

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

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

**REPORT OF KPMG INC.,
IN ITS CAPACITY AS PROPOSED INFORMATION OFFICER**

January 21, 2021

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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**

**REPORT OF KPMG INC.
IN ITS CAPACITY AS PROPOSED INFORMATION OFFICER**

January 21, 2021

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, 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 CDN\$200,000.

7. On January 20, 2021, ITC, in its capacity as Foreign Representative, served its notice of motion seeking, among other things, an order (the “**Substitution Order**”) (i) discharging Richter as Information Officer in these proceedings effective as of 5:00 p.m. on the date the order sought is granted and (ii) appointing KPMG Inc. (“**KPMG**” or the “**Proposed Information Officer**”) as the Information Officer effective as of the time of Richter’s discharge as Information Officer. The motion of the Foreign Representative for the Substitution Order is returnable on January 26, 2021.

II. PURPOSE OF REPORT

8. The purpose of this report (the “**Report**”) is to provide the Canadian Court with information concerning KPMG’s qualifications to act as Information Officer in order to assist the Canadian Court in considering the Foreign Representative’s request for the Substitution Order.

III. TERMS OF REFERENCE

9. In preparing this Report, KPMG 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 Report, KPMG has reviewed the Information for

reasonableness, internal consistency, and use in the context in which it was provided. However, KPMG 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, KPMG expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

IV. KPMG’S QUALIFICATIONS TO ACT AS INFORMATION OFFICER

10. KPMG has significant experience in connection with proceedings under the CCAA, including acting as a monitor or information officer in various cases.
11. Richter’s representative with functional carriage over this matter and the Debtors’ primary contact recently left Richter to join the restructuring group at KPMG. The Debtors are of the view that having the same representative continue as the Information Officer will provide informational benefits and cost efficiencies to the Debtors and their estates. As a result, ITC is seeking a court order substituting the Information Officer from Richter to KPMG.
12. KPMG has consented to act as Information Officer in these proceedings going forward should the Canadian Court grant the Substitution Order.

V. PROPOSED INITIAL ACTIVITIES OF THE INFORMATION OFFICER

13. Should the Canadian Court grant the Substitution Order and appoint KPMG as the Information Officer, KPMG will establish a website at <https://home.kpmg/ca/imerystalc.html> (the “**Information Officer’s Website**”) on which updates on the Recognition Proceedings will be posted periodically, together with all materials filed and orders granted in the Recognition Proceedings. KPMG will also obtain the materials which were previously posted to Richter’s website and post them to the Information Officer’s Website so that a full record is maintained.

All of which is respectfully submitted this 21st day of January, 2021.

KPMG Inc.

**In its capacity as Proposed Information Officer of
Imerys Talc America, Inc., Imerys Talc Vermont, Inc. and Imerys Talc Canada Inc.
And not in its personal or corporate capacity**

Per:



Katherine Forbes
CPA, CA, 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")

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

Proceeding commenced at Toronto

**REPORT OF THE PROPOSED INFORMATION OFFICER
JANUARY 21, 2021**

OSLER, HOSKIN & HARCOURT LLP

P.O. Box 50, 1 First Canadian Place
Toronto, ON M5X 1B8

Kathryn Esaw (LSO# 58264F)

Tel: 416.862.4905

kesaw@osler.com

Chloe Nanfara (LSO# 79715G)

Tel: 416.862.6578

cnanfara@osler.com

Fax: 416.862.6666

Lawyers for the Proposed Information Officer, KPMG
Inc.