

**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- AND -

IN THE MATTER OF AN APPLICATION BY MICHAEL PEARSON

- AND -

IN THE MATTER OF LEADFX INC.

MOTION

(For disclosure under section 5.4 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22)

A. ORDER SOUGHT

THE MOVING PARTY, Michael Pearson, requests with notice that the Ontario Securities Commission make the following order:

1. An order for production of all documents referred to in the email of the Moving Party's counsel dated September 24, 2018 (the "Production Request"), attached as **Exhibit 1** to the Affidavit of Chasidy Palmer sworn September 25, 2018, which for greater certainty includes (capitalized terms not otherwise defined herein have the same meanings ascribed to them in the Management Information Circular of LeadFX Inc. dated August 10, 2018):

- (a) All documents relating to the Umbrella Agreement (for example, communications involving LeadFX, Sentient or InCoR regarding the potential participation by InCoR in LeadFX (whether by debt or equity), the licensing or transfer of lead technology by InCoR to LeadFX, the financing of the DFS, etc.);

- (b) The business case presented by Lincoln Greenidge to the Board of Directors of LeadFX opposing the InCoR transaction that ultimately became the Umbrella Agreement;
- (c) All documents relating to the termination of employment of Lincoln Greenidge;
- (d) Any shareholders' agreement entered into between Sentient and InCoR in respect of LeadFX;
- (e) All records relating to efforts by LeadFX to source financing for the restart of the Mine or the construction of the Hydrometallurgical Facility from third parties from April 26, 2016 to present;
- (f) All resolutions and/or minutes of meetings from the Board of Directors relating to the Umbrella Agreement or the Arrangement;
- (g) All documents relating to the resignation of any directors from the Board of Directors of LeadFX from April 26, 2016 to present; and
- (h) All communications with INFOR regarding the valuation and fairness opinion.

(collectively, the "Documents").

B. GROUNDS

THE GROUNDS for the motion are:

1. The Moving Party commenced this proceeding by application on September 18, 2018 seeking, *inter alia*, an order that LeadFX cannot rely on the 90 Per Cent Exemption for Minority

Approval under MI 61-101 and that Minority Approval must be sought with respect to a going-private transaction to be completed by a plan of arrangement under the CBCA.

2. On September 24, 2018, counsel for the Moving Party sent the Production Request to counsel for the Responding Parties, being LeadFX, Sentient and InCoR.

3. The Parties appeared before the Commission for a first attendance on September 24, 2018 (the "First Attendance").

4. At the First Attendance, the Parties agreed that the Production Request would be dealt with by way of a Motion to the Commission returnable on September 28, 2018, and the Commission so ordered.

5. The Documents are relevant to the issues raised on the application.

6. The Documents are within the possession, power and control of the Responding Parties.

7. The Documents go directly to the merits of the issues raised on the application.

8. The Documents are easily identifiable and the Production Request is not overbroad.

9. The Production Request is reasonable and does not place an unfair burden on the Responding Parties.

10. The burden imposed on the Responding Parties, if any, is outweighed by the benefit to the Moving Party and the Commission in determining the issues on the merits.

11. The Moving Party will be prejudiced if he is forced to go to a hearing on the merits without the benefit of clearly relevant documents that are only within the possession of the Responding Parties.

12. The production order furthers the goal of achieving a just, expeditious, and cost-effective determination of the application on its merits.

13. *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, ss. 2; 5.4; 12.

C. EVIDENCE

THE MOVING PARTY intends to rely on the following evidence for the motion:

1. The Affidavit of Chasidy Palmer, sworn September 25, 2018; and
2. Such further and other evidence as the Moving Party may submit and the Commission may allow.

DATED this 25th day of September, 2018

BABIN BESSNER SPRY LLP
65 Front St. E., Suite 101
Toronto, ON M5E 1B5

Cynthia L. Spry LSO# 52045N
Brendan Monahan LSO# 72319W

Tel: 416.637.3244
Fax: 416.637.3243