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**IMERYS TALC AMERICA, INC., IMERYS TALC VERMONT, INC.
AND IMERYS TALC CANADA INC.**

**NINTH REPORT OF RICHTER ADVISORY GROUP INC.,
IN ITS CAPACITY AS INFORMATION OFFICER**

November 23, 2020

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**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 IMERYS TALC AMERICA, INC., IMERYS TALC VERMONT, INC. AND
IMERYS TALC CANADA INC.**

**APPLICATION OF IMERYS TALC CANADA INC., UNDER SECTION 46 OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**NINTH REPORT OF THE INFORMATION OFFICER
RICHTER ADVISORY GROUP INC.**

NOVEMBER 23, 2020

I. INTRODUCTION

1. On February 13, 2019 (the “**Petition Date**”), Imerys Talc America, Inc. (“**ITA**”), Imerys Talc Vermont, Inc. (“**ITV**”) and Imerys Talc Canada Inc. (“**ITC**” and together with ITA and ITV, the “**Debtors**”), commenced voluntary reorganization proceedings (the “**Chapter 11 Proceedings**”) in the United States Bankruptcy Court for the District of Delaware (the “**US Court**”) by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”).
2. Also on the Petition Date, the Debtors filed various motions for interim and/or final orders (the orders entered by the US Court in respect thereof, the “**First Day Orders**”) in the Chapter 11 Proceedings to permit the Debtors to advance their reorganization. The First Day Orders included an order authorizing ITC to act as the foreign representative (in such capacity, the “**Foreign Representative**”) of the Debtors for the within proceedings (the “**Foreign Representative Order**”).
3. On February 14, 2019, the US Court granted the Foreign Representative Order and other First Day Orders.
4. On February 15, 2019, ITC, in its capacity as Foreign Representative, commenced an application before the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”) pursuant to Part IV of the *Companies’ Creditors Arrangement Act* (R.S.C. 1985, c. C-36, as amended) (the “**CCAA**”).
5. On February 20, 2019, the Canadian Court granted an initial recognition order, *inter alia*: (i) declaring that ITC is a “foreign representative” as defined in section 45 of the CCAA; (ii) declaring that the Chapter 11 Proceedings are recognized as a “foreign main proceeding” under the CCAA; and (iii) granting a stay of proceedings against the Debtors in Canada. The Debtors’ proceedings under the CCAA are referred to herein as the “**Recognition Proceedings**”.
6. Also on February 20, 2019, the Canadian Court granted a supplemental order (the “**Supplemental Order**”), pursuant to section 49 of the CCAA, *inter alia*: (i) recognizing and giving full force and effect in Canada to certain of the First Day Orders; (ii) appointing Richter Advisory Group Inc. (“**Richter**”) as the information officer (the “**Information Officer**”) in respect of these proceedings; (iii) staying any proceedings, rights or remedies against or in respect of the Debtors, the business and property of the Debtors, the directors and officers of the Debtors in Canada, and the Information Officer; (iv) restraining the right of any person or entity to, among other things, discontinue or terminate any supply of products or services required by the Debtors in Canada; and (v) granting a super-priority charge over the Debtors’ property in Canada in favour of the Information Officer and its counsel, as security for their professional fees and disbursements incurred in respect of these proceedings, up to a maximum amount of \$200,000.

7. On March 19, 2019 and March 22, 2019, the US Court entered various orders (the “**March 19 & 22 Entered Orders**”) sought by the Debtors at their “second day hearing”, including but not limited to:
 - (a) a final Order Authorizing Payment of Certain Prepetition Workforce Obligations, Including Compensation, Expense Reimbursements, Benefits, and Related Obligations, (II) Confirming Right to Continue Workforce Programs on Postpetition Basis, (III) Authorizing Payment of Withholding and Payroll-Related Taxes, (IV) Authorizing Payment of Prepetition Claims Owing to Administrators of, or Third Party Providers Under, Workforce Programs, and (V) Authorizing Banks to Honor Prepetition Checks and Fund Transfers for Authorized Payments (the “**Final Wages Order**”);
 - (b) an Order Authorizing the Employment and Retention of KCIC, LLC as Insurance and Valuation Consultant, Nunc Pro Tunc to the Petition Date (the “**KCIC Retention Order**”);
 - (c) an Order Authorizing the Debtors to Employ and Retain Richards, Layton & Finger, P.A. as Co-Counsel to the Debtors, Nunc Pro Tunc to the Petition Date (the “**RL&F Retention Order**”);
 - (d) an Order Authorizing Employment and Retention of Stikeman Elliott LLP as Canadian Counsel, Nunc Pro Tunc to the Petition Date (the “**Stikeman Retention Order**”); and
 - (e) an Order Authorizing the Employment and Retention of Prime Clerk LLC (“**Prime Clerk**”) as Administrative Advisor Nunc Pro Tunc to the Petition Date (the “**Administrative Advisor Order**”).
8. On March 25, 2019, the US Court entered an Order Establishing Procedures for Interim Compensation and Reimbursement of Professionals (the “**Interim Compensation & Reimbursement Order**”).
9. On March 26, 2019, the US Court entered an Order Authorizing Debtors to (I) Pay Their Prepetition Insurance Obligations, (II) Pay Their Prepetition Bonding Obligations, (III) Maintain Their Postpetition Insurance Coverage, and (IV) Maintain Their Bonding Program (the “**Final Insurance and Bonding Order**”, and together with the March 19 & 22 Entered Orders and the Interim Compensation & Reimbursement Order, the “**Second Day Orders**”).
10. On April 1, 2019, the US Court entered an Order Authorizing the Employment and Retention of Alvarez & Marsal North America, LLC (“**A&M**”) as the Debtors’ financial advisor Nunc Pro Tunc to the Petition Date (the “**A&M Retention Order**”).
11. On April 2, 2019, the US Court entered an Order Authorizing the Employment and Retention of Latham & Watkins LLP as the Debtors’ bankruptcy co-counsel Nunc Pro Tunc to the Petition Date (the “**L&W Retention Order**”).

12. On April 3, 2019, the Canadian Court granted an order which recognized and gave full force and effect in Canada to certain of the Second Day Orders, including the Final Wages Order, the KCIC Retention Order, the RL&F Retention Order, the Stikeman Retention Order and the Administrative Advisor Order.
13. On April 4, 2019, the US Court entered an Order Authorizing the Employment and Retention of Neal, Gerber, & Eisenberg LLP as the Debtors' special insurance coverage and indemnification counsel Nunc Pro Tunc to the Petition Date (the "**NGE Retention Order**").
14. On April 24, 2019, the US Court entered a final Order (I) Authorizing Continued Use of Existing Cash Management System, Including Maintenance of Existing Bank Accounts, Check, and Business Forms, (II) Authorizing Continuation of Existing Deposit Practices, (III) Approving the Continuation of Intercompany Transactions, and (IV) Granting Superpriority Administrative Expense Status to Certain Postpetition Intercompany Claims (the "**Final Cash Management Order**").
15. On May 21, the US Court entered Orders:
 - (a) Authorizing the Employment and Retention of Willkie Farr & Gallagher LLP as special litigation and corporate counsel to the Official Committee of Tort Claimants (the "**Committee**" or the "**TCC**") (the "**Willkie Farr & Gallagher Order**"); and
 - (b) Authorizing the Employment and Retention of Robinson & Cole LLP as counsel to the Committee (the "**Robinson & Cole Order**").
16. On May 22, 2019 and June 25, 2019, respectively, the US Court entered Orders Appointing M. Jacob Renick of M.J Renick & Associates LLC as Fee Examiner and Establishing Related Procedures for the Review of Applications of Retained Professionals (collectively, the "**Fee Examiner Orders**").
17. On May 24, 2019, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the A&M Retention Order, the L&W Retention Order, the NGE Retention Order and the Final Cash Management Order.
18. On June 3, 2019, the US Court entered an order appointing James L. Patton, Jr. as legal representative for future talc personal injury claimants (the "**FCR**") Nunc Pro Tunc to the Petition Date (the "**FCR Order**").
19. On June 6, 2019, the US Court entered Orders:
 - (a) Authorizing the Employment and Retention of Young, Conaway, Stargatt & Taylor LLP as attorneys for the FCR Nunc Pro Tunc to the Petition Date (the "**Young Conaway Order**"); and

- (b) Authorizing the Employment and Retention of Gilbert LLP as special insurance counsel to the Committee (the “**Gilbert Order**”).
20. On June 12, 2019, the US Court entered an Order Authorizing the Employment and Retention of Ankura Consulting Group, LLC as claims evaluation and financial valuation consultants for the FCR Nunc Pro Tunc to the Petition Date (the “**Ankura Order**”).
21. On June 25, 2019, the US Court entered an Order Authorizing the Employment and Retention of Legal Analysis Systems, Inc. as tort liability consultant to the Committee (the “**Legal Analysis Systems Order**”).
22. On July 25, 2019, the US Court entered an Order (I) Establishing Bar Dates and Related Procedures for Filing Proofs of Claim Other than With Respect to Talc Personal Injury Claims and (II) Approving Form and Manner of Notice Thereof (the “**Bar Date Order**”).
23. On August 7, 2019, the US Court entered Orders:
- (a) Authorizing the Employment and Retention of Ducera Partners LLC and Ducera Securities LLC as investment banker for the Committee (the “**Ducera Order**”); and
- (b) Authorizing the Employment and Retention of GlassRatner Advisory & Capital Group, LLC as financial advisor to the Committee (the “**GlassRatner Order**”, and together with the Willkie Farr & Gallagher Order, the Robinson & Cole Order, the Gilbert Order, the Legal Analysis Systems Order and the Ducera Order, the “**Committee Professional Advisors Retention Orders**”).
24. Also on August 7, 2019, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Bar Date Order and the Fee Examiner Orders.
25. On August 16, 2019, the US Court entered an Order (A) Authorizing the Debtors to Assume Certain Unexpired Leases of Nonresidential Real Property and (B) Granting Related Relief (the “**Assumption of Leases Order**”).
26. On September 26, 2019, the US Court entered an Order Authorizing the Co-Retention of Ducera as investment banker for the Committee and the FCR (the “**Ducera Co-Retention Order**”).
27. On September 27, 2019, the US Court entered an Order Authorizing the Co-Retention of Gilbert as special insurance counsel for the FCR and the Committee (the “**Gilbert Co-Retention Order**”, and together with the Young Conaway Order, the Ankura Order and the Ducera Co-Retention Order, the “**FCR Professional Advisors Retention Orders**”). Also on September 27, 2019, the US Court entered an Order Approving the Stipulated

- Protective Order (the “**Stipulated Protective Order**”), which would govern the disclosure of information and documents, including testimony and transcripts, in connection with the Chapter 11 Proceedings.
28. On October 28, 2019, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the FCR Order, the FCR Professional Advisors Retention Orders, the Committee Professional Advisors Retention Orders, the Assumption of Leases Order, and the Stipulated Protective Order.
 29. On November 22, 2019, the US Court entered an Order (I) Authorizing Implementation of a Key Employee Retention Program, (II) Approving the Terms of the Debtors’ Key Employee Retention Program, and (III) Granting Related Relief (the “**KERP Order**”).
 30. On November 22, 2019, the US Court also entered an Order (I) Establishing a Bar Date for Indirect Talc Claims and Related Procedures for Filing Proofs of Claim for Indirect Talc Claims and (II) Approving Form and Manner of Notice Thereof (the “**Indirect Talc Claims Bar Date Order**”).
 31. On December 3, 2019, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the KERP Order and Indirect Talc Claims Bar Date Order.
 32. On February 25, 2020, the US Court entered an Order (I) Authorizing Employment and Retention of PJT Partners LLP (“**PJT**”) as Investment Banker Nunc Pro Tunc to November 7, 2019 and (II) Waiving Certain Informational Requirements in Connection Therewith (the “**PJT Retention Order**”).
 33. On March 9, 2020, the US Court granted an order (the “**Non-Debtor Professional Fee Stipulation Order**”) approving a stipulation and agreement permitting ITC to make payments to ITA for the fees and expenses of professionals retained by the Committee and the fees and expenses of professionals retained by the FCR.
 34. On April 1, 2020, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Non-Debtor Professional Fee Stipulation Order.
 35. On April 9, 2020, the US Court entered into the Order Approving Ordinary Course Year-End Bonus Payments for Certain Employees Under Section 105(1), 363, and 503 of the Bankruptcy Code (the “**Year-End AIP Order**”).
 36. On June 1, 2020, the US Court entered an Order (I) authorizing the implementation of the Revised KEIP, (II) approving the terms of the Revised KEIP, and (III) granting related relief (the “**Revised KEIP Order**”).
 37. On June 30, 2020, the US Court entered Orders (I)(A) Establishing Bidding Procedures, Assumption and Assignment Procedures, and Stalking Horse Procedures for Sale of Substantially All Assets, (B) Scheduling Auction and Sale Hearing, and (C) Approving Form and Manner of Notice Thereof, (II) Approving Sale of

Substantially All Assets Free and Clear of Liens, Claims, Encumbrances, and Other Interests, (III) Authorizing Assumption and Assignment of Executory Contracts and Unexpired Leases, and (IV) Granting Related Relief (the “**Bidding Procedures Order**”).

38. On July 3, 2020, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Bidding Procedures Order and the PJT Retention Order.
39. On July 23, 2020, the US Court entered an Order authorizing the employment and retention of Ramboll US Corporation as Environmental Advisor Nunc Pro Tunc to June 25, 2020 (the “**Ramboll Retention Order**”).
40. On September 21, 2020, the US Court entered the Order Approving Ordinary Course Mid-Year Bonus Payment Under Sections 105(a), 363, and 503 of the Bankruptcy Code (the “**Mid-Year AIP Order**”, and together with the Year-End AIP Order, the “**AIP Orders**”).
41. On October 29, 2020, the US Court entered an Order (I) Approving Debtors’ Designation of Magris Resources Canada Inc. as Stalking Horse Bidder and Related Bid Protections and (II) Granting Related Relief (the “**Stalking Horse Order**”).
42. On November 3, 2020, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Stalking Horse Order, the Ramboll Retention Order, the Revised KEIP Order, and the AIP Orders.
43. The primary purpose of the Chapter 11 Proceedings is to confirm a plan of reorganization pursuant to the Bankruptcy Code that channels all present and future talc personal injury claims (the “**Talc Personal Injury Claims**”) against the Debtors to a trust so that the Debtors can emerge from these restructuring proceedings free of historic talc-related liabilities.
44. Richter, in its capacities as Proposed Information Officer and Information Officer, has previously provided the Canadian Court with eight reports (the “**Prior Reports**”). The Prior Reports, copies of the orders granted by the Canadian Court and other material documents pertaining to the Recognition Proceedings are available on the Information Officer’s website at <http://www.richter.ca/insolvencycase/imerys-talc-canada-inc>. As well, there is a link on the Information Officer’s website to the Debtors’ restructuring website maintained by Prime Clerk, which includes copies of the US Court materials and orders, notices and additional information in respect of the Chapter 11 Proceedings.

II. PURPOSE OF REPORT

45. The purpose of this ninth report (the “**Ninth Report**”) of the Information Officer is to provide the Canadian Court with information concerning:
- (a) the motion of the Foreign Representative returnable November 25, 2020 for recognition in Canada of the Sale Approval Order (as defined herein);
 - (b) an update on other matters relating to the Chapter 11 Proceedings;
 - (c) an update on matters relating to ITC; and
 - (d) the activities of the Information Officer since the eighth report (the “**Eighth Report**”) dated October 31, 2020.

III. TERMS OF REFERENCE

46. In preparing this Ninth Report, the Information Officer has relied solely on information and documents provided by the Debtors and their advisors, including unaudited financial information, declarations and affidavits of the Debtors’ executives and other information provided in the Chapter 11 Proceedings (collectively, the “**Information**”). In accordance with industry practice, except as otherwise described in the Ninth Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards (“**GAAS**”) pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, Richter expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
47. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars.
48. Capitalized terms not otherwise defined herein are as defined in the motion materials, including the affidavit of Anthony Wilson, Treasurer and Director of Finance, sworn on November 20, 2020 (the “**November 20 Wilson Affidavit**”) and filed in support of the Foreign Representative’s motion. This Ninth Report should be read in conjunction with the November 20 Wilson Affidavit, as certain information contained in the November 20 Wilson Affidavit has not been included herein in order to avoid unnecessary duplication.

IV. ORDERS OF THE US COURT FOR WHICH RECOGNITION IS SOUGHT

Sale Approval Order

49. As detailed in the seventh report dated June 30, 2020, the Debtors retained PJT to commence a marketing process on May 15, 2020, for the sale of all or substantially all of the Debtors' assets, including those of ITC. In connection therewith, PJT contacted approximately 110 potential interested parties regarding the opportunity. This marketing process culminated in the Stalking Horse Agreement (as defined below) pursuant to which the Stalking Horse Bidder would acquire the Purchased Assets (subject to higher or otherwise better offers) for a purchase price of: (i) \$223,000,000 in cash consideration, and (ii) the assumption of certain liabilities.
50. The Bidding Procedures Order, which was granted by the US Court on June 30, 2020 and recognized by the Canadian Court on July 3, 2020, sought to establish rules for potential interested parties to bid on the Purchased Assets and to participate in an auction, should any bidders, in addition to the Stalking Horse Bidder, submit a "Qualified Bid". Pursuant to the Bidding Procedures Order, the Debtors established a bid deadline of November 10, 2020 (the "**Bid Deadline**") and scheduled an auction date of November 12, 2020 (if necessary).
51. The key aspects of the marketing process undertaken by PJT, on behalf of the Debtors with respect to the Debtors' assets, and its results are summarized as follows:
 - (a) 50 parties executed confidentiality agreements and were granted access to the confidential information presentation, which contained significant diligence and other confidential information about the Debtors' business, a business performance update presentation, a supplemental financial and business information package, and due diligence sessions with PJT;
 - (b) on July 17, 2020, the date of the Indication of Interest deadline, PJT received non-binding indications of interest (an "**IOI**") from 25 parties (the "**Interested Parties**");
 - (c) of the 25 Interested Parties, the Debtors, with the consent of the Committee and the FCR, designated 17 Interested Parties as Potential Bidders (as defined in the Bidding Procedures Order), granting such parties additional access to diligence materials, including an electronic data room, updated financial information and additional due diligence sessions;
 - (d) on August 21, 2020, 13 Potential Bidders submitted a check-in bid, either revising or resubmitting their initial IOI and reaffirming their interest in continuing the diligence process. After check-in bids were submitted, the Debtors and their advisors continued to focus their sale and marketing efforts on the Potential Bidders remaining in the process with an aim of encouraging the submission of binding, qualified bids on or before the Bid Deadline;

- (e) the Debtors, in consultation with their advisors, the Committee and the FCR, determined that it would be beneficial to the sale process and potentially maximize the value of the Debtors' assets to pursue negotiations with parties interested in serving as a Stalking Horse Bidder;
 - (f) on October 12, 2020, the Debtors' board approved the designation of Magris Resources Canada Inc. ("**Magris Resources**") as the Stalking Horse Bidder, and approved the Debtors' entry into the Asset Purchase Agreement (as defined herein), subject to higher and/or better bids in accordance with the Bidding Procedures;
 - (g) on October 13, 2020, the Debtors and Magris Resources executed that certain Asset Purchase Agreement, as amended on October 27, 2020 (and as further amended, modified, or otherwise supplemented from time to time, the "**Asset Purchase Agreement**" of the "**Stalking Horse Agreement**"), for the sale of the Purchased Assets pursuant to section 363 of the Bankruptcy Code (the "**Sale**");
52. The Information Officer understands that the Debtors did not receive any "Qualified Bids" for the Debtors' assets by the Bid Deadline (other than the Qualified Bid of the Stalking Horse Bidder) and, on November 11, 2020, the Debtors filed Notice of Auction Cancellation and Successful Bidder, which notice designated Magris Resources as the "Successful Bidder" (hereinafter referred to as the "**Purchaser**"). The notice also designated the Stalking Horse Agreement as the "Successful Bid".
53. The Bidding Procedures Order also established procedures for notice and to determine cure amounts for contracts and leases to be assumed and assigned in connection with any sale transaction (the "**Assignment and Assumption Procedures**"). In accordance with the Bidding Procedures Order, the Debtors filed with the US Court a Notice of Possible Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, which the Debtors with additional notices filed with the US Court on August 28, 2020 and October 28, 2020, respectively, (collectively, the "**Assumption Notice**"), identifying the contracts and leases that may be assumed and assigned in connection with the Sale, and the cure cost with respect to each listed contract and lease.
54. In accordance with the Assignment and Assumption Procedures, the Debtors were permitted to add or remove a contract or lease listed on the Assumption Notice, provided that if a contract or lease is added or a cure cost amount modified, additional notice would be provided to the applicable counterparty to enable that counterparty to object.
55. The Assignment and Assumption Procedures are similar to those typically undertaken in Canadian proceedings. All contractual counterparties were provided with adequate notice of the potential assignment and the suggested cure cost amount and had an opportunity to object to same.
56. On November 13, 2020, pursuant to the Bidding Procedures Order, the Debtors filed a Notice of Selected Contracts, which identified the Selected Contracts (as defined in the Bidding Procedures Order) that the Debtors

were seeking authority to assume and assign at the Sale Hearing. There are approximately 129 contracts of ITC listed on the Notice of Selected Contracts. Pursuant to the Asset Purchase Agreement, Magris Resources may remove any contract or other agreement from the Assumed Agreements and Leases Schedule (as defined in the Asset Purchase Agreement) up to three days prior to the Closing (as defined in the Asset Purchase Agreement). If Magris Resources exercises this right, the removed contract or agreement will no longer be a Selected Contract.

57. On November 12, 2020, the Debtors filed the Declaration of Matthew Fenton, the President and CEO of Magris Resources, in Support of the Sale Motion (the “**Fenton Declaration**”). The Fenton Declaration sets out the financial wherewithal, willingness and ability of Magris Resources to perform under the purchased contracts assigned to it pursuant to the Asset Purchase Agreement. On the same day, the Debtors filed the declaration of Phillip Smith, a director in the Strategic Advisory Group at PJT, and the declaration of Kevin P. Collins, CFA, independent director of the Debtors, both in support of the Sale.
58. The Debtors received a number of formal and informal responses/objections in respect of the Sale Motion (as defined herein), which were listed in entirety in Exhibit A to the Amended Agenda filed on November 13, 2020 (Docket Number 2518). These formal and informal responses included, but were not limited to:
 - (a) objections/reservation of rights by certain counterparties to contracts or leases included on the Assumption Notice;
 - (b) limited objection filed by Sheldon Independent School District; and
 - (c) informal comments from GFG Resources Inc. (“**GFG**”).
59. The Information Officer understands that the Debtors received objections in respect of the Sale Motion by United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union and Infor Global Solutions (Michigan), Inc., both counterparties to contracts with ITC. Such objections were resolved pursuant to the Sale Approval Order.
60. A mining lease and sublease by and between ITC’s predecessor and Alcan Cable (Canada) Inc. (“**Alcan**”) was also included in the Assumption Notice (the “**Mining Lease**”). GFG is a successor-in-interest to Alcan and is the current tenant under the Mining Lease. Section 11.2 of the Mining Lease grants GFG a right of first refusal in the event ITC engages in certain types of transactions, including transactions contemplated by the Sale. GFG asserted that it had a right of first refusal with respect to the Sale.
61. In order to consensually resolve concerns related to GFG’s potential right of first refusal without the need of further litigation, on November 4, 2020, ITC entered into a letter agreement with GFG (the “**Letter Agreement**”). Pursuant to the Letter Agreement, (i) GFG has agreed to, among other things, waive any right of first refusal it may have asserted as it applies to the Sale contemplated pursuant to the Sale Approval Order, and (ii) ITC has

agreed to, among other things, pay GFG a total of \$250,000 in exchange for GFG's agreement on terms described in the Letter Agreement (which includes GFG's agreement to enter into a certain First Amendment to the Mining Lease (the "**First Amendment**"). Pursuant to the Letter Agreement, ITC is hereby authorized to pay GFG a total of \$250,000, which shall be due and payable upon the earlier of (i) the Sale closing, (ii) the Debtors' emergence from Chapter 11 Proceedings, or (iii) December 31, 2021.

62. The implications of the Letter Agreement are reflected in the Sale Approval Order. A copy of the Letter Agreement and First Amendment were filed on November 11, 2020 (Docket Number 2495).
63. On November 16, 2020, the US Court heard the Debtors' motion (the "**Sale Motion**") for entry of an Order (I) Approving Sale of All or Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (II) Authorizing Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (III) Granting Related Relief (the "**Sale Approval Order**"), and on November 17, 2020, the US Court granted the relief sought by the Debtors and entered the Sale Approval Order, which, *inter alia*:
 - (a) authorized and approved the sale of the Purchased Assets (as defined in the Asset Purchase Agreement) to the Purchaser pursuant to the Asset Purchase Agreement, free and clear of all liens, claims, interests and encumbrances, except certain permitted encumbrances and assumed liabilities as determined by the Debtors and the Purchaser; and
 - (b) authorized the assumption and assignment of certain Assumed Agreements and Assumed Real Property Leases (each as defined in the Asset Purchase Agreement) in connection with the Sale.
64. The Information Officer was named as a consultation party in the bidding procedures and as such was consulted by the Debtors on milestone decisions such as identifying the Stalking Horse Bidder and seeking approval of the Sale to Magris Resources. The Information Officer received regular updates from the Debtors' professionals with respect to the status of the sale process and is of the view that the marketing process undertaken by PJT, on behalf of the Debtors, was designed to solicit interest from a number of *bona fide* parties and similar to those typically undertaken in Canadian proceedings.
65. The Foreign Representative seeks recognition of the Sale Approval Order to assist with implementing a key aspect of the Debtors' restructuring proceedings. The recognition of the Sale Approval Order is appropriate in Canada as the Purchased Assets include substantially all of the Debtors' assets, including the property of ITC.

V. UPDATE ON CERTAIN OTHER MATTERS IN THE CHAPTER 11 PROCEEDINGS

66. The November 20 Wilson Affidavit includes an update on the material orders that have been entered in the Chapter 11 Proceedings since the Eighth Report, as well as an update on the status of the Debtors' Plan of Reorganization under Chapter 11 of the Bankruptcy Code and the Debtors' efforts in arranging potential debtor-in-possession financing. The Information Officer will report further to the Canadian Court in respect of these matters should the Foreign Representative seek recognition by the Canadian Court of any of the orders entered by the US Court.

DIP Financing Motion

67. On November 2, 2020, the Debtors filed a motion for entry of an Order (I) Authorizing the Debtors to Obtain Post-Petition Financing, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief (the "**DIP Financing Motion**").

68. The Debtors currently do not have outstanding secured or unsecured funded debt or credit facilities with any lender. Instead, the Debtors have relied on the positive cash flow generated by their operations and intercompany receivables to run their business and administer the costs of the Chapter 11 Proceedings.

69. As of October 23, 2020, the Debtors had approximately \$11.3 million cash on hand and \$14.1 million in remaining undrawn intercompany receivables from non-Debtor affiliates. However, the remaining undrawn intercompany receivables are expected to be exhausted by the first week of January 2021 and the Debtors' operations are not expected to generate sufficient funds to cover the operating expenses and the costs of the Chapter 11 Proceedings. Further, the Debtors must fund several reserves for accrued and unpaid administrative expenses and post-effective date costs to emerge from the Chapter 11 Proceedings.

70. Due to their declining liquidity position, the Debtors require additional funding in order to fund the costs of their business operations and administer these Chapter 11 Proceedings, and, ultimately, to consummate the transactions contemplated in the Third Amended Plan.

71. Imerys S.A. has agreed to provide the Debtors with senior secured post-petition financing on a superpriority basis in the aggregate principal amount of up to \$30 million (the "**DIP Facility**").

72. In light of the Debtors' present liquidity needs and material timing and diligence constraints associated with a third-party lender transaction, the Debtors, with the advice of their advisors and after consulting the Committee and the FCR, concluded that obtaining post-petition financing from their affiliate was in the best interest of their estates.

73. The Debtors, with the assistance of their advisors, have determined the terms of the financing proposal from Imerys S.A. are more favourable than those reasonably obtainable in the financing market and superior to the terms any third-party lender would provide to the Debtors.
74. On November 16, 2020, the US Court held a hearing to consider the entry of an order approving the DIP Facility (the “**DIP Approval Order**”). At the hearing, the US Court requested the parties revise the DIP Approval Order to clarify certain elements of the DIP Facility.
75. The Information Officer understands that the Debtors intend to address the US Court’s concerns and request approval of a revised DIP Approval Order at a later date, and the Debtors will seek recognition of same in Canada thereafter.

VI. UPDATE ON CERTAIN MATTERS RELATING TO IMERYS TALC CANADA INC.

Cash Flows

76. Subsequent to the granting of the Supplemental Order, the Debtors have provided reporting to the Information Officer with respect to the cash flows of ITC. For the 3-week period from October 24, 2020 to November 13, 2020, ITC had total cash receipts of approximately \$2.5 million (as compared to forecast cash receipts of \$2 million) and total cash disbursements of \$2.8 million, including \$1.2 million paid to ITA as reimbursement of fees and expenses relating to professionals retained by the Debtors and the Non-Debtor Professional Fee Stipulation Order (as compared to forecast cash disbursements of \$3.8 million, including \$1.2 million paid to ITA), for a net cash outflow of \$0.3 million (as compared to forecast net cash outflow of \$1.8 million) over the period.
77. As at November 13, 2020, the Information Officer understands that ITC had approximately \$6 million of cash on hand, which includes balances held in ITC’s accounts at SunTrust Bank pursuant to the Final Cash Management Order.

VII. ACTIVITIES OF THE INFORMATION OFFICER

78. The activities of the Information Officer since the Eighth Report include:
 - (a) responding to creditor inquiries regarding the Chapter 11 Proceedings and the Recognition Proceedings;
 - (b) communicating with the Debtors’ advisors and the Information Officer’s counsel regarding the status of matters related to the Chapter 11 Proceedings;
 - (c) reviewing materials filed by various parties in the Chapter 11 Proceedings in connection with the Sale Approval Order;

- (d) reviewing ITC's cash flow reporting and corresponding with A&M on same;
- (e) attending before the Canadian Court for recognition of the Stalking Horse Order, the Ramboll Retention Order, the Revised KEIP Order, and the AIP Orders; and
- (f) preparing this Ninth Report.

VIII. INFORMATION OFFICER'S RECOMMENDATION

79. Based on the Information received and reviewed to date, the Information Officer is of the view that it is reasonable to recognize the Sale Approval Order and respectfully recommends that the Canadian Court grant the recognition order sought by the Foreign Representative.

All of which is respectfully submitted on this 23rd day of November, 2020.

Richter Advisory Group Inc.
in its capacity as Information Officer of
Imerys Talc America, Inc., Imerys Talc Vermont, Inc. and Imerys Talc Canada Inc.
and not in its personal capacity

Per:



Pritesh Patel,
MBA, CFA, CIRP, LIT
Senior Vice President

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF IMERYS TALC AMERICA, INC., IMERYS TALC VERMONT, INC., AND IMERYS TALC CANADA INC. (THE "DEBTORS")

Court File No: CV-19-614614-00CL

APPLICATION OF IMERYS TALC CANADA INC. UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

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

Proceeding commenced at Toronto

**NINTH REPORT OF THE INFORMATION OFFICER
NOVEMBER 23, 2020**

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