27. The Cash Flow Forecast is presented on a weekly basis and estimates OGL’s receipts and disbursements from February 7, 2020 to August 28, 2020 (the “Cash Flow Period”). The Monitor has reviewed the Cash Flow Forecast with respect to the reasonableness of its major assumptions as required by section 23(1)(b) of the CCAA.
28. Pursuant to this standard, the Monitor’s review of the Cash Flow Forecast consisted of inquiries, analytical procedures, review of the supporting data and consideration of the Information. Since assumptions with respect to the Cash Flow Forecast need not be

supported, the Monitor's procedures with respect to its material assumptions was limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast.

29. Based on the Monitor's review, nothing has come to its attention that causes it to believe, in all material respects that:
- (a) the material assumptions are not consistent with the purpose of the Cash Flow Forecast;
  - (b) as at the date of this First Report, the material assumptions are not suitably supported and consistent with the plans of OGL or do not provide a reasonable basis for the Cash Flow Forecast; or
  - (c) the Cash Flow Forecast does not reflect the material assumptions upon which it was created.

#### **EXTENSION OF THE STAY PERIOD**

30. Absent an extension of the Stay Period, the stay granted by the Initial Order will expire on February 22, 2020.
31. Orionis is currently seeking an extension of the Stay Period to April 29, 2020. An extension of the Stay Period will allow the Monitor and DCFI to commence the SISP, if approved, through its proposed first phase to gauge market interest in the OGL opportunity. This date has been chosen specifically to allow the Monitor and DCFI to carry out Phase 1 of the SISP and determine, at that time, whether it is advisable to continue with the process. Should there be no interest, the Monitor, after consulting with Orionis and OGL, may seek directions from the Court.

32. Given the relatively short period of time since the Initial Order was granted, a new cash flow forecast has not been prepared. The Cash Flow Forecast included in the Pre-Filing Report is attached as Appendix “D” to this First Report.

### **RECOMMENDATIONS**

33. For the reasons set out above, the Monitor recommends that the Court, should it see fit to do so, grant the relief sought by Orionis in its motion record dated February 18, 2020, including:

- (a) granting the Increased Borrowings Authorization;
- (b) approving the IRP and the IRP Charge;
- (c) approving the SISP;
- (d) deeming all references to currency in the DIP Term Sheet to represent U.S. dollars (unless otherwise specified therein); and
- (e) extending the Stay Period to April 29, 2020.

All of which is respectfully submitted this 19<sup>th</sup> day of February, 2020.

**Deloitte Restructuring Inc.**

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

Per:



Philip J. Reynolds, LIT  
Senior Vice-President

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

ORIONIS CORPORATION

– and –

ONTARIO GRAPHITE, LTD.

Applicant

Respondent

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
PROCEEDINGS COMMENCED AT TORONTO

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**SUPPLEMENTAL SECOND REPORT OF THE**  
**MONITOR**  
Returnable April 29, 2020

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Lawyers for Deloitte Restructuring Inc., in its capacity as Court-Appointed Monitor