

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
LI-CYCLE HOLDINGS CORP., LI-CYCLE CORP., LI-CYCLE AMERICAS CORP.,
LI-CYCLE U.S. INC., LI-CYCLE INC. AND LI-CYCLE NORTH AMERICA HUB, INC.

Applicants

FACTUM OF THE APPLICANTS
(Priority Claims and Cure Amounts Procedure)
(Returnable June 9, 2025)

June 6, 2025

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PART I. INTRODUCTION

1. On this motion, the Applicants seek an order (the “**Priority Claims and Cure Amounts Procedure Order**”), among other things, establishing procedures for:
 - (a) the determination of Cure Amounts under certain Assumed Contracts (each as defined below); and
 - (b) the identification and resolution of Priority Claims (as defined below) against the Applicants.¹
2. On May 22, 2025, this Court granted an order (the “**SISP Order**”) which, among other things: (i) approved a sale and investment solicitation process for the property and business of the Applicants (the “**SISP**”); and (ii) authorized the Applicants to enter into an Equity and Asset Purchase Agreement with Glencore Canada Corporation as Buyer (the “**Stalking Horse Bidder**”) dated May 14, 2025 and amended on May 22, 2025 (the “**Stalking Horse Agreement**”) and approved it for the purposes of acting as the stalking horse bid in the SISP.
3. The determination of Cure Amounts and Priority Claims is necessary in order to facilitate the progress of the SISP, including to:
 - (a) allow all bidders in the SISP who may be interested in assuming some or all of the Assumed Contracts that are subject to potential Cure Amounts and/or

¹ Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Affidavit of William E. Aziz sworn June 5, 2025 (the “**Aziz Affidavit**”), Motion Record of the Applicants dated June 5, 2025 (“**Motion Record**”), Tab 2, or the proposed Priority Claims and Cure Amounts Procedure Order, Motion Record, Tab 3. The Applicants and their subsidiaries are referred to herein as “**Li-Cycle**”.

purchasing some or all of the assets that are subject to potential Priority Claims to know the scope of liabilities that would potentially be assumed so that they can tailor their bids accordingly;

- (b) value the Stalking Horse Bid; and
- (c) meet the requirements of the Stalking Horse Agreement – compliance with which is a requirement under the DIP Facility – and allow the Stalking Horse Bidder to determine which contracts and assets will be assumed/purchased or excluded.

4. As detailed further below, the Stalking Horse Agreement contemplates that the Stalking Horse Bidder would, if the Stalking Horse Agreement is selected as the Successful Bid and closes: (i) assume the Assumed Contracts and liability for any associated Cure Amounts; and (ii) purchase the Purchased Assets subject to Priority Claims, being Encumbrances that rank in priority to the Stalking Horse Bidder's pre-filing security. The Purchase Price under the Stalking Horse Agreement includes the value of the Assumed Liabilities which include the Cure Amounts and the Priority Claims.

5. The Stalking Horse Bidder and other bidders in the SISP have the option to exclude any contracts or assets in their sole discretion, in which case they would not assume responsibility for the Cure Amounts or Priority Claims associated with those excluded contracts or assets.

6. As a result, it is necessary to finally determine the Cure Amounts and the Priority Claims prior to the Phase 2 Bid Deadline in the SISP, which is June 27, 2025, in order to

value the Stalking Horse Bid and provide certainty to other potential purchasers of Li-Cycle's assets.

7. The Applicants are seeking approval of tailored "negative notice" processes to determine the Cure Amounts and the Priority Claims. The processes proposed are not a full claims process and do not call for general unsecured claims or require any response from parties holding general unsecured claims except to the extent they constitute Cure Amounts or Priority Claims.

8. The timelines proposed are consistent with those approved by this Court in other cases and will provide counterparties and creditors with adequate notice of the processes and an opportunity to assert their Cure Amounts and Priority Claims.

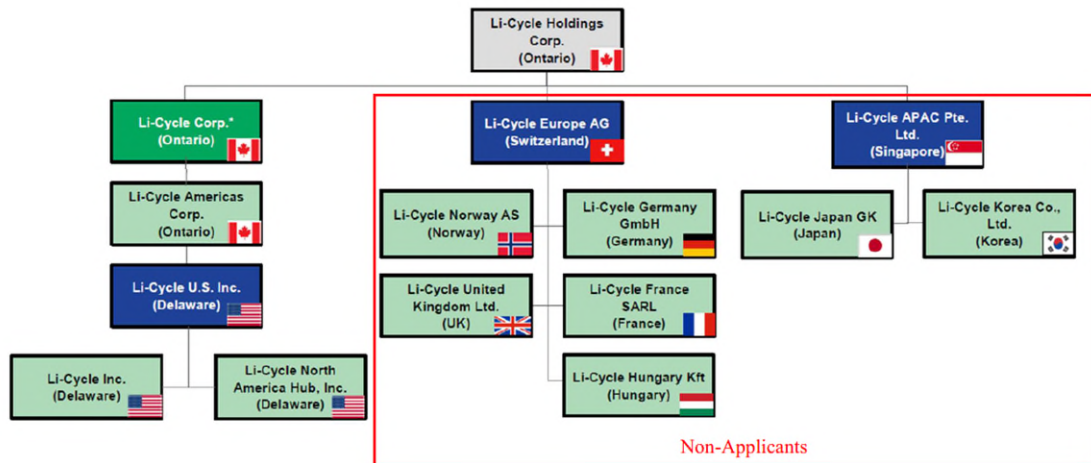
9. The relief sought will facilitate a successful sales process and allow the Applicants to continue with their restructuring process towards a going concern outcome for the benefit of all of Li-Cycle's stakeholders.

PART II. THE FACTS

A. CCAA Proceedings and Chapter 15 Proceedings

10. Li-Cycle is a global lithium-ion battery resource recovery company headquartered in Toronto, Ontario. The following is an organizational chart of the Applicants and their affiliates and a chart summarizing the key assets and operations of each Applicant:²

² Aziz Affidavit at para. 6, Motion Record, Tab 2.



Entity	Short Name	Incorporated	Assets and Operations
Applicants			
Li-Cycle Holdings Corp.	“Holdings”	Ontario	Public holding company, holds cash
Li-Cycle Corp.	“Global HQ”	Ontario	Operates global head office in Toronto, owns IP
Li-Cycle Americas Corp.	“Canada SpokeCo”	Ontario	Spoke in Kingston, ON
Li-Cycle U.S. Inc.	“North America OpCo”	Delaware	Commercial entity that sources inputs for, and sells the output from, the Spokes and future Hubs in Canada and US
Li-Cycle Inc.	“US SpokeCo”	Delaware	Spokes in Rochester, NY, Gilbert AZ and Tuscaloosa, AB
Li-Cycle North America Hub, Inc.	“US HubCo”	Delaware	Hub in Rochester, NY
Material Non-Applicants			
Li-Cycle Europe AG	“Europe Parent”	Switzerland	Commercial entity that sources inputs for, and sells the output from, the Germany Spoke

Entity	Short Name	Incorporated	Assets and Operations
Li-Cycle Germany GmbH	“Germany SpokeCo”	Germany	Spoke in Sülzetal, Germany

11. At its “Spokes”, Li-Cycle recycles batteries to produce, among other things, black mass containing valuable metals. Li-Cycle has one operating Spoke in Germany and four Spokes where operations are currently suspended in Ontario, New York, Arizona and Alabama. At its planned “Hubs”, Li-Cycle would process black mass to produce critical battery-grade materials which could then be used in the manufacture of batteries. Li-Cycle’s first commercial Hub is partially constructed in Rochester, New York, although construction has been suspended since October 2023.

12. The Applicants commenced proceedings pursuant to the CCAA (the “**CCAA Proceedings**”) as a result of the numerous challenges that they encountered since the Fall of 2023 that severely strained their liquidity. The Applicants obtained an initial order under the CCAA on May 14, 2025.³ The initial order was amended and restated on May 22, 2025 (as amended and restated, the “**Initial Order**”).⁴ Pursuant to the Initial Order, this Court, among other things:

- (a) granted a stay of proceedings until July 7, 2025;
- (b) appointed Alvarez & Marsal Canada Inc. as the court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”);

³ Aziz Affidavit at para. 7, Motion Record, Tab 2.

⁴ Aziz Affidavit at para. 7, Motion Record, Tab 2.

- (c) authorized the Applicants to enter into and borrow under a \$10.5 million debtor-in-possession credit facility (the “**DIP Facility**”) from Glencore International AG (the “**DIP Lender**”); and
- (d) appointed William E. Aziz (the “**CRO**”) as the foreign representative, including to obtain recognition of the CCAA Proceedings and the Initial Order pursuant to Chapter 15 of the United States Bankruptcy Code.⁵

13. On May 22, 2025, this Court granted the SISP Order approving the SISP, authorizing the Applicants to enter into the Stalking Horse Agreement, and approving the Stalking Horse Agreement for the purposes of acting as the stalking horse bid in the SISP.⁶

14. On May 23, 2025, the United States Bankruptcy Court for the Southern District of New York issued orders recognizing the CCAA Proceeding as “foreign main proceedings” and recognizing, enforcing and giving effect to the Initial Order and the SISP Order in the United States.⁷

B. Status of the SISP

15. The following is the timeline for the material steps in the SISP as set out in the SISP Order:⁸

Milestone	Deadline
Teaser Letter and NDA sent to Known Potential Bidders	By May 12, 2025

⁵ Aziz Affidavit at para. 7, Motion Record, Tab 2.

⁶ Aziz Affidavit at para. 9, Motion Record, Tab 2.

⁷ Aziz Affidavit at paras. 13-16, Motion Record, Tab 2.

⁸ Aziz Affidavit at para. 11, Motion Record, Tab 2.

Milestone	Deadline
Phase 1 Bid Deadline	June 6, 2025 at 5:00 p.m.
Phase 2 Bid Deadline	June 27, 2025 at 5:00 p.m.
Selection of Successful Bid(s) and Back-Up Bidder(s) or designation of Auction	June 30, 2025 at 5:00 p.m.
Auction Date (if designated)	July 2, 2025
Approval of Successful Bid(s)	July 7, 2025 at 5:00 p.m.
Closing – Successful Bid(s)	July 16, 2025 at 5:00 p.m.
Outside Date – Closing	July 18, 2025

16. As of June 3, 2025:

- (a) A teaser and non-disclosure agreement (“**NDA**”) have been distributed to 162 potential bidders, including 93 strategic buyers and 69 financial sponsors;
- (b) 43 NDAs have been executed;
- (c) All interested parties with executed NDAs have received the confidential information package;
- (d) 37 of the 43 potential bidders with executed NDAs are actively working and evaluating the opportunity based on information in the data room that opened May 14, 2025; and
- (e) 125 potential bidders have declined the opportunity or have been deemed to have declined.⁹

⁹ Aziz Affidavit at para. 12, Motion Record, Tab 2.

C. The Stalking Horse Agreement

17. The Stalking Horse Agreement contemplates that, if selected as the Successful Bidder under the SISP, the Stalking Horse Bidder, or one or more of its designees, would, subject to the terms of the Stalking Horse Agreement, acquire, with the exception of the Excluded Assets:

- (a) all of the Purchased Assets of Holdings, Global HQ, Canada SpokeCo, North America OpCo and US HubCo (the “**Asset Sellers**”)¹⁰ related to Li-Cycle’s operations in the U.S., Europe or at its Spoke in Kingston, Ontario;
- (b) all of the Transferred Intellectual Property of Global HQ;
- (c) the shares of US SpokeCo held by North America OpCo; and
- (d) the Swiss Transferred Equity Interests of Europe Parent held by Holdings (of which Germany SpokeCo is a subsidiary).

18. In relation to contracts, the Stalking Horse Agreement contemplates that, among other things, if the Stalking Horse Agreement is selected as the Successful Bid, approved pursuant to the SISP and closes:

- (a) the Applicants will assign and the Stalking Horse Bidder or its designee (the “**Buyer**”) will assume the contracts of the Asset Sellers (the “**Assumed Contracts**”) listed on section 2.7(a) of the Sellers’ Disclosure Schedule, as

¹⁰ The Asset Sellers include all of the Applicants with the exception of U.S. SpokeCo (Li-Cycle Inc.).

such schedule may be amended from time to time (as amended, the “**Assumed Contracts List**”); and

- (b) the Buyer will assume liability for the aggregate amount, if any, that is required to be paid to cure any monetary defaults of any of the Applicants under the Assumed Contracts as determined for each Assumed Contract by (i) mutual agreement between the applicable Applicant, the Buyer and third-party thereto and (ii) pursuant to section 11.3 of the CCAA (the “**Cure Amounts**”).¹¹

19. Pursuant to the Stalking Horse Agreement, the Applicants are required to bring a motion to approve a process to serve a written notice on each counterparty to an Assumed Contract to which any Asset Seller is a party and is related to, used in or necessary for the operations of the Business¹² (as conducted prior to February 26, 2025) or the construction of the Rochester Hub (each, an “**Assumed Contract Notice Party**”), that requires the counterparty to respond to such notice by a deadline to be agreed between the Buyer and Holdings, or otherwise be bound to the Cure Amount in such notice.¹³ Compliance with the Stalking Horse Agreement is a requirement under the DIP Facility, which the Applicants need in order to continue to advance their restructuring.

20. In relation to priority claims, the Stalking Horse Agreement contemplates that, among other things, if the Stalking Horse Agreement is selected as the Successful Bid, approved

¹¹ Aziz Affidavit at para. 18, Motion Record, Tab 2.

¹² The “Business” is defined in the Stalking Horse Agreement as (a) the business of recycling and recovering critical battery-grade materials conducted by the Asset Sellers, Li-Cycle Europe AG, Li-Cycle Inc. and Li-Cycle Germany GmbH in (i) the United States of America; (ii) Germany; and (iii) Switzerland; and (b) the business of Li-Cycle Americas Corp., related to the spoke in Kingston, Ontario.

¹³ Aziz Affidavit at para. 21, Motion Record, Tab 2.

pursuant to the SISP and closes, the Buyer would purchase the Purchased Assets subject to the “Permitted Encumbrances”, which includes all Encumbrances on the Purchased Assets that rank in priority to the pre-filing security of the Stalking Horse Bidder (the “**Priority Claims**”).¹⁴

21. The Purchase Price for the Stalking Horse Assets includes, among other things, a credit bid of \$40 million plus the assumption by the Stalking Horse Bidder (or its designated affiliate) of certain other Assumed Liabilities including the Cure Amounts plus an amount of cash sufficient to satisfy all of the Charges granted in the Amended and Restated Initial Order or the SISP Order.¹⁵

PART III. ISSUES AND THE LAW

22. The sole issue before this Court is whether the order sought by the Applicants approving processes to finally determine the Cure Amounts and Priority Claims is fair and reasonable in the circumstances and should be granted. For the reasons set below, the Priority Claims and Cure Amounts Procedure Order should be granted.

A. Cure Amounts Determination Process

(i) Jurisdiction to Approve Cure Amount Determination Processes

23. Section 11.3 of the CCAA provides the Court with the express statutory authority to approve the assignment of the contracts of the debtor companies to a purchaser.¹⁶ In order to approve such an assignment, the Court should be satisfied that the purchaser will remedy all

¹⁴ Aziz Affidavit at para. 36, Motion Record, Tab 2.

¹⁵ Aziz Affidavit at para. 22, Motion Record, Tab 2.

¹⁶ [Companies' Creditors Arrangement Act, RSC 1985, c. C-36](#), s. 11.3(1) (“CCAA”).

monetary defaults or “cure costs” in relation to the contracts to be assigned and that there is a procedure for resolving any disputes about cure costs.¹⁷

24. The Applicants are not seeking approval to assign any contracts on this motion. They are only seeking a process to determine cure costs to provide greater certainty to the bidders in the SISP. Such an assignment motion may be brought at the conclusion of the SISP on notice to the counterparties. This Court has approved processes to finally determine cure costs under contracts to be assigned on other occasions.¹⁸

(ii) Cure Amounts Determination Process

25. The following is the current timeline of the Applicants’ proposed process to determine the Cure Amounts for the Assumed Contracts:¹⁹

Step	Timing
Cure Notice Sent	June 6, 2025 or as soon thereafter as possible
Cure Amounts Schedule posted on Monitor’s Website	June 9, 2025, 5:00 p.m.
Cure Amounts Objection Deadline	June 24, 2025, 5:00 p.m.

26. The Applicants currently intend to send Cure Amount Notices to all Assumed Contract Notice Parties by June 6, 2025 or as soon thereafter as possible. The Cure Amount

¹⁷ *Harbour Grace Ocean Enterprises Ltd., Re CCAA*, [2024 NLSC 47](#) at para. [119](#); *Dundee Oil and Gas Limited (Re)*, [2018 ONSC 3678](#) at paras. [20-21](#).

¹⁸ See e.g. *Carillion Canada Holdings Inc., Re* (Court File No. CV-18-590812-00CL), Cure Costs and Ancillary Relief Order issued March 28, 2018 [*Carillion Cure Cost Order*]; *Dundee Oil and Gas Limited, Re* (Court File No. CV-18-591908-00CL), Approval and Vesting Order issued June 11, 2018 at paras. 20-24.

¹⁹ Aziz Affidavit at para. 23, Motion Record, Tab 2.

Notices make clear that the Priority Claims and Cure Amounts Procedure Order remains subject to approval by this Court.

27. Each Cure Amount Notice:

- (a) notifies the Assumed Contract Notice Party that it is a counterparty to an Assumed Contract that may be assigned to, and assumed by, the Buyer;
- (b) attaches the Cure Amounts Schedule which sets out the Cure Amounts for each Assumed Contract, as determined by the Applicants, and notifies the Assumed Contract Notice Party that if the Priority Claims and Cure Amounts Procedure Order is granted and they wish to dispute the Cure Amounts specified in the Cure Amounts Schedule, they must file a Cure Amounts Objection Notice by the Cure Amounts Objection Deadline (defined below); and
- (c) attaches the Cure Amounts Objection Notice.²⁰

28. The Cure Amounts Schedule will also be posted on the Monitor's Website by June 9, 2025 at 5:00 p.m.²¹

29. Any Assumed Contract Notice Party that wishes to dispute the Cure Amounts set forth in the Cure Amount Notice delivered to such Assumed Contract Notice Party is required to send a Cure Amounts Objection Notice by 5:00 p.m. on June 24, 2025 (the "**Cure Amounts Objection Deadline**").

²⁰ Aziz Affidavit at para. 26, Motion Record, Tab 2.

²¹ Aziz Affidavit at para. 29, Motion Record, Tab 2.

30. If a Cure Amounts Objection Notice is received by the Monitor by the Cure Amounts Objection Deadline, the objection shall either be resolved consensually or upon further Order of this Court. If no Cure Amounts Objection Notice is received by the Cure Amounts Objection Deadline, such Assumed Contract Notice Party shall, among other things, be forever barred from disputing the Cure Amounts.²²

(iii) Appropriate to Approve Cure Amounts Determination Process

31. The proposed timeline for determining the Cure Amounts is reasonable and appropriate in the circumstances. The Applicants currently intend to send Cure Amount Notices 19 days prior to the Cure Amount Objection Deadline or as soon thereafter as possible. This Court has previously approved cure cost notice processes providing 10 days between the date notices were sent and the objection deadline.²³

32. The proposed process to determine the Cure Amounts is fair and reasonable in the circumstances and should be approved by the Court as:

- (a) it is supported by the Monitor;
- (b) it is a “negative notice” process and if an Assumed Contract Counterparty does not take any steps in response to the notice, their Cure Amounts will be the amounts reflected in the books and records of the Applicants (which may be nil), not automatically deemed to be zero;

²² Aziz Affidavit at para. 31, Motion Record, Tab 2.

²³ See [Carillion Cure Cost Order](#) at para. 6, where cure cost notices were sent by March 23, 2018 and the objection deadline was April 2, 2018 ([Affidavit of Simon Buttery sworn March 22, 2018 at paras. 15-18](#), Motion Record of the Carillion Applicants dated March 22, 2018, Tab 2, PDF pg. 70).

- (c) determining the Cure Amounts prior to the Phase 2 Bid Deadline will allow the SISP to further progress by valuing the Stalking Horse Bid and providing certainty for other bidders who may be interested in some or all of the Assumed Contracts that are subject to such Cure Costs; and
- (d) the timeline accommodates the Applicants' liquidity and cash flow restraints and is similar to, or greater than, other timelines approved by this Court.

B. **Priority Claims Procedure**

(i) ***Discretion to Approve Claims Procedures***

33. Section 11 of the CCAA authorizes this Court to make “any order it considers appropriate in the circumstances.”²⁴ In exercising this discretion, the Court should consider whether the relief sought will usefully further efforts to achieve the remedial purpose of the CCAA, which is to permit the debtor company to continue carrying on business and avoid the social and economic losses resulting from liquidation of an insolvent company.²⁵

34. Claims procedure orders approving a process for the solicitation and determination of claims against a debtor company is a recognized step in CCAA proceedings and are routinely granted pursuant to this general authority.²⁶

35. Claims processes have been approved where they are necessary to implement a plan, close a transaction and/or to assist in making distributions to creditors.²⁷ The primary

²⁴ CCAA, s. 11.

²⁵ *Century Services Inc. v. Canada (Attorney General)*, [2010 SCC 60](#) at paras. 15, 70.

²⁶ *Quest University Canada (Re)*, [2020 BCSC 1845](#) at para. 21 [*Quest*]; *Toys “R” Us (Canada) Ltd. (Re)*, [2018 ONSC 609](#) at para. 8 [*Toys “R” Us*]; *ScoZinc Ltd. (Re)*, [2009 NSSC 136](#) at para. 23.

²⁷ *Quest* at para. 29.

consideration to be taken into account by the Court when considering whether to approve a claims procedure is whether the process is both fair and reasonable in the facts and circumstances of the case.²⁸

36. The Applicants are not seeking to solicit all claims against them, they are only seeking approval to solicit Priority Claims that rank in priority to the pre-filing security of the Stalking Horse Bidder. This Court has approved specific claims processes to solicit priority claims in other cases.²⁹

(ii) Priority Claims Procedure

37. The following is the timeline for the material steps in the Applicants' proposed process to identify and resolve Priority Claims:³⁰

Step	Timing
Statements of Negative Notice and Priority Claims Packages Sent	June 9, 2025, 5:00 p.m.
Priority Claims Bar Date (Deadline for Proofs of Priority Claim and any Notices of Dispute of Negative Notice Priority Claims)	June 24, 2025, 5:00 p.m.
Notices of Revision or Disallowance of Proofs of Priority Claim	June 27, 2025, or such later date as determined by the Monitor in its discretion (taking into account, among other things, the nature and quantity of the Proofs of Priority Claim received)
Deadlines for Notices of Dispute of Notices of Revision or Disallowance	7 calendar days after Notice of Revision or Disallowance sent by Monitor

²⁸ *Toys "R" Us* at para. 14.

²⁹ See e.g. *BCIMC Construction Fund Corporation et al. v. 33 Yorkville Residences Inc. et al.* (Court File No. CV-20-00637297-00CL), Priority Claims Procedure Order dated March 11, 2021; *Ignite Holdings Inc., Re* (Court File No. CV-23-00708635-00CL), Priority Claims Order dated November 29, 2023.

³⁰ Aziz Affidavit at para. 41, Motion Record, Tab 2.

38. Based on their books and records, the Applicants are only aware of approximately 30 creditors with potential Priority Claims which include the DOE Security, mechanics' liens registered against the Rochester Hub and registrations pursuant to the *Personal Property Security Act* (Ontario) or the Uniform Commercial Code by equipment suppliers (the **"Known Potential Priority Creditors"**).³¹

39. The proposed Priority Claims and Cure Amounts Procedure Order contemplates a "negative notice" process that will generally be utilized for the Known Potential Priority Creditors and a general notice process for all other potential Priority Creditors.³²

40. Pursuant to the "negative notice" process, the Monitor will cause a Negative Notice Priority Claims Package to be sent to each Negative Notice Priority Claimant by June 9, 2025 at 5:00 p.m.³³ The Negative Notice Priority Claims Package will be comprised of a Statement of Negative Notice Priority Claim, a Notice of Dispute of Priority Claim form, and such other materials as the Monitor may consider appropriate or desirable.³⁴

41. Pursuant to the general claims process, the Monitor will send a copy of the Priority Claims Package by June 9, 2025 at 5:00 p.m. to: (i) each person that appears on the Service List; (ii) each Person that has claimed to be a Priority Creditor and requested a Priority Claims Package prior to such date; and (iii) any Person known to the Applicants or the Monitor as having a potential Priority Claim based on the books and records of the Applicants and any registrations under the *Personal Property Security Act* (Ontario), the Uniform Commercial

³¹ Aziz Affidavit at para. 40, Motion Record, Tab 2.

³² Aziz Affidavit at para. 42, Motion Record, Tab 2.

³³ Aziz Affidavit at para. 43, Motion Record, Tab 2.

³⁴ Aziz Affidavit at para. 43, Motion Record, Tab 2.

Code or similar legislation that is not captured in any Statement of Negative Notice Priority Claim.³⁵

42. Additionally, the Monitor will:

- (a) post on the Monitor's Website a copy of the Priority Claims and Cure Amounts Procedure Order, with schedules, and a copy of the Priority Claims Schedule, in each case by June 9, 2025 at 5:00 p.m.; and
- (b) cause to be published the Notice to Priority Creditors in *The Globe and Mail* (National Edition) and *The Wall Street Journal* as soon as possible.³⁶

43. The Monitor will also deliver a Priority Claims Package to any Person claiming to be a Priority Creditor and requesting such Priority Claims Package prior to June 24, 2025 at 5:00 p.m., the "**Priority Claims Bar Date**".³⁷

44. A Negative Notice Priority Claimant that wishes to dispute the amount of its Negative Notice Priority Claim must send a Notice of Dispute of Priority Claim by the Priority Claims Bar Date. If no Notice of Dispute of Priority Claim is received, the Negative Notice Party Claimant shall, among other things, be deemed to accept the amount of Negative Notice Priority Claimant's Priority Claims set out in the Statement of Negative Notice Priority Claim.³⁸

³⁵ Aziz Affidavit at para. 44, Motion Record, Tab 2.

³⁶ Aziz Affidavit at para. 46, Motion Record, Tab 2.

³⁷ Aziz Affidavit at para. 47, Motion Record, Tab 2.

³⁸ Aziz Affidavit at para. 49, Motion Record, Tab 2.

45. Any Priority Creditor (other than any Negative Notice Priority Claimant in respect of its Negative Notice Priority Claim as set out in a Statement of Negative Notice Priority Claim) that does not file a Proof of Priority Claim by the Priority Claims Bar Date will be forever barred, estopped and enjoined from asserting or enforcing any such Priority Claim.³⁹

46. The Monitor will review all Proofs of Priority Claim filed on or before the Priority Claims Bar Date and may accept, revise or disallow (in whole or in part) the amount and/or status of a Priority Claim set out in any Proof of Priority Claim.⁴⁰

47. If the Monitor determines to revise or disallow a Proof of Priority Claim, the Monitor will send a Notice of Revision or Disallowance to the Priority Creditor by June 27, 2025 or such later date as determined by the Monitor in its discretion (taking into account, among other things, the nature and quantity of the Proofs of Priority Claim received).⁴¹

48. The Priority Creditor can dispute this revision or disallowance by delivering a Notice of Dispute of Priority Claim to the Monitor by no later than 5:00 p.m. on the date that is seven (7) Calendar Days after the date the Monitor sent the Notice of Revision or Disallowance. The dispute will then be resolved by way of a consensual agreement or upon further order of this Court.⁴²

(iii) Appropriate to Approve Priority Claims Procedure

49. The proposed timelines for identifying and resolving the Priority Claims are reasonable and appropriate in the circumstances. Claims packages will be sent 15 days prior to the Priority

³⁹ Aziz Affidavit at para. 50, Motion Record, Tab 2.

⁴⁰ Aziz Affidavit at para. 51, Motion Record, Tab 2.

⁴¹ Aziz Affidavit at para. 52, Motion Record, Tab 2.

⁴² Aziz Affidavit at paras. 53, 55, Motion Record, Tab 2.

Claims Bar Date. Claims procedures providing for as few as 14 days between the date by which notices are required to be sent and the claims bar date have been approved in other cases.⁴³

50. The proposed process to determine the Priority Claims is fair and reasonable in the circumstances and should be approved by the Court as:

- (a) it is supported by the Monitor;
- (b) it includes a “negative notice” process for the relatively modest number of Known Potential Priority Creditors and if a Negative Notice Priority Claimant does not take any steps in response to the notice, their Priority Claim will be the amount reflected in the books and records of the Applicants based on, in most cases, the claim amounts that have been publicly asserted such as in mechanics’ liens and other registrations;
- (c) determining the Priority Claims prior to the Phase 2 Bid Deadline will allow the SISP to further progress by valuing the Stalking Horse Bid and providing certainty for other bidders who may be interested in some or all of the Purchased Assets that are subject to such Priority Claims; and
- (d) the timeline accommodates the Applicants’ liquidity and cash flow restraints and is similar to other timelines approved by this Court.

⁴³ See e.g. [*Quest University Canada, Re* \(Court File No. S-200586\)](#), Claims Process Order issued November 3, 2020 at paras. 3, Schedule “B”, “Claims Bar Date” where the time period between the notice deadline and the claims bar date was 14 days; [*Delta 9 Cannabis Inc. et al.* \(Court File No. 2401-09668\)](#), Claims Procedure Order issued July 24, 2024 at para. 2, “Claims Bar Date”, para. 14, where the time period was 17 days; [*Inca One Gold Corp.* \(Court File No. S243645\)](#), Claims Process Order issued August 26, 2024 at paras. 6, Schedule “B”, “Claims Bar Date”, where the time period was 17 days; [*Canwest Publishing Inc., Re* \(Court File No. CV-10-8533-00CL\)](#), Claims Procedure Order issued April 12, 2010 at paras. 2(q) and 17, where the time period was 17 days.

PART IV. ORDER REQUESTED

51. For the reasons set out above, the Applicants request that this Court grant the proposed Priority Claims and Cure Amounts Procedure Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 6th day of June, 2025.



McCarthy Tétrault LLP

Lawyer for the Applicants

**SCHEDULE “A”
LIST OF AUTHORITIES**

1. *Harbour Grace Ocean Enterprises Ltd., Re CCAA*, [2024 NLSC 47](#)
2. *Dundee Oil and Gas Limited (Re)*, [2018 ONSC 3678](#)
3. *Carillion Canada Holdings Inc., Re (Court File No. CV-18-590812-00CL)*, Cure Costs and Ancillary Relief Order issued March 28, 2018
4. *Dundee Oil and Gas Limited, Re (Court File No. CV-18-591908-00CL)*, Approval and Vesting Order issued June 11, 2018
5. *Century Services Inc. v. Canada (Attorney General)*, [2010 SCC 60](#)
6. *Quest University Canada (Re)*, [2020 BCSC 1845](#) at para. [21](#)
7. *Toys “R” Us (Canada) Ltd. (Re)*, [2018 ONSC 609](#) at para. [8](#)
8. *ScoZinc Ltd. (Re)*, [2009 NSSC 136](#) at para. [23](#)
9. *BCIMC Construction Fund Corporation et al. v. 33 Yorkville Residences Inc. et al. (Court File No. CV-20-00637297-00CL)*, Priority Claims Procedure Order dated March 11, 2021
10. *Ignite Holdings Inc., Re (Court File No. CV-23-00708635-00CL)*, Priority Claims Order dated November 29, 2023
11. *Quest University Canada, Re (Court File No. S-200586)*, Claims Process Order issued November 3, 2020
12. *Delta 9 Cannabis Inc. et al. (Court File No. 2401-09668)*, Claims Procedure Order issued July 24, 2024
13. *Inca One Gold Corp. (Court File No. S243645)*, Claims Process Order issued August 26, 2024
14. *Canwest Publishing Inc., Re (Court File No. CV-10-8533-00CL)*, Claims Procedure Order issued April 12, 2010

**SCHEDULE “B”
RELEVANT STATUTES**

Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended

s. 11

General power of court – Despite anything in the Bankruptcy and Insolvency Act or the Winding-up and Restructuring Act, if an application is made under this Act in respect of a debtor company, the court, on the application of any person interested in the matter, may, subject to the restrictions set out in this Act, on notice to any other person or without notice as it may see fit, make any order that it considers appropriate in the circumstances.

s. 11.3

Assignment of agreements

11.3 (1) On application by a debtor company and on notice to every party to an agreement and the monitor, the court may make an order assigning the rights and obligations of the company under the agreement to any person who is specified by the court and agrees to the assignment.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO LI-CYCLE HOLDINGS CORP. ET AL.

Court File No. CV-25-00743053-00CL

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

Proceeding Commenced at Toronto

**FACTUM
(Priority Claims and Cure Amounts Procedure)
(Returnable June 9, 2025)**

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