

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., AND LI-CYCLE NORTH AMERICA HUB, INC.

Applicants

FACTUM OF THE APPLICANTS
(Distribution Approval and Ancillary Relief Order)
(Returnable January 8, 2026)

January 6, 2026

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

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PART I. INTRODUCTION

1. After selling substantially all of their assets in a going concern transaction to designees of Glencore Canada Corporation (“**Glencore**”), the Applicants¹ are completing certain final steps and expect these successful CCAA Proceedings to conclude in the next month.²
2. On this motion, the Applicants seek a Distribution Approval and Ancillary Relief Order which will authorize the Applicants to make one or more distributions of cash on hand to Glencore, their only secured lender.
3. The Applicants, in consultation with the Monitor, have determined that a distribution of their cash on hand to Glencore is appropriate at this time, subject to any necessary or desirable reserves being maintained. The Applicants currently estimate that there may be up to \$2.1 million available to be distributed to Glencore, which is far less than the amount of the Glencore Secured Debt, which exceeds \$185 million.
4. The relief requested is appropriate in the circumstances. It has been granted in similar circumstances in other matters and is supported by the Monitor.

¹ For ease of reference, the Applicants and their current subsidiaries will be collectively referred to herein as “**Li-Cycle**”. The remaining Applicants and Li-Cycle Inc., which was previously an Applicant in these CCAA Proceedings, will be collectively referred to herein as the “**Original Applicants**”.

² Capitalized terms used but not defined herein shall have the meanings given to them in the Affidavit of William E. Aziz, sworn January 5, 2026 (the “**Aziz Affidavit**”) attached as Tab 2 to the Motion Record of the Applicants, dated January 5, 2026 (“**Motion Record**”), or, if not defined therein, in the Amended and Restated Initial Order dated May 22, 2025, Exhibit “A” to the Aziz Affidavit, Motion Record, Tab 2A, [A5919](#).

PART II. THE FACTS

A. CCAA Proceedings and Chapter 15 Proceedings

5. Prior to the acquisition of substantially all of its business and assets by designees of Glencore in the course of the CCAA Proceedings, Li-Cycle was a global lithium-ion battery resource recovery company headquartered in Toronto, Ontario. At its “Spokes”, Li-Cycle recycled batteries to produce, among other things, black mass containing valuable metals. At its planned “Hubs”, Li-Cycle planned to process black mass to produce battery-grade critical materials which could then be used in the manufacture of batteries.³

6. An organizational chart of the Original Applicants as at the initial filing date summarizing the key assets and operations of each Original Applicant is attached hereto in Schedule “C”.⁴

7. The Original Applicants commenced the CCAA Proceedings as a result of the numerous challenges that they encountered since the Fall of 2023 that severely strained their liquidity. The Original Applicants obtained a CCAA initial order on May 14, 2025 (as amended and restated, the “**Initial Order**”),⁵ and a Chapter 15 order recognizing this proceeding as a “foreign main proceeding” and giving effect to the Initial Order in the United States on May 23, 2025.⁶

B. Approval and Closing of the Transaction

8. A stalking horse sale process was conducted with Glencore acting as the stalking horse bidder pursuant to a sale and investment solicitation process order dated May 22, 2025 and an

³ Aziz Affidavit at para. 5, Motion Record, Tab 2, [A5903](#).

⁴ Aziz Affidavit at para. 6, Motion Record, Tab 2, [A5903](#).

⁵ Aziz Affidavit at para. 7, Motion Record, Tab 2, [A5906](#).

⁶ Aziz Affidavit at para. 7, Motion Record, Tab 2, [A5906](#).

Equity and Asset Purchase Agreement between the Original Applicants except US SpokeCo and the Stalking Horse Bidder dated as of May 14, 2025 (as amended on May 22, 2025, July 9, 2025 and July 23, 2025, the “**Stalking Horse Agreement**”).⁷

9. The Stalking Horse Agreement was selected as the successful bid in the SISP and on August 1, 2025, the Court issued an approval and vesting order (the “**Approval and Vesting Order**”) approving the sale transactions (collectively, the “**Transaction**”) contemplated by the Stalking Horse Agreement.⁸

10. The Transaction closed on August 7, 2025 and resulted in designees of Glencore acquiring substantially all of the assets and designated liabilities of Li-Cycle.⁹

C. Remaining Steps in CCAA Proceedings

11. On November 4, 2025, the Court issued a CCAA Termination and Stay Extension Order extending the stay of proceedings until the time that all matters to be attended to in connection with these CCAA Proceedings have been completed and the Monitor serves and files a Monitor’s Termination Certificate (the “**CCAA Termination Time**”).¹⁰

12. There were various remaining steps, which are nearing completion, that the Applicants have been completing with the assistance of the Monitor, as further outlined in the Aziz Affidavit and the Seventh Report of the Monitor dated January 6, 2026 (the “**Seventh Report**”).

⁷ Aziz Affidavit at para. 9, Motion Record, Tab 2, [A5906](#).

⁸ Aziz Affidavit at para. 10, Motion Record, Tab 2, [A5907](#).

⁹ Aziz Affidavit at para. 11, Motion Record, Tab 2, [A5907](#).

¹⁰ Aziz Affidavit at para. 12, Motion Record, Tab 2, [A5907](#); Exhibit “**B**” to the Aziz Affidavit, Motion Record, Tab 2B, [A5949](#).

13. At this stage, the Applicants have determined that these matters are sufficiently advanced that they expect to proceed with the bankruptcy of the Applicants on or around January 31, 2026.¹¹

D. Glencore Secured Debt

14. Glencore is the Applicants' only secured lender. As of the date of the closing of the Transaction, the Applicants owed approximately \$187.7 million to Glencore pursuant to certain secured convertible notes (the "**Glencore Secured Debt**"), which continues to be outstanding.¹²

PART III. ISSUES AND THE LAW

15. The issue to be determined on this motion is whether the Court should grant the proposed Distribution Approval and Ancillary Relief Order which includes, among other things, (i) approval of one or more distributions of cash on hand to Glencore and (ii) approval of the Monitor's Seventh Report and activities therein.

A. The Proposed Distribution Should be Approved

16. The Applicants have received, and may continue to receive, HST refunds. A portion of this cash on hand has been and will be used to satisfy wind-down costs related to the administration and termination of these CCAA Proceedings and the bankruptcy trustee costs. The Applicants have determined, in consultation with the Monitor, that any remaining cash on hand should then be distributed to Glencore in partial satisfaction of the Glencore Secured Debt.¹³

¹¹ Aziz Affidavit at para. 32, Motion Record, Tab 2, [A5913](#).

¹² Aziz Affidavit at para. 35, Motion Record, Tab 2, [A5914](#).

¹³ Aziz Affidavit at para. 36, Motion Record, Tab 2, [A5915](#).

17. Proposed distributions can be made pursuant to the exercise of discretion under section 11 of the CCAA.¹⁴ There is nothing in the CCAA that precludes the interim distribution of cash to creditors of the debtor during the CCAA proceedings.¹⁵

18. In considering whether it is appropriate to approve a proposed distribution the Court should consider (i) whether the distribution is made in accordance with a valid and enforceable security interest and (ii) whether the distribution would leave the debtor with sufficient liquidity.¹⁶

19. The Glencore Secured Debt represents the only secured debt of the Applicants, aside from the charges created pursuant to the Initial Order which have been or will be satisfied prior to distributions being made to Glencore.¹⁷ As noted at paragraph 6.2 of the Second Report of the Monitor dated June 6, 2025, the Monitor has obtained opinions from its Canadian and U.S. legal counsel confirming the enforceability of the Glencore Secured Debt.¹⁸

20. The Applicants currently estimate that there may be up to \$2.1 million available to be distributed to Glencore. This is far less than the amount of the Glencore Secured Debt, which is over \$185 million.¹⁹

21. Any distribution would be subject to the Applicants maintaining any necessary or desirable reserves, in consultation with the Monitor, to fund the completion of the CCAA Proceedings and the subsequent bankruptcies of the Applicants.

¹⁴ Section 11, *Companies' Creditors Arrangement Act*, [R.S.C. 1985, c. C-36](#) [CCAA]; *Hudson's Bay Company, Re*, [2025 ONSC 2903 \(CanLII\)](#) at [para. 21](#).

¹⁵ *Re Nortel Networks Corporation et al*, [2014 ONSC 4777 \(CanLII\)](#) at [paras. 57-58](#).

¹⁶ *AbitibiBowater inc. (Arrangement relatif à)*, [2009 QCCS 6461 \(CanLII\)](#) at [paras. 71-77](#).

¹⁷ Aziz Affidavit at para. 37, Motion Record, Tab 2, [A5915](#).

¹⁸ [Second Report of the Monitor](#) dated June 6, 2025 at [para. 6.2](#).

¹⁹ Aziz Affidavit at para. 38, Motion Record, Tab 2, [A5915](#).

22. Accordingly, it is appropriate to approve the proposed distributions to Glencore.

B. The Monitor's Activities Should be Approved

23. There are good policy and practical reasons to approve reports and activities of a monitor. In *Target Canada*, this Court identified reasons for monitors in CCAA proceedings to seek court approval of their reports and activities, and for courts to grant such approvals. These include: (a) allowing the monitor to bring its activities before the Court; (b) allowing an opportunity for a stakeholder's concerns to be addressed; (c) enabling the Court to satisfy itself that the monitor's activities have been conducted in a prudent and diligent manner; (d) providing protection for the monitor not otherwise provided by the CCAA; and (e) protecting creditors from delay that may be caused by re-litigation of steps or potential indemnity claims by the monitor.²⁰

24. The Monitor's activities, as set out in the Seventh Report, were reasonable and undertaken in good faith and in accordance with the Monitor's powers and duties as set out in the provisions of the CCAA to continue to complete the wind-down of the Applicants and post-closing matters.²¹ The Seventh Report, and the activities of the Monitor described therein, should be approved.

²⁰ *Target Canada Co. (Re)*, [2015 ONSC 7574 \(CanLII\)](#) at [para. 12](#).

²¹ Seventh Report, paras. 5.1-5.2, [E967-E968](#).

PART IV. ORDER REQUESTED

25. For the reasons set out above, the Applicants request that this Court grant the proposed Distribution Approval and Ancillary Relief Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 6th day of January, 2026.



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Lawyers for the Applicants

**SCHEDULE “A”
LIST OF AUTHORITIES**

1. *AbitibiBowater inc. (Arrangement relatif à)*, [2009 QCCS 6461 \(CanLII\)](#)
2. *Hudson’s Bay Company, Re*, [2025 ONSC 2903 \(CanLII\)](#)
3. *Re Nortel Networks Corporation et al*, [2014 ONSC 4777 \(CanLII\)](#)
4. *Target Canada Co. (Re)*, [2015 ONSC 7574 \(CanLII\)](#)

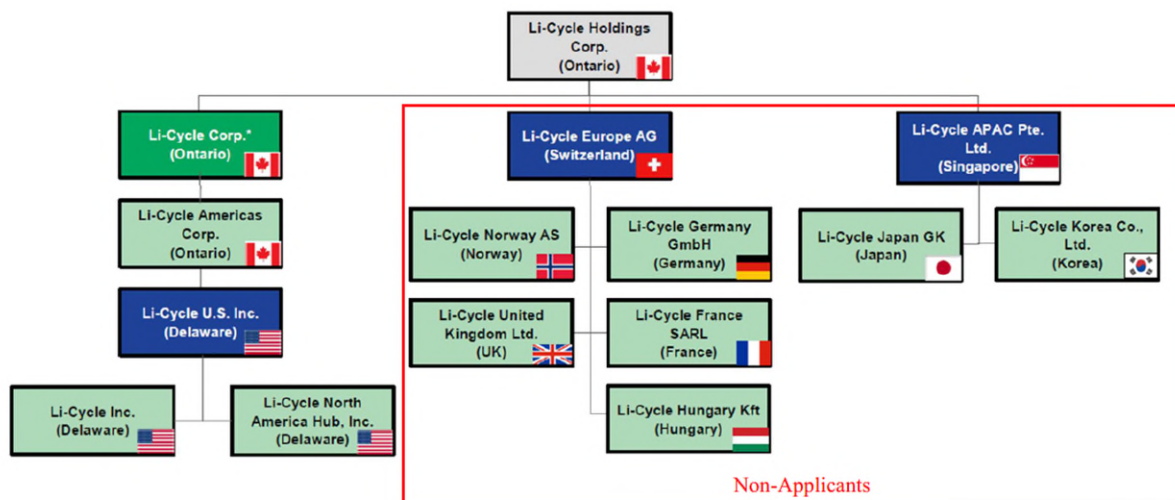
**SCHEDULE “B”
RELEVANT STATUTES**

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

General power of court

11 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.

SCHEDULE “C” ORGANIZATIONAL CHART



Entity	Short Name	Incorporated	Assets and Operations
Remaining Applicants			
Li-Cycle Holdings Corp.	“Holdings”	Ontario	Public holding company, holds cash
Li-Cycle Corp.	“Global HQ”	Ontario	Operated global head office in Toronto, owned IP
Li-Cycle Americas Corp.	“Canada SpokeCo”	Ontario	Operated Spoke in Kingston, ON
Li-Cycle U.S. Inc.	“North America OpCo”	Delaware	Commercial entity that sourced inputs for, and sold the output from, the Spokes and future Hubs in Canada and US
Li-Cycle North America Hub, Inc.	“US HubCo”	Delaware	Was in the process of constructing the Hub in Rochester, NY
Former Applicants (Acquired by Glencore)			

Entity	Short Name	Incorporated	Assets and Operations
Li-Cycle Inc.	“US SpokeCo”	Delaware	Operated Spokes in Rochester, NY, Gilbert AZ, and Tuscaloosa, AL Converted to Li-Cycle LLC prior to the closing of the Stalking Horse Agreement.
Non-Applicants (Acquired by Glencore)			
Li-Cycle Europe AG	“Europe Parent”	Switzerland	Commercial entity that sources inputs for, and sells the output from, the Germany Spoke
Li-Cycle Germany GmbH	“Germany SpokeCo”	Germany	Operates Spoke in Magdeburg, Germany
Non-Applicant European Affiliates (Each now a direct subsidiary of Holdings)			
Li-Cycle United Kingdom Ltd.	“UK SpokeCo”	UK	No assets or material third-party liabilities; now liquidated/dissolved.
Li-Cycle France SARL	“France SpokeCo”	France	No assets or material third-party liabilities; now liquidated/dissolved.
Li-Cycle Hungary Kft	“Hungary SpokeCo”	Hungary	No assets or material third-party liabilities; now liquidated/dissolved.
Li-Cycle Norway AS	“Norway SpokeCo”	Norway	Aside from lease (which was settled), no assets or material third party liabilities; now liquidated/dissolved.
Non-Applicant APAC Affiliates			
Li-Cycle APAC Pte Ltd.	“APAC Parent”	Singapore	No assets or material third-party liabilities; will be liquidated/dissolved on or around February 6, 2026.

Entity	Short Name	Incorporated	Assets and Operations
Li-Cycle Japan GK	“Japan SpokeCo”	Japan	No assets or material third-party liabilities; now liquidated/dissolved.
Li-Cycle Korea Co., Ltd.	“Korea SpokeCo”	Korea	No assets or material third-party liabilities; now liquidated/dissolved.

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Proceeding Commenced at Toronto

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