

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

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

BETWEEN:

ORIONIS CORPORATION

Applicant

- and -

ONTARIO GRAPHITE, LTD.

Respondent

SUPPLEMENTAL FIFTH REPORT OF THE MONITOR

DATED MARCH 1, 2022

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INTRODUCTION AND PURPOSE

1. On February 12, 2020, Orionis Corporation (“**Orionis**”), as secured creditor, commenced a proceeding (the “**CCAA Proceedings**”) 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. On February 23, 2022, the Monitor issued its fifth report (the “**Fifth Report**”), the purpose of which was to provide the Court with information regarding the acquisition of OGL’s assets by an entity (the “**Bold Purchaser**”) controlled by Bold Global Advisory Ltd. (“**Bold**”) via a “reverse vesting order” transaction.
3. This supplement to the Fifth Report (the “**Supplemental Fifth Report**”) is being filed in support of the Monitor’s motion for a request to extend the Stay Period up to and including December 30, 2022. This Supplemental Fifth Report should be read together with the Fifth Report for background purposes. All defined terms not defined in this Supplemental Fifth Report have the definitions ascribed to them in the Fifth Report.

REQUEST FOR AN EXTENSION OF THE STAY PERIOD

4. The Stay Period is currently set to expire on March 31, 2022. As set out in the Fifth Report, the SPA has an outside date for closing with such date being 90 days after the Court approves the Bold Transaction. Assuming the Court approves the Bold Transaction at the hearing scheduled for March 4, 2022, it is possible that the Bold Transaction may not close until the end of this 90-day period, which would be on or about June 2, 2022.

5. As part of the Bold Transaction, certain reimbursements will be paid by the Monitor to NDMNRF in order to reimburse NDMNRF for its costs incurred in respect of carrying out the Direction. As a result of these payments, and other payments yet to be made which will include an HST component, such as professional fees, the Monitor estimates that a material amount of input tax credits will be available to ExcludedCo for HST filing purposes, which the Monitor expects should generate a significant HST refund for ExcludedCo. At the present time, the Monitor cannot estimate with certainty the length of time that will be required in order to prepare and file the HST returns and for Canada Revenue Agency to assess any refund claim that may become payable to ExcludedCo.
6. In addition to completing the above described process, the Monitor will be required to return to Court to in order to obtain:
 - (a) A distribution order authorizing a distribution of the funds remaining with ExcludedCo after the closing of the Bold Transaction; and
 - (b) An order approving its fees and those of its counsel approved prior to being discharged by the Court.
7. In order to allow the Bold Transaction to close on or before the Outside Date and in order for the Monitor to undertake all of the other steps, as set out above, the Monitor is requesting an extension of the Stay Period to December 30, 2022. The Monitor is of the view that although the requested extension may be longer than will be required, the Monitor is cognizant of the need to reduce further Court appearances in order to maximize distributions to OGL's creditors. Accordingly, the Monitor is of the opinion that the requested extension of the Stay Period, strikes that balance.

RATIONALE FOR RELIEF SOUGHT

8. The Monitor is not aware of any stakeholder that would be materially prejudiced by its request to extend the Stay Period to December 30, 2022. The Monitor has consulted with Orionis' counsel, as DIP Lender and the first secured creditor of OGL, and they have indicated their support to extend the Stay Period to December 30, 2022 in order to minimize further Court attendances beyond those noted above and the corresponding expenditure of additional costs. The Monitor is of the view that the timing of any future attendances before the Court remains uncertain, accordingly the Monitor is also of the view the appropriate time to seek an extension of the Stay Period would be at the motion to approve the Bold Transaction.
9. Extending the Stay Period will also allow the Monitor to seek Court approval for its fees and the fees of its counsel, Borden Ladner Gervais LLP ("**BLG**") prior to seeking its discharge.
10. An extension of the Stay Period to December 30, 2022 will also allow OGL to consummate the Bold Transaction and complete its restructuring. OGL continues to act in good faith and with due diligence in this regard.

RECOMMENDATION

11. For the reasons set out above, the Monitor is of the opinion that the Court should approve the Monitor's request to extend the Stay Period to December 30, 2022.

All of which is respectfully submitted this 1st day of March 2022.

Deloitte Restructuring Inc.

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

Per:



Todd Ambachtsheer, LIT
Senior Vice-President

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

SUPPLEMENTAL MOTION RECORD
(Returnable March 4, 2022)

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