

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

NOTICE OF MOTION
(Priority Claims and Cure Amounts Procedure)

The Applicants will make a motion before the Honourable Justice Conway of the Ontario Superior Court of Justice (Commercial List) on June 9, 2025 at 10:00 a.m., or as soon as after the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard via judicial videoconference at Toronto, Ontario.

THIS MOTION IS FOR:

1. An order (the “**Priority Claims and Cure Amounts Procedure Order**”), substantially in the form of the draft order included at Tab 3 of the Motion Record of the Applicants,¹ among other things.

(a) establishing procedures for:

(i) the determination of Cure Amounts under certain Assumed Contracts; and

¹ Capitalized terms used but not defined herein have the meanings given to them in the affidavit of William E. Aziz, to be sworn (the “**Aziz Affidavit**”) attached as Tab 2 to the Motion Record of the Applicants or the draft Priority Claims and Cure Amounts Procedure Order attached as Tab 3 to the Motion Record of the Applicants.

- (ii) the identification and resolution of Priority Claims against the Applicants.
- (b) abridging and validating the time for service and filing of the Motion Record; and
- (c) granting such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

Background

2. On May 14, 2025, the Applicants commenced proceedings pursuant to the CCAA (the “**CCAA Proceedings**”) pursuant to an initial order of the Ontario Superior Court of Justice (Commercial List) (the “**CCAA Court**”). The initial order was amended and restated on May 22, 2025 (as amended and restated, the “**Initial Order**”).
3. Pursuant to the Initial Order, the CCAA Court, among other things:
 - (a) granted a stay of proceedings until July 7, 2025;
 - (b) appointed Alvarez and Marsal Canada Inc. as the court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”);
 - (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
 - (a) appointed 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.
4. Also on May 22, 2025, the CCAA Court issued a sale and investment solicitation process order (the “**SISP Order**”), pursuant to which, the Court, among other things:
 - (d) approved a sale and investment solicitation process for the property and business of the Applicants (the “**SISP**”); and

- (a) 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, as amended on May 22, 2025 (the “**Stalking Horse Agreement**”), which was approved for the purposes of acting as the stalking horse bid in the SISP.

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

6. On this motion, the Applicants seek approval of a procedure to determine Cure Amounts in relation to contracts that could potentially be assumed by a buyer and a process to determine the amount of Priority Claims that rank ahead of the Secured Lender Claims. The process proposed is not a full claims process and, in particular, does 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. The two proposed processes are described further below.

Cure Amounts Determination Procedure

7. 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, the Stalking Horse Bidder will assume the Assumed Contracts and liability for the Cure Amounts.

8. The Purchase Price under the Stalking Horse Agreement includes the assumption by the Buyer of the Assumed Liabilities including the Cure Amounts.

9. Accordingly, it is necessary to finally determine the Cure Amounts for the Assumed Contracts in order to value the Stalking Horse Bid for the purposes of the SISP. The determination of Cure Amounts for Assumed Contracts will also provide certainty for other bidders who may be interested in some or all of the Assumed Contracts.

10. The following process for the determination of the Cure Amounts for the Assumed Contracts is reasonable and appropriate in the circumstances and will provide adequate notice of the process and an opportunity for the Assumed Contract Notice Parties to dispute the Cure Amounts calculated by the Applicants:

- (a) The Applicants will send a Cure Amount Notice to each Assumed Contract Notice Party by June 6, 2025;
- (b) The Cure Amounts Schedule will be posted on the Monitor's Website by June 9, 2025 at 5:00 p.m.;
- (c) Any Assumed Contract Notice Party that wishes to dispute the Cure Amounts set out in a Cure Amounts Notice will be required to send a Cure Amounts Objection Notice so that it is received by the Monitor by June 24, 2025 at 5:00 p.m. (the "**Cure Amounts Objection Deadline**"); and
- (d) The Applicants will seek to resolve any objection with the Assumed Contract Notice Party, or it may be determined by further order of the Court.

11. If an Assumed Contract Notice Party does not deliver a Cure Amount Objection Notice to the Monitor by the Cure Amounts Objection Deadline: (i) such Assumed Contract Notice Party shall be forever barred from disputing the Cure Amounts as set out in the Cure Amount Notice; (ii) the Cure Amounts payable to such Assumed Contract Notice Party as set out in the Cure Amount Notice shall be deemed to be the Cure Amounts payable to such Assumed Contract Notice Party pursuant to the Stalking Horse Agreement and any other Successful Bid or Back-Up Bid (each as defined in the SISP Order); and (iii) any claim of such Assumed Contract Notice Party to Cure Amounts in excess of the amount specified in such Cure Amount Notice shall be forever barred and extinguished.

Priority Claims Procedure

12. The Stalking Horse Agreement contemplates that, among other things, the Buyer would purchase the Purchased Assets subject to the "Permitted Encumbrances". The "Permitted

Encumbrances” include all Encumbrances on the Purchased Assets that rank in priority to the Secured Lender Claims, which are the pre-filing secured claims of the Stalking Horse Bidder.

13. As a result, it is necessary to finally determine the value of all such Priority Claims in order to value the Stalking Horse Bid for the purposes of the SISP. The determination of Priority Claims will also provide certainty for other bidders who may be interested in some or all of the Purchased Assets that are subject to such Priority Claims.

14. The following process for the identification and resolution of Priority Claims is reasonable and appropriate in the circumstances and will provide adequate notice of the process and an opportunity for the Priority Creditors to assert their Priority Claims against the Applicants:

- (a) The Monitor will cause a Negative Notice Priority Claims Package, 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, to each Negative Notice Priority Claimant by June 9, 2025 at 5:00 p.m.;
- (b) The Monitor will cause a Priority Claims Package, comprised of a copy of the Priority Claims and Cure Amounts Procedure Order or a hyperlink to the Priority Claims and Cure Amounts Procedure Order on the Monitor’s Website, a Proof of Priority Claim Instruction Letter, a Proof of Priority Claim, and such other materials as the Monitor may consider appropriate or desirable, 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 Code or similar legislation that is not captured in any Statement of Negative Notice Priority Claim, in each case by June 9, 2025 at 5:00 p.m.;

- (c) The Monitor will post a copy of the Priority Claims and Cure Amounts Procedure Order, with schedules, and a copy of the Priority Claims Schedule on the Monitor's Website by June 9, 2025 at 5:00 p.m.;
- (d) The Monitor will 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 following the issuance of the Priority Claims and Cure Amounts Procedure Order;
- (e) The Monitor will deliver a Priority Claims Package to any Person claiming to be a Priority Creditor and requesting such Priority Claims Package prior to the Priority Claims Bar Date (defined below);
- (f) A Negative Notice Priority Claimant that wishes to dispute the amount of its Negative Notice Priority Claim as set out in the relevant Statement of Negative Notice Priority Claim must file a Notice of Dispute of Priority Claim such that it is received by the Monitor by June 24, 2025 at 5:00 p.m. (the "**Priority Claims Bar Date**");
- (g) 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 wishes to assert a Priority Claim must file a Proof of Priority Claim such that it is received by the Monitor by the Priority Claims Bar Date;
- (h) 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;
- (i) 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 Proofs of Priority Claim received);

- (j) If a Priority Creditor wishes to dispute a Notice of Revision or Disallowance, it shall deliver 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 that Notice of Revision or Disallowance, or such later date as the Monitor may agree in writing or the Court may order; and
- (k) The Applicants will seek to resolve any dispute with the Priority Creditor, or it may be determined by further order of the Court.

15. If a Negative Notice Priority Claimant fails to deliver a Notice of Dispute of Priority Claim by the Priority Claims Bar Date: (i) such Negative Notice Priority Claimant will be deemed to have accepted the amount of the Negative Notice Priority Claimant's Priority Claims as set out in the Statement of Negative Notice Priority Claim; and (ii) any and all of the Negative Notice Priority Claimant's rights to dispute the Priority Claims as determined in the Statement of Negative Notice Priority Claim or to otherwise assert or pursue the Priority Claims set out in the Statement of Negative Notice Priority Claim other than as they are determined in such Statement of Negative Notice Priority Claim will be forever extinguished and barred without further act or notification.

16. 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.

17. If a Priority Creditor receives a Notice of Revision or Disallowance and fails to file a Notice of Dispute of Priority Claim within even (7) Calendar Days after the date the Monitor sent that Notice of Revision or Disallowance: (i) the amount and status of such Priority Creditor's Priority Claim shall be deemed to be as set out in the Notice of Revision or Disallowance and such amount and status, if any, shall constitute such Priority Creditor's Proven Priority Claim; and (ii) the Priority Creditor will be barred from disputing or appealing same, and

the balance of such Priority Creditor's Priority Claim, if any, shall be forever barred and extinguished.

Other Grounds

18. The Applicants also rely on:
 - (a) the provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;
 - (b) Rules 2.03, 3.02, 14.05(3)(d), 14.05(2), 16, 38 and 57 of the *Rules of Civil Procedure*, RRO 1990, Reg 194; and
 - (c) such further and other grounds as counsel for the Applicants may advise and this Honourable Court may permit.

19. The following documentary evidence will be used at the hearing of the motion:
 - (a) the affidavit of William E. Aziz, to be sworn;
 - (b) the Second Report of the Monitor, to be filed; and,
 - (c) such further and other materials as counsel for the Applicants may advise and this Honourable Court may permit.

June 3, 2025

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

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Proceeding Commenced at Toronto

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