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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TRION BATTERY TECHNOLOGIES INC.

DOCUMENT

Bench Brief of the Applicant re: Extension of Stay of Proceedings and Approval of the Sale and Investment Solicitation Process

Application – March 2, 2026 at 2:00 p.m.

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PART I -- OVERVIEW¹

1. This brief is submitted on behalf of TRION BATTERY TECHNOLOGIES INC. ("**Trion**" or the "**Applicant**") in support of its comeback application on March 2, 2026.
2. The Applicant seeks:
 - (a) an amended and restated initial order ("**ARIO**") pursuant to the *Companies' Creditors Arrangement Act*², which, in addition to the relief granted pursuant to the Initial Order of Justice L.K. Harris dated February 20, 2026 (the "**Initial Order**") extends the stay of proceedings to May 15, 2026;
 - (b) an order approving the Sale and Investment Solicitation Process (the "**SISP**").

PART II – FACTS

3. The full background of the Applicant's business and financial circumstances was set out in the Affidavit of Mark Smith sworn February 18, 2026 (the "**Smith Affidavit**") and the Initial Order, and will not be repeated here.
4. The facts material to this application are set out in the Smith Affidavit, the Second Affidavit of Mark Smith sworn February 25, 2026 (the "**Second Smith Affidavit**"), and the First Report of the Monitor dated February 27, 2026 (the "**First Report**"), all filed in support of this application.

PART III -- ISSUES

4. The issues in respect of the relief being sought are whether:
 - (a) the relief contained in the ARIO be granted and these CCAA proceedings be continued; and
 - (b) the SISP should be approved.

¹ Capitalized terms used but not otherwise defined herein have the same meaning as set out in the Affidavit of Mark Smith sworn February 18, 2026 (the "**Smith Affidavit**"), and the Second Affidavit of Mark Smith sworn February 25, 2026 (the "**Second Smith Affidavit**").

² RSC 1985, c C-36, as amended ["**CCAA**"].

PART IV -- LAW AND ARGUMENT

A. Granting the ARIO

5. In CCAA proceedings, a comeback hearing is considered a *de novo* hearing. As such, the onus remains of the applicant and new evidence may be adduced to allow the Court to issue a fresh decision on each of the issues previously determined at the time of the hearing of the application for the Initial Order.³ However, a party who has relied on the initial order previously granted should not be prejudiced by any relief granted at the comeback hearing.⁴
6. Trion respectfully submits that this Honourable Court should grant the ARIO and approve the relief sought therein, in light of the following:
 - (a) Trion is insolvent;
 - (b) Trion owes in excess of \$5 million;
 - (c) the CCAA applies to Trion;
 - (d) these CCAA proceedings are necessary to maximize recoveries for creditors;
 - (e) the orders sought further the underlying purposes of the CCAA; and
 - (f) notice of this application has been provided to parties who may be affected by the charges in the ARIO, namely the Administration Charge, the DIP Lender's Charge and the Directors' Charge.

The evidence and authorities which support these conclusions are set out in the Initial Bench Brief.

7. Pursuant to section 11.02(2) of the CCAA, the Court may, on application, extend the Stay Period if the Court is satisfied that:
 - (a) the applicant is acting, and is likely to act, in good faith and with due diligence; and
 - (b) circumstances exist that make the order appropriate.⁵

³ *Angus A2A GP Inc (Re)*, 2024 ABKB 769 at [para 22](#). See also *Target Canada Co, Re*, 2015 ONSC 303 at [para 82](#).

⁴ *Muscletech Research and Development Inc, Re*, 2006 CanLII 1020 (ONSC) at [para 5](#).

⁵ CCAA, [s. 11.02\(3\)](#).

8. In determining whether to extend a stay, courts consider the debtor's progress during the preceding stay period toward a restructuring, whether creditors will be prejudiced if the extension is granted, and the comparative prejudice to the debtor and other stakeholders if it is not.⁶
9. The Applicant is acting in good faith and with due diligence. Since the granting of the Initial Order on February 20, 2026, the Applicant has, among other things:
 - (a) sent notice to the unsecured debenture holders of the issuance of the Initial Order, the date for the Comeback Hearing, and advised them to contact Trion's counsel if they wish to be included on the service list;
 - (b) met with employees at the Dresden Facilities to advise them of the issuance of the Initial Order and provide information about the restructuring process; and
 - (c) provided comments to the Monitor and the DIP Lender on the SISP.⁷
10. Circumstances exist that make the granting of the ARIO and the extension of the Stay Period appropriate. The Applicant requires additional time to continue to preserve and stabilize its operations, to prevent enforcement steps from being taken by its creditors, and to preserve the opportunity to restructure its business to offer the greatest benefit to numerous stakeholders.⁸
11. The Monitor supports the granting of the ARIO and the extension of the Stay Period.⁹
12. The Monitor believes that no creditor would be materially prejudiced by the requested extension.¹⁰ As of February 25, 2026, Trion had received \$433,000 of interim financing under the DIP Facility and had utilized those funds to pay expenses in accordance with the Cash Flow Forecast, with the approval of the Monitor.¹¹ The Monitor will continue to supervise the Applicant's receipts and disbursements and report to this Court as required.
13. Accordingly, the Applicant respectfully requests that this Honourable Court grant the ARIO and the extension of the Stay Period.

⁶ *Worldspan Marine Inc (Re)*, 2011 BCSC 1758 at [para 22](#).

⁷ *Second Smith Affidavit* at para 7.

⁸ *Second Smith Affidavit* at para 14.

⁹ *First Report* at paras 38 and 39.

¹⁰ *Ibid* at para 39.

¹¹ *Second Smith Affidavit* at para 17.

B. Sale and Investment Solicitation Process

14. The Applicant seeks Court approval of the SISP, which has been developed in consultation with the Monitor. The SISP is designed to maximize value for all stakeholders through a comprehensive solicitation of potential purchasers and investors for the Applicant's business and assets.¹²
15. The Monitor has been authorized, pursuant to paragraphs 24(l) and 24(m) of the Initial Order, to approve the terms of the SISP and to conduct the SISP in consultation with the Applicant. Court approval of the SISP at the comeback application is consistent with standard practice in CCAA proceedings and ensures that the process is overseen by the Court.¹³
16. Subsection 36(1) of the CCAA permits the sale and disposition of a debtor company's assets outside the ordinary course in the context of CCAA proceedings.¹⁴ Although approval of a sale transaction is not being sought, the Court should be mindful of the section 36 factors for sale approval when determining whether to approve a sale process.¹⁵ Specifically, section 36 provides:

36(3) Factors to be considered - In deciding whether to grant authorization, the court is to consider, among other things,

- (a) Whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
- (b) Whether the monitor approved the process leading to the proposed sale or disposition;
- (c) Whether the monitor filed with the court a report stating that, in its opinion, the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
- (d) The extent to which the creditors were consulted;
- (e) The effects of the proposed sale or disposition on the creditors and other interested parties; and
- (f) Whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.¹⁶

¹² *Second Smith Affidavit* at para 8.

¹³ *Green Growth Brands Inc. (Re)*, 2020 ONSC 3565 at [para 46](#).

¹⁴ CCAA, [s. 36\(1\)](#).

¹⁵ *DCL Corporation (Re)*, 2023 ONSC 3686 at paras [21-22](#).

¹⁶ CCAA, [s. 36\(3\)](#).

17. Further, in *Nortel Networks Corporation (Re)*, the Ontario Superior Court of Justice articulated the following four factors that should be taken into consideration in deciding whether to a sale process should be approved:¹⁷

- (a) Whether a sale transaction is warranted at that time;
- (b) Whether the sale would benefit the whole “economic community”;
- (c) Whether any of the debtor’s creditors have a *bona fide* reason to object to a sale of the business; and
- (d) Whether there is a better viable alternative.

18. Finally, courts often refer to the *Soundair* principles when approving a sale and investment solicitation proceedings, including in the context of CCAA proceedings. Those principles have been expressed as follows:¹⁸

Although the decision to approve a particular form of sales process is distinct from the approval of a proposed sale, the reasonableness and adequacy of any sale process must be assessed in light of the factors which a court will take into account when considering the approval of a proposed sale. Those factors were identified by the Court of Appeal in its decision in *Royal Bank v Soundair Corp.*: (i) whether the receiver has made a sufficient effort to get the best price and has not acted improvidently; (ii) the efficacy and integrity of the process by which the offers were obtained; (iii) whether there has been any unfairness in the working out of the process; and (iv) there interests of all parties. Accordingly, when reviewing a sales and marketing process proposed by a receiver a court should assess:

- (i) The fairness, transparency and integrity of the proposed process;
- (ii) The commercial efficacy of the proposed process in light of the specific circumstances facing the receiver; and
- (iii) Whether the sale process will optimize the chances, in the particular circumstances, of securing the best possible price for the assets up for sale.

19. The Court should give weight to the recommendations of the Monitor and the support of the relevant stakeholders in determining whether to approve a SISF.¹⁹ A sales process is only required to be reasonable; it does not need to meet a standard of perfection.²⁰

¹⁷ *Nortel Networks Corporation (Re)*, 2009 CanLII 39492 (ONSC) at [para. 49](#).

¹⁸ *CCM Master Qualified Fund v blutip Power Technologies*, 2012 ONSC 1750 at [para 6](#).

¹⁹ *9286594 Canada Inc v Advance Engineering Products Ltd*, 2015 SKQB 196 at [paras 34-35](#).

²⁰ *Sanjel Corp, Re*, 2016 ABQB 257 at [para 80](#).

20. In developing and reviewing the SISP, the Monitor has made the following observations:²¹
- (a) The SISP provides for a broad, open, fair and transparent process with an appropriate level of independent oversight and flexibility necessary for the Monitor and Trion to consider the broad range of potential transactions that may be available to generate value from the Business and the Property.
 - (b) the SISP should encourage and facilitate bidding by interested parties and no aspect of the SISP should discourage parties from submitting bids;
 - (c) given the liquidity issues faced by the Company and the prior Strategic Review Process, the timelines of the SISP are reasonable in the circumstances;
 - (d) the terms of the SISP are reasonably consistent with both market practices and other sales processes approved by courts in other CCAA proceedings;
 - (e) the SISP provides for appropriate and reasonable oversight by the Monitor and will best enable the Company to maximize recoveries for its stakeholders;
 - (f) the SISP contains appropriate protections in connection with potential bids made by Insiders or the DIP Lender, and such protection ensure that the SISP will be fair to all parties involved; and
 - (g) The approval of the SISP by the Court in a form supported by the Monitor and the DIP Lender at the Comeback hearing is a condition of further advances being made under the DIP Facility, which are critical to the continued operations of the Company and the preservation of value for stakeholders.
21. The SISP is an appropriate and necessary step in these proceedings. Trion has determined, based upon the limits of the DIP Term Sheet and in consultation with the Monitor and the DIP Lender, that the proposed SISP is in the best interest of its creditors and stakeholders.²²
22. The Monitor supports the approval of the SISP.²³ Accordingly, the Applicant respectfully submits that this Honourable Court approve the SISP.

²¹ *First Report* at para 29.

²² *Second Smith Affidavit* at para 12.

²³ *First Report* at para 30.

PART V -- RELIEF SOUGHT

23. The Applicant, therefore, requests that this Honourable Court grant an Order:
- (a) granting the ARIO; and
 - (b) approving the SISP.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 27th DAY of FEBRUARY, 2026



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PART VI -- TABLE OF AUTHORITIES

CASES

1. *Angus A2A GP Inc (Re)*, 2024 ABKB 769
2. *Target Canada Co, Re*, 2015 ONSC 303
3. *Muscletech Research and Development Inc, Re*, 2006 CanLII 1020 (ONSC)
4. *Worldspan Marine Inc (Re)*, 2011 BCSC 1758
5. *Green Growth Brands Inc. (Re)*, 2020 ONSC 3565
6. *DCL Corporation (Re)*, 2023 ONSC 3683
7. *Nortel Networks Corporation (Re)*, 2009 CanLII 39492 (ONSC)
8. *CCM Master Qualified Fund v blutip Power Technologies*, 2012 ONSC 1750
9. *9286594 Canada Inc v Advance Engineering Products Ltd*, 2015 SKQB 196
10. *Sanjel Corp, Re*, 2016 ABQB 257

LEGISLATION

11. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36