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

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

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

November 20, 2024

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

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 KPMG INC.
IN ITS CAPACITY AS INFORMATION OFFICER

November 20, 2024

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 ("**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 these proceedings (the "**Foreign Representative Order**").

3. On February 14, 2019, the US Court entered 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 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 (as defined herein); (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 superpriority 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 CAD$200,000.

7. On March 5, 2019, the Office of the United States Trustee for the District of Delaware (the "**U.S. Trustee**") filed a Notice of Appointment of the Official Committee of Tort Claimants (the "**TCC**"), which was formed to represent the tort claimants and ensure that their rights and interests are protected in these proceedings.

8. 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**"). On October 28, 2019, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the FCR Order.

9. On July 23, 2020, the US Court entered an Order authorizing the employment and retention of Ramboll US Corporation ("**Ramboll US**") as Environmental Advisor *nunc pro tunc* to June 25, 2020 (the "**Ramboll Retention Order**").

10. On October 29, 2020, the US Court entered an Order (I) Approving Debtors' Designation of Magris Performance Materials Inc., f/k/a Magris Resources Canada Inc. as Stalking Horse Bidder and Related Bid Protections and (II) Granting Related Relief (the "**Stalking Horse Order**"). On November 3, 2020, the Canadian Court granted an order which recognized and gave full force and effect in Canada to, among other things, the Stalking Horse Order and the Ramboll Retention Order.

11. On November 17, 2020, the US Court entered an Order (I) Approving Sale of All or Substantially All of the Debtors' Assets Free and Clear of Liens, Claims, Encumbrances, and Other Interests (the "**Asset Sale**"), (II) Authorizing Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (III) Granting Related Relief (the "**Sale Approval Order**"). On November 25, 2020, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Sale Approval Order.

12. On January 26, 2021, the Canadian Court granted various orders including discharging Richter as the information officer in these proceedings and appointing KPMG Inc. ("**KPMG**" or the "**Information Officer**") as the Information Officer effective as of the time of Richter's discharge.

13. On February 17, 2021 (the "**Sale Date**"), the Debtors closed the sale of substantially all of their talc operations to Magris.

14. On March 12, 2021, the US Court entered an Order Authorizing The Debtors To (I)(A) Employ CohnReznick LLP ("**CohnReznick**") to Provide Interim Management Services Pursuant to 11 U.S.C. § 363, and (B) Designate Eric Danner as Their Chief Restructuring Officer (the "**CRO**"), *nunc pro tunc* to January 28, 2021, and (II) Designate Eric Danner as Their President and Treasurer Effective Upon the Closing of the Sale (the "**CRO Retention Order**"). On April 19, 2021, the Canadian Court granted an order which recognized and gave full force and effect in Canada to various orders including the CRO Retention Order.

15. On September 17, 2021, the US Court entered an Order (I) Authorizing Employment and Retention of Ramboll US Corporation as Environmental Advisor *nunc pro tunc* to August 16, 2021 and (II) Waiving Certain Informational Requirements of Local Rule 2016-2 in Connection Therewith (the "**Supplemental Ramboll Retention Order**").

16. On November 30, 2021, the US Court entered an Order (I) Appointing Mediators, (II) Referring Certain Matters to Mediation, and (III) Granting Related Relief (the "**Mediation Order**"). On December 22, 2021, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Mediation Order.

17. The US Court entered orders (collectively, the "**Mediation Extension Orders**") extending the term of the Mediation on March 11, 2022, April 15, 2022, May 23, 2022, July 13, 2022, September 30, 2022, January 23, 2023, March 29, 2023, June 8, 2023 (the "**Eighth Mediation Extension Order**") and October 2, 2023 (the "**Ninth Mediation Extension Order**"). The Mediation Extension Orders were recognized by the Canadian Court as part of four separate recognition orders entered on May 3, 2022, September 15, 2022, April 26, 2023, and May 30, 2024.

18. On October 6, 2023, the US Court entered a Supplemental Order (I) Appointing Mediators and (II) Referring Certain Matters to Mediation (the "**Supplemental Mediation Order**").

19. On June 8, 2023, the US Court entered an Order (I) Expanding the scope of services which Ramboll US Corporation may perform under the existing Ramboll Retention Orders, effective *nunc pro tunc*

to April 6, 2023, (II) waiving certain informational requirements of Local Rule 2016-2 in connection therewith and (III) approving procedures pursuant to which the Debtors and Ramboll US Corporation are authorized to enter into future proposals (the "**Second Supplemental Ramboll Retention Order**").

20. On August 28, 2023, the US Court entered an Order Authorizing the Employment and Retention of Ramboll Americas Engineering Solutions, Inc., as assignee of Ramboll US Corporation, as Environmental Advisor to the Debtors (the "**Environmental Advisor Assignee Order**").

21. On March 12, 2024, the US Court entered an Order (a) authorizing the use of estate property outside the ordinary course of business to purchase environmental insurance and (b) granting related relief (the "**Environmental Insurance Order**").

22. On May 10, 2024, the US Court entered an Order (I) Approving The Settlement Agreement Among The Imerys Debtors, The Cyprus Debtor, Cyprus Amax Minerals Corporation, And Old Republic Insurance Company And (II) Approving The Sale Of Certain Insurance Policies (the "**OR Settlement Order**").

23. On May 13, 2024, the US Court entered an Order Approving the Assignment Agreement Between Imerys Talc America, Inc. and Stronghold Insurance Company Limited (the "**Stronghold Settlement Order**").

24. On May 30, 2024, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Eighth Mediation Extension Order, the Ninth Mediation Extension Order, the Supplemental Mediation Order, the Second Supplemental Ramboll Retention Order, the Environmental Advisor Assignee Order, the Environmental Insurance Order, the OR Settlement Order and the Stronghold Assignment Order.

25. Cyprus Mines Corporation ("**CMC**") was the parent company of ITV from 1989 to 1992 and the parent company of ITA in 1992. As of the Petition Date, CMC or its parent company Cyprus Amax Minerals Company ("**CAMC**", and together with CMC, "**Cyprus**") were named as defendants in approximately 700 talc-related lawsuits. In a substantial number of those lawsuits, CMC or CAMC was named as a co-defendant of one or more of the Debtors and the lawsuits attempted to hold Cyprus and the Debtors liable for the same conduct.

26. On February 11, 2021, CMC filed a voluntary petition for relief under chapter 11 of the US Bankruptcy Code with the US Court (the "**Cyprus Bankruptcy Case**"). The Cyprus Bankruptcy Case is being administered in parallel with these Chapter 11 Proceedings before the US Court.

27. The primary purpose of the Chapter 11 Proceedings and the Cyprus Bankruptcy Case is to confirm plans of reorganization pursuant to the Bankruptcy Code that channel all present and future talc personal injury claims ("**Talc Personal Injury Claims**") against the Debtors and CMC to a trust so that the Debtors and CMC can emerge from the restructuring proceedings free of talc-related liabilities.

28. The Debtors and the CMC are working together to, among other things, jointly seek approval of their plans of reorganization, which contain many interrelated provisions.

29. KPMG, in its capacities as proposed Information Officer and Information Officer, has previously provided the Canadian Court with nine reports in respect of these proceedings. Copies of all materials and reports filed, and orders granted by the Canadian Court in these Recognition Proceedings, are available on a website (the "**Information Officer's Website**") established by the Information Officer for the purposes of these proceedings at https://home.kpmg/ca/imerystalc. Additionally, there is a link on the Information Officer's Website to the Debtors' restructuring website maintained by Kroll Restructuring Administration LLC f/k/a Prime Clerk LLC ("**Kroll**"), (https://cases.ra.kroll.com/imerystalc/) 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

30. The purpose of this ninth report (the "**Ninth Report**") of KPMG, in its capacity as the Information Officer, is to provide the Canadian Court with information concerning:

(a) the motion of the Foreign Representative returnable November 22, 2024, for recognition in Canada of the Solicitation Procedures Order, the Tenth Mediation Order, the J&J Settlement Order, and the QSF Order (each as defined herein); and

(b) the activities of the Information Officer since the eighth report (the "**Eighth Report**") dated May 28, 2024.

III. TERMS OF REFERENCE

31. In preparing this Ninth 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 Ninth 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.

32. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars.

33. Capitalized terms not otherwise defined herein are as defined in the affidavit of Eric Danner, the CRO, President and Treasurer of the Debtors, sworn on November 19, 2024 (the "**November 19 Danner Affidavit**") and filed in support of the Foreign Representative's motion. This Ninth Report should be read in conjunction with the November 19 Danner Affidavit and the Supplementary Affidavit of Eric Danner sworn November 20, 2024 (the "**November 20 Danner Affidavit**"), as certain information contained in the November 19 Danner Affidavit and November 20 Danner Affidavit has not been included herein in order to avoid unnecessary duplication.

IV. RECOGNITION OF THE SOLICITATION PROCEDURES ORDER

34. On January 31, 2024, the Debtors filed with the US Court the Second Joint Chapter 11 Plan of Reorganization of Imerys Talc America, Inc. and its Debtor Affiliates under Chapter 11 of the Bankruptcy Code (the "**Second Joint Plan**") and the Disclosure Statement for the Second Joint Plan (the "**Second Disclosure Statement**").

35. The Second Joint Plan and the Second Disclosure Statement were updated on multiple occasions, including August 2, 2024, September 27, 2024, October 25, 2024, October 29, 2024, November 4, 2024, and November 5, 2024. The Second Joint Plan and the Second Disclosure Statement were updated, among other things, to reflect the J&J Settlement.

Summary Overview of the Second Joint Plan and the Second Disclosure Statement[1]

36. The Second Joint Plan is the cumulation of extensive negotiation between the Debtors, the Parent (as defined herein) and the other Imerys Plan Proponents, the TCC, and the FCR, all of whom are proponents of the Plan (together, the "**Plan Proponents**") as defined in the Bankruptcy Code. If confirmed and consummated, the Second Joint Plan provides for, among other things, the implementation of the following:

(a) a global settlement of issues among the Plan Proponents (the "**Imerys Settlement**");

(b) a comprehensive settlement among the Debtors, Rio Tinto America Inc., and Zurich (the "**Rio Tinto/Zurich Settlement**"). The Rio Tinto/Zurich Settlement, which was consented to by the TCC and the FCR, resolves a number of disputes relating to alleged liabilities, indemnification obligations, and insurance coverage matters relating to the Rio Tinto Corporate Parties' prior ownership of the Debtors;

(c) a global settlement among the Debtors, Cyprus Mines, CAMC, Freeport-McMoRan Inc., the TCC, the FCR, the Cyprus TCC (as defined below) and the Cyprus FCR (as defined below) (the "**Cyprus Settlement**"). The Cyprus Settlement resolves the treatment of Talc Personal Injury Claims relating to Cyprus as well as disputes between Cyprus and the Debtors relating to the entitlement to certain insurance proceeds and ownership of indemnification rights;

(d) a comprehensive settlement among the Debtors, XL Insurance America, Inc. ("**XL**"), and Imerys USA (the "**XL Settlement**"). The XL Settlement, which was consented to by the TCC and the FCR, resolves disputes over the amount of coverage to which the Debtors claim to be entitled under the XL Policies;

(e) the J&J Settlement (defined and described below), which the US Court approved on October 31, 2024 through entry of the J&J Settlement Order, resolves disputes over the existence, scope, and amount of coverage to which the Debtors claim to be entitled under the J&J Policies and also resolves J&J's objections to the Plan; and

[1] The following paragraphs are intended to provide a summary overview of certain key aspects of the Second Joint Plan and the proposed solicitation and voting process and is qualified entirely by the actual terms of the Second Joint Plan. Detailed disclosure by the Debtors of the terms of the Second Joint Plan, the proposed treatment of claims and interests and the solicitation and voting procedures for the Second Joint Plan is provided in the Second Disclosure Statement and creditors should refer to the Second Disclosure Statement and the Second Joint Plan for a complete understanding of same.

(f) the establishment of the Talc Personal Injury Trust which will assume all liability and responsibility for all Talc Personal Injury Claims.

37. As outlined in the Second Disclosure Statement and the Second Joint Plan, the primary purpose of the Second Joint Plan is to confirm a plan of reorganization that will maximize the value of the Debtors' assets for the benefit of all stakeholders and will include a trust mechanism to address Talc Personal Injury Claims in a fair and equitable manner.

38. More specifically, pursuant to the Second Joint Plan, the Talc Personal Injury Claims against the Debtors would be channelled (the "**Channeling Injunction**") into the Talc Personal Injury Trust, which would assume liability of such claims on the Effective Date. The effect of the Channeling Injunction to be issued as part of the Second Joint Plan is that Talc Personal Injury Claims may only be pursued against, and resolved by, the Talc Personal Injury Trust. Following the Effective Date of the Second Joint Plan, Talc Personal Injury Claims may not be asserted against, among others, the Debtors and the other Protected Parties.

39. To effectuate the Second Joint Plan, the Talc Personal Injury Trust will receive the Talc Personal Injury Trust Assets, which will include, among other things, contributions of:

(a) $75 million, consisting of $74.5 million cash and the $500,000 Talc PI Note, plus (i) the remaining Sale Proceeds from the closing of the Asset Sale to Magris (net of administrative expenses and reserves), less (ii) $376,630.14 representing the Parent's reasonable and documented out-of-pocket costs and expenses of negotiation and preparation of the DIP loan documents (the "**Imerys Settlement Funds**"); and

(b) $340 million pursuant to the Rio Tinto/Zurich Settlement (as described in the Second Joint Plan); and

(c) $195 million pursuant to the Cyprus Settlement (as described in the Second Joint Plan); and

(d) $29.25 million pursuant to the XL Settlement (as described in the Second Joint Plan); and

(e) $505 million pursuant to the J&J Settlement (as described herein).

40. The Second Joint Plan, although proposed jointly, does not contemplate the substantive consolidation of the Debtors' estates; rather, it constitutes a separate Chapter 11 Plan for each of ITA, ITV, and ITC. Imerys Talc Italy S.p.A. ("**ITI**"), an affiliate of the Debtors, may file (but has

not yet filed) a Chapter 11 case to address Talc Personal Injury Claims against ITI. ITI's filing is contingent upon acceptance of the Second Joint Plan by the holders of such claims, as described more fully below.

41. Although ITI is not currently in bankruptcy, ITI will solicit acceptance of the Second Joint Plan as a "prepackaged plan of reorganization" and if the Second Joint Plan is approved by the requisite number and amount of holders of Talc Personal Injury Claims and sanctioned by the US Court, it would provide for the permanent settlement of Talc Personal Injury Claims as against ITI contemporaneously with the Talc Personal Injury Claims against the Debtors.

42. As further described below, holders of unsecured claims against the North American Debtors (Class 3a), including the unsecured creditors of ITC, will be unimpaired and have their claims paid in full under the Second Joint Plan.

Summary of the Treatment and Classification of Claims and Interests

Class	Claim/Interest	Treatment	Entitlement to Vote	Estimated Recovery
1	Priority Non-Tax Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)	100%
2	Secured Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)	100%
3a	Unsecured Claims against the North American Debtors	Unimpaired	Not Entitled to Vote (Presumed to Accept)	100%
3b	Unsecured Claims against ITI	Unimpaired	Not Entitled to Vote (Presumed to Accept)	100%
4a	Talc Personal Injury Claims – Fund A	Impaired	Entitled to Vote	The Initial Payment Percentages are estimated in the following ranges: Fund A (Ovarian Cancer Claimants): 0.40% to 1.60% The TDP (as defined below) include provisions that would permit a subsequent modification of Payment Percentages for each Fund separately, all with the consent of the applicable Talc Trust

				Advisory Committee and Post-Effective Date FCR.
4b	Talc Personal Injury Claims – Fund B	Impaired	Entitled to Vote	The Initial Payment Percentages are estimated in the following ranges: Fund B (Mesothelioma and Lung Cancer Claimants): 1.90% to 6.00%. The TDP include provisions that would permit a subsequent modification of Payment Percentages for each Fund separately, all with the consent of the applicable Talc Trust Advisory Committee and Post-Effective Date FCR.
5a	Non-Debtor Intercompany Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)	On the Effective Date, each holder of a Non-Debtor Intercompany Claim will waive such Non-Debtor Intercompany Claim pursuant to the Imerys Settlement.
5b	Debtor Intercompany Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)	100%
6a	Equity Interests in ITA and ITC	Unimpaired	Not Entitled to Vote (Presumed to Accept)	On the Effective Date, all Equity Interests in ITA and ITC will be reinstated and transferred to the Talc Personal Injury Trust. Each holder of an Equity Interest in ITA or ITC has consented to such treatment in accordance with the Imerys Settlement.
6b	Equity Interests in ITV	Unimpaired	Not Entitled to Vote (Presumed to Accept)	100%
6c	Equity Interests in ITI	Unimpaired	Not Entitled to Vote (Presumed to Accept)	Reinstated

43. As noted in the table above, holders of claims in Class 4a and 4b (Talc Personal Injury Claims) are the only impaired classes (the "**Voting Classes**") that are entitled to vote to accept or reject the

Second Joint Plan. Holders of claims in the other classes are unimpaired under the Second Joint Plan (collectively the "**Unimpaired Accepting Classes**") and, consequently, are deemed to have accepted the Second Joint Plan pursuant to the Bankruptcy Code.

44. General unsecured creditors of ITC (Class 3a) are unimpaired within the meaning of section 1124 of the Bankruptcy Code and, as such, are conclusively presumed to have accepted the Second Joint Plan and will not be entitled to vote. As detailed in the Second Joint Plan, holders of allowed claims in Class 3a shall have their claims paid in full in cash as soon as practicable after the later of (i) the Effective Date or (ii) in the case of a disputed claim, the date that such claim becomes allowed.

The Talc Personal Injury Trust

45. The purpose of the Talc Personal Injury Trust is to assume the liability for Talc Personal Injury Claims pursuant to the terms of the Second Joint Plan, and to use the Talc Personal Injury Assets to resolve and, if appropriate, promptly pay Talc Personal Injury Claims.

46. The Trust Distribution Procedures (the "**TDP**") sets forth procedures for processing, resolving, and paying (as appropriate) Ovarian Cancer Claims, Mesothelioma Claims, and Lung Cancer Claims[2].

47. The Talc Personal Injury Assets shall be allocated into two funds (each, a "**Fund**"):

(a) **Fund A**: Ovarian Cancer I, II, III, and IV Claimants shall only be compensated from Fund A. Fund A will be allocated the following contribution from the Talc Personal Injury Assets: (i) 60% of the total Trust Fund (as defined in the Second Joint Plan), (ii) 45% of the Cyprus Contributions (as defined in the Second Joint Plan), (iii) 52.5% of the Cyprus Talc Insurance Policy Proceeds (as defined in the Second Joint Plan), and (iv) 52.5% of the J&J Payment Obligations.

(b) **Fund B:** Mesothelioma Claimants, Secondary Mesothelioma Claimants, and Lung Cancer Claimants shall only be compensated from Fund B. Fund B is allocated the following contribution from the Talc Personal Injury Assets: (i) 40% of the total Trust Fund (as defined in the Second Joint Plan), (ii) 55% of the Cyprus Contributions (as defined in the Second

[2] The TDP also provide that Other Disease Claims (i.e., claims that are not Ovarian Cancer Claims, Mesothelioma Claims, or Lung Cancer Claims) may be compensable in certain circumstances. Other Disease Claims will be paid from Fund A or Fund B (as applicable), in accordance with the terms of the TDP.

Joint Plan), (iii) 47.5% of the Cyprus Talc Insurance Policy Proceeds, and (iv) 47.5% of the J&J Payment Obligations.

Current Status of Plan Timetable

48. The chart below provides a summary of the Debtors' timeline for the Second Joint Plan solicitation and confirmation as set out in the Second Disclosure Statement:

Event	**Date**
Voting Record Date	October 28, 2024
Plan Voting Deadline	December 16, 2024
Voting Certification Deadline	January 4, 2025
Voting Objection Deadline	February 3, 2025
Confirmation Objection Deadline	March 26, 2025
Confirmation Reply Deadline and Deadline to File Form of Confirmation Order	April 15, 2025
Confirmation Hearing	April 22, 23, 24, 2025

Voting Process on Second Joint Plan

49. The Solicitation Procedures Order and the exhibits attached thereto contains a detailed description of the manner in which the Debtors will solicit votes on the Second Joint Plan, including approved forms of ballots and notices to creditors (the "**Combined Solicitation Procedures**"). There will be no separate voting process for Canadian holders of claims or interests in the Debtors and, as such, Canadian holders will be subject to the voting process set out in the Solicitation Procedures Order. As noted above, only holders of claims in Class 4a and Class 4b are entitled to vote on the Second Joint Plan and, as such, the Debtors do not intend to solicit votes from claimants in other classes.

50. The Combined Solicitation Procedures provides that holders of Talc Personal Injury Claims in Class 4a (Fund A Claims) and 4b (Fund B Claims) will have a single vote per class in the amount outlined in the chart below, solely for purposes of voting to accept or reject the Second Joint Plan.

Class	Disease Type	Amount for Voting Tabulation Purposes Only
Class 4a	Ovarian Cancer	$215,000
	Other Disease that on claimant's reasonable belief would be assigned to Fund A	$100
	Indirect Talc Claim	$100
Class 4b	Mesothelioma	$215,000
	Lung Cancer	$15,000
	Other Disease that on claimant's reasonable belief would be assigned to Fund B	$100
	Indirect Talc Claim	$100

51. Any holder of a Talc Personal Injury Claim who wishes to vote its Claim in an amount greater than the applicable amount prescribed above must file a motion with the US Court requesting temporary allowance of such Talc Personal Injury Claim for voting purposes in an amount greater than the applicable amount prescribed above, in accordance with Bankruptcy Rule 3018.

52. On or about November 8, 2024, Kroll mailed the Solicitation Packages to known holders of Talc Personal Injury Claims or such holders' known attorneys. The Solicitation Packages include, among other things, a notice of the hearing to confirm the Second Joint Plan (the "**Confirmation Hearing Notice**"), the Second Disclosure Statement, the Solicitation Procedures Order, the Combined Solicitation Procedures, a letter from the TCC supporting the Second Joint Plan, and a Ballot. Although the Debtors will not be soliciting votes from the Unimpaired Accepting Classes, Kroll will mail copies of a notice advising of their non-voting status and the Confirmation Hearing Notice to these creditors. As noted above, as holders of allowed unsecured claims against ITC are deemed unimpaired and are conclusively presumed to have accepted the Second Joint Plan, they will not receive a Solicitation Package.

53. In addition to mailing the Confirmation Hearing Notice, the Information Officer understands the Debtors will publish the Confirmation Hearing Notice in, among other publications, *The Globe and Mail*, the *National Post* and *Le Journal* (Montréal) in Canada, on or before twenty-eight (28) days before the Confirmation Objection Deadline.

54. Each holder of a claim in the Voting Class is entitled to vote to accept or reject the Second Joint Plan. The Voting Class shall have accepted the Second Joint Plan pursuant to the requirements of the Bankruptcy Code if at least two-thirds (2/3) in amount and seventy-five percent (75%) in number of those voting claims in each of Class 4a and Class 4b to accept the Second Joint Plan.

55. Assuming the requisite acceptances are obtained, the Debtors intend to seek confirmation of the Second Joint Plan at the confirmation hearing scheduled for April 22, 23, and 24, 2025 before the US Court.

56. The Information Officer will report further to the Canadian Court in respect of the confirmation of the Second Joint Plan as part of the Foreign Representative's motion for an order seeking recognition of any orders granted by the US Court in connection therewith.

Positions of Objecting Parties with respect to Disclosure Statement

57. The Debtors received comments on and objections to the Second Disclosure Statement from the following parties (the "**Objecting Parties**"): (i) certain insurers that have insurance obligations to the Debtors or have issued policies to which the Debtors have asserted rights and interests (the "**Insurer Group**"), (ii) Aylstock, Witkin, Kreis & Overholtz PLLC ("**AWKO**") on behalf of certain holders of Talc Personal Injury Claim, and (iii) the U.S. Trustee. Each of these objections are summarized and discussed briefly below.

58. The U.S. Trustee asserted that the proposed Second Joint Plan extracts non-consensual third-party releases from creditors.

59. The Insurer Group asserted that the Second Disclosure Statement does not make certain disclosures that are necessary before approval of the Second Disclosure Statement. Among other things, the Insurer Group alleged that:

    (a) the TDP abandons the Debtors' liability defences, which increases the "quantum of liability" and may reduce overall recoveries;

    (b) ITI is an improper debtor because it is not in financial distress and any ITI bankruptcy is likely to be dismissed as a bad faith filing. If ITI is not eligible to be a debtor and fails to satisfy the "good faith" requirement for confirmation, the Insurer Group alleges that the US Court would not be able to issue any channeling injunction under section 524(g) of the Bankruptcy Code, which would preclude confirmation of the Second Joint Plan;

(c) the Second Joint Plan is not "insurance neutral" and does not protect insurers' contractual rights and threatens to increase insurers' obligations significantly;

(d) the Second Joint Plan does not resolve the dispute between the Debtors and CMC regarding the ownership of the Cyprus Talc Insurance Policy which will lead to additional litigation and the possibility that no coverage exists for some or all of the Talc Personal Injury Claims; and

(e) Indirect Talc Personal Injury Claims should include any defence costs that non-Settling Talc Insurance Companies incur that would otherwise be paid by the Settling Talc Insurance Companies but for the Channeling Injunction or the Insurance Entity Injunction.

60. AWKO represents thousands of holders of Talc Personal Injury Claims and sent the Debtors comments and proposed additions to the Second Disclosure Statement. AWKO contended that (i) the Plan Proponents did not articulate a legitimate basis for classifying Talc Personal Injury Claims in a single class (the Debtors subsequently separated Class 4 into Class 4a and Class 4b), and (ii) the Debtors' decision to expand (relative to the prior plan) the pool of claimants entitled to vote on the Second Joint Plan and potentially receive compensation under the TDP was driven by the Debtors' need to obtain class consent to the Second Joint Plan.

61. The Plan Proponents note that the Objecting Parties have no fiduciary obligations to the Debtors' estates, their creditors, or the holders of the Talc Personal Injury Claims, and that their concerns may be for their own self-interest.

62. Although the foregoing objections were raised by the Objecting Parties and considered by the US Court at the hearing seeking approval of the Solicitation Procedures Order, the US Court ultimately concluded that the Second Disclosure Statement contained sufficient information for claimants entitled to vote and overruled the Objecting Parties.

63. On November 5, 2024, the US Court entered into the Order (I) Approving Disclosure Statement for the Second Joint Plan of Reorganization of Imerys Talc America, Inc. and its Debtor Affiliates under Chapter 11 of the Bankruptcy Code and the Form and Manner of Notice of Hearing Thereon, (ii) Establishing Combined Solicitation Procedures, (iii) Approving Forms of Ballots, (iv) Scheduling a Hearing to Consider Confirmation of the Plan, (v) Approving Procedures for Notice of the Hearing and for Filing Objections to Confirmation of the Plan, and (vi) Granting Related Relief (the "**Solicitation Procedures Order**").

V. OTHER ORDERS OF THE US COURT FOR WHICH RECOGNITION IS SOUGHT

Tenth Mediation Extension Order

64. As noted above, the US Court entered the Mediation Order on November 30, 2021, which was recognized by the Canadian Court on December 22, 2021. Pursuant to the Mediation Order, the term of the mediation was to expire to February 28, 2022, which date could be extended by further order of the US Court.

65. Pursuant to the Mediation Order, Mr. Kenneth R. Feinberg, Esq was appointed to mediate matters relating to the settlement (the "**Global Settlement Issues**") among and between the Debtors, the TCC, the FCR, Cyprus, the official committee of tort claimants appointed in the Cyprus Bankruptcy Case (the "**Cyprus TCC**") and the legal representative for future talc personal injury claimants (the "**Cyprus FCR**") of CMC (collectively, the "**Estate Mediation Parties**"). Mediation with respect to the resolution of disputes over the obligations of certain insurers that issued insurance policies to CMC and its past or present affiliates were to proceed jointly with Mr. Feinberg and another mediator, Mr. Lawrence Pollack, Esq.

66. As noted in the Eighth Report, the US Court previously entered orders, which orders were also recognized by the Canadian Court, extending the mediation period to December 31, 2023.

67. On June 14, 2024, the US Court entered an order extending the mediation period to February 29, 2024 (the "**Tenth Mediation Order**"). The mediation has concluded and the Estate Mediation Parties have reached a consensual resolution to the Global Settlement Issues, which have been reflected in the Second Joint Plan and the Second Disclosure Statement.

J&J Settlement Order

68. On January 6, 1989, CMC and Johnson & Johnson ("**J&J**") entered into a Stock Purchase Agreement pursuant to which CMC acquired from J&J all of the stock of Windsor Minerals, Inc. ("**Windsor Minerals**"). Windsor Minerals historically supplied talc to J&J for use in baby powder and continued to supply talc to J&J after the acquisition. Through various ownership changes, Windsor Minerals is now one of the Debtors, ITV.

69. ITA and ITV have historically supplied talc to J&J, Johnson & Johnson Baby Products Company, Johnson & Johnson Consumer Inc., Johnson & Johnson Consumer Products, Inc. (and each of their past and present parents, subsidiaries and affiliates) (collectively, the "**J&J Corporate Parties**")

through four supply agreements (the "**J&J Agreements**"). Prior to the Petition Date, the Debtors and CMC have asserted claims against J&J for indemnification under the J&J Agreements, which involve issues of allocation of indemnification obligations, purported "gap years" not covered by contractual indemnity, cross claims for indemnification between the parties, and coverage under the J&J Agreements. However, J&J have disputed their indemnification obligations.

70. Three fundamental disputes exist among the Debtors, CMC, and the J&J Corporate Parties (collectively, the "**Parties**"). *First*, the Debtors and their affiliates assert rights against J&J for, among other things, contractual indemnification arising under the J&J Agreements. The J&J Corporate Parties dispute the existence and scope of any obligation to indemnify the Debtors under the J&J Agreements and assert rights against the Debtors for, among other things, contractual indemnification arising under certain of the J&J Agreements. *Second,* the J&J Corporate Parties dispute the Debtors' entitlement to proceeds of certain insurance policies with alleged remaining solvent limits of approximately $1.5 billion issued to the J&J Corporate Parties by third-party insurers that potentially cover talc-related liabilities (the "**J&J Policies**"). *Third*, the J&J Corporate Parties contend that certain provisions of the Second Joint Plan and related documents, including the TDP, could be used to impose liability on the J&J Corporate Parties through its purported indemnity obligations.

71. The TCC, the FCR, the Cyprus TCC, the Cyprus FCR (collectively, the "**Claimant Fiduciaries**"), the Debtors, Cyprus Mines, CAMC, and Imerys S.A. (the "**Parent**"), have engaged in extensive good faith negotiations with J&J over the course of months for the purposes of resolving disputes regarding the parties' respective indemnification rights and obligations under the J&J Agreements and applicable law, the Debtors' entitlement to the proceeds of the J&J Policies, and J&J's objections to the Second Joint Plan and the TDP.

72. On July 13, 2024, the Debtors, Imerys S.A., Imerys Talc Italy S.p.A., Cyprus and the Claimant Fiduciaries, on the one hand, and J&J and LLT Management LLC on the other hand, entered into a settlement agreement and release (the "**J&J Settlement**"), which, among other things, resolves J&J's objections to the Second Joint Plan and the TDP. On the same date, the Debtors and CMC filed a joint motion (the "**J&J Settlement Motion**") for an Order (i) Approving the Settlement Agreement Between the Debtors, CMC, J&J, and the Other Parties Thereto, and (ii) Approving the Sale of Certain Rights (the "**J&J Settlement Order**").

73. The J&J Settlement contemplates, among other things, (i) a settlement payment from J&J in the aggregate amount of $225 million, (ii) a contribution from J&J of the first $200 million and 50% of the next $160 million of insurance proceeds recovered under the J&J Policies (subject to an aggregate capped guarantee of $280 million and certain other limitations), and (iii) contribution of all payments made by The Home Insurance Company with respect to claims made by ITV and J&J under policies issued by the Home Insurance Company and/or its affiliates (the "**J&J Payment Obligations**").

74. In addition, J&J will acquire the rights of the Debtors and CMC and their estates in the J&J Agreements and any and all of the Debtor J&J Released Claims (as defined in the J&J Settlement) held by the Debtors and CMC and/or their estates.

75. The J&J Settlement will yield settlement proceeds of at least $505 million that will be transferred (along with other assets) to the Debtors and CMC, or the Talc Personal Injury Trust, if after the Effective Date of the Plans, by no later than December 31, 2025. The J&J Settlement does not prohibit talc claimants from pursuing any of their direct claims against J&J.

76. The Claimant Fiduciaries each support (and are signatories to) the J&J Settlement.

77. The Debtors and CMC received a number of objections to the J&J Settlement Motion from Deborah Giannecchini (a member of the TCC), TIG Insurance Company, the RMI Insurers, the Employers Mutual Casualty Company, and Denny Thomas (on behalf of an individual claimant).

78. The objection of Deborah Giannecchini argued, among other things, that the J&J Settlement Motion unfairly prejudices the rights of Talc Personal Injury Claimants by prioritizing the J&J Settlement over their claims.

79. On July 29, 2024, TIG Insurance Company and certain other insurers filed an objection. The Information Officer understands the Debtors engaged with the insurer and reached a consensual resolution.

80. The RMI Insurers and Employers Mutual Casualty Company each filed separate joint objections to the J&J Settlement Motion arguing, among other things, that the J&J Settlement involves a buyback of all of the Debtors' and CMC's rights to pursue indemnity and other claims against the J&J Corporate Parties, and among the rights being extinguished through the buyback, are the subrogation, contribution, and other interests of the RMI Insurers and Employers Mutual Casualty

Company. The Information Officer understands that the objection of the Employers Mutual Casualty Company was resolved consensually other than a discrete language issue.

81. On August 6, 2024, Denny Thomas filed a letter of objection alleging that his wife's cause of death was related to J&J powder. The Debtors assert that the J&J Settlement does not impact Mr. Thomas' claim.

82. On September 6, 2024, Rio Tinto America Inc, Three Crowns Insurance Company, and Metals & Minerals Insurance Company Pte. Ltd. (collectively, the "**Rio Tinto Settling Parties**"), and Zurich American Insurance Company ("**Zurich**") each filed a separate response and reservation of rights to the J&J Settlement Motion.

83. The Rio Tinto Settling Parties and Zurich engaged in mediation with the Debtors between 2019 and 2020 that led to the Rio Tinto/Zurich Settlement. The Rio Tinto Settling Parties indicated that they have no objection in principle to a settlement between the parties to the J&J Settlement; however, certain provisions of the proposed J&J Settlement Order could be interpreted as inconsistent with the Rio Tinto/Zurich Settlement. The Information Officer understands that the Parties and the Rio Tinto Settling Parties engaged in discussions and consensually resolved this issue.

84. On October 2, 2024, Jess R. Smith filed an objection, after the objection deadline, on behalf of his mother, Jude Ann Smith.

85. The Information Officer understands the Debtors engaged with the various opposing parties and ultimately reached consensual resolutions to their objections, with the exception of the RMI Insurers.

86. As noted in the November 19 Danner Affidavit, the Debtors believe that the J&J Settlement is fair and equitable and in the best interest of their estates. Further, the Debtors assert that the J&J Settlement serves the interest of creditors because, among other things, it:

    (a) resolves and thereby eliminates disputes among the Debtors and J&J regarding critical assets of the estates;

    (b) provides a guaranteed recovery for the Debtors' estates or the Talc Personal Injury Trust without the cost and delay of post-effective date litigation;

(c) avoids uncertainty regarding the proposed assignment of the Debtors' rights under the J&J Agreements to the Talc Personal Injury Trust under the Debtors' Plans; and

(d) makes closer the reality of the Debtors achieving the stated purpose of their cases – establishing a trust for the benefit of the holders of Talc Personal Injury Claims.

87. The US Court held a hearing on September 25, 2024, to consider the J&J Settlement Motion and on October 31, 2024, the US Court entered the J&J Settlement Order and overruled the remaining objections.

88. On November 7, 2024, the RMI Insurers filed a notice appealing the J&J Settlement Order along with a motion to stay the J&J Settlement Order pending appeal (the "**RMI Appeal**"). In the RMI Appeal, the RMI Insurers assert the J&J Settlement does not pay or adequately protect their subrogated claims for indemnification from the J&J Payment Obligations.

89. As noted in the November 19 Danner Affidavit, the Debtors believe it is unlikely that the RMI Appeal will be heard until 2025. The Debtors do not believe the RMI Appeal will prevent the Debtors from advancing the Second Joint Plan, including the solicitation of votes, and depending on the vote tabulation, seeking confirmation of the Second Joint Plan.

90. The Debtors are seeking to have the J&J Settlement Order recognized by the Canadian Court notwithstanding the RMI Appeal for the following reasons:

(a) recognition of the J&J Settlement Order will help ensure that J&J complies with the terms of the J&J Settlement, including payment of the J&J Payment Obligations;[3]

(b) the RMI Appeal could take months, or potentially even years, to resolve; and

(c) recourse to the J&J Payment Obligations may be necessary to pay the administrative costs of the Chapter 11 Proceedings.

[3] This assumes that the RMI Insurers' motion to stay the J&J Settlement Order pending appeal is not allowed. If the stay is allowed, then J&J is not expected to satisfy the J&J Payment Obligations until the appeal is final.

QSF Order

91. On October 25, 2024, the Debtors filed a motion (the "**QSF Motion**") with the US Court for entry of an order authorizing the Debtors to establish a Delaware trust (the "**Trust**") pursuant to sections 105(a) and 363(b) of the Bankruptcy Code (the "**QSF Order**").

92. As noted above, the Debtors closed the Asset Sale to Magris on February 17, 2021, which generated cash proceeds of $223 million (the "**Sale Proceeds**"), of which approximately half was allocated to ITC.

93. As noted in the QSF Motion, the Debtors sought to establish the Trust (in accordance with the terms of an underlying trust agreement) to hold a portion of the remaining Sale Proceeds, in trust, pending the establishment of the Talc Personal Injury Trust pursuant to a confirmed Second Joint Plan. Establishment of the Trust is intended to (i) permit the transfer of funds from the Debtors to an irrevocable trust for the benefit of holders of Talc Personal Injury Claims and (ii) help confirm ITC's tax liabilities in Canada prior to the transfer of a portion of the remaining Sale Proceeds.

94. As noted in the November 19 Danner Affidavit, the Trust will be controlled by an independent trustee, which is proposed to be Wilmington Trust, National Association. The funds in the Trust are only to be used for the resolution of Talc Personal Injury Claims (whether that is through the Talc Personal Injury Trust to be established under the Second Joint Plan, if confirmed, or in the event a plan is not confirmed, outside of the Chapter 11 Proceedings upon judgement of a court or final settlement establishing the amount of such claims) or the administrative expenses of operating the Trust or the Talc Personal Injury Trust. The Trust is irrevocable and the Debtors will have no independently exercisable right to a refund or reversion of any portion of the Trust Funds. .

95. The Debtors note that without the Trust, ITC would face uncertainty with respect to its tax liabilities in Canada due to the timing of a historical tax deduction ITC took in respect of its liabilities to holders of Talc Personal Injury Claims. Allowing the Debtors, including ITC, to transfer a portion of the remaining Sale Proceeds to the Trust allows ITC to secure such tax deduction by the actual delivery of the funds which will be used to satisfy its liabilities to holders of Talc Personal Injury Claims.

96. Absent the relief sought in the QSF Motion, ITC could face substantial tax liabilities which would thereby reduce the amount available to pay to the holders of Talc Personal Injury Claims under a confirmed plan.

97. The CRO requested clearance certificates from the Canada Revenue Agency ("**CRA**") pursuant to the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), and other applicable Canadian tax laws, and, on October 29, 2024, ITC received partial clearance certificates from CRA as described in the November 19 Danner Affidavit. However, the Debtors reserve the right to transfer a portion of the Sale Proceeds to the Trust while awaiting receipt of any clearance certificates.

98. As noted in the November 19 Danner Affidavit, the CRA was served with a copy of the QSF Motion.

99. While no objections were filed to the QSF Motion, on November 15, 2024, the US Court held a hearing to consider the QSF Motion and address certain questions from the US Court relating to allocation of the proceeds generated from the Asset Sale to Magris and court jurisdiction over the the Trust. The Debtors addressed these points at the hearing and on November 19, 2024, the US Court entered the QSF Order.

100. Based on its discussions with the CRO, the Information Officer understands that no funds have been transferred to the Trust as the Debtors are still working through these calculations in consultation with their tax advisors. The Debtors and the CRO intend to consult with the Information Officer as part of this process to ensure the Information Officer is satisfied that the amount transferred from ITC to the Trust (and in turn, the amount remaining with ITC), would not adversely impact ITC and/or the interests of its creditors, and provide sufficient funding for the administration of these recognition proceedings to completion.

VI. ACTIVITIES OF THE INFORMATION OFFICER

101. The activities of the Information Officer since the date of the Eighth Report include:

(a) communicating with the Debtors' advisors, including the CRO, and the Information Officer's counsel regarding the status of matters related to the Chapter 11 Proceedings and the Recognition Proceedings;

(b) reviewing materials filed by the Debtors in connection with the Second Joint Plan and the Second Disclosure Statement;

(c) reviewing materials filed by various parties in the Chapter 11 Proceedings in connection with the Tenth Mediation Extension Order, J&J Settlement Order, the QSF Order, and the Solicitation Procedures Order;

(d) reviewing the Debtors' professional fee reimbursement requests, and corresponding with the CRO and CohnReznick on same;

(e) communicating with the CRO regarding the status of matters related to the Mediation;

(f) attending before the Canadian Court in respect of the Foreign Representative's motion for recognition of the Eighth Mediation Extension Order, the Ninth Mediation Extension Order, the Supplemental Mediation Order, the Second Supplemental Ramboll Retention Order, the Environmental Advisor Assignee Order, the Environmental Insurance Order, the OR Settlement Order and the Stronghold Assignment Order;

(g) maintaining and updating, as necessary, the Information Officer's Website; and

(h) preparing this Ninth Report.

VII. INFORMATION OFFICER'S RECOMMENDATION

102. Based on the Information received and reviewed, the Information Officer is of the view that it is reasonable to recognize the Solicitation Procedures Order, the Tenth Mediation Order, J&J Settlement Order, and the QSF Order and respectfully recommends that the Canadian Court grant the recognition order being sought by the Foreign Representative in its motion returnable November 22, 2024.

All of which is respectfully submitted this 20th day of November 2024.

KPMG Inc.
In its capacity as the 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:

Pritesh Patel, CIRP, LIT
Senior Vice-President