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August 16, 2023

Lenczner Slaghtâ€™s Trial Lawyers Successful in Enforcing Significant Lithium Contract

In a significant trial decision released yesterday in *Lithium Royalty Corporation v Orion Resource Partners*, our expert litigators were successful in delivering a highly beneficial commercial outcome for our client, with the judgment enforcing a contract for the acquisition of an 85% interest in a Nevada lithium royalty for US\$18.7 million. The decision reinforces the principles of contract formation as they are applied to the modern world, and has significant commercial implications for securities markets, specifically in the lithium industry that has increasing importance in the North American economy.

Brendan F. Morrison and Kate Costin were counsel to Lithium Royalty Corp. (“LRC”), an Ontario-based publicly-traded company dedicated to investing in revenue royalties in lithium projects. The case concerned negotiations between LRC and Orion Resource Partners to purchase 85% of the royalty interest in the Thacker Pass lithium project for US\$18.7 million. A trial was convened in December 2022.

On August 15, 2023, the Ontario Superior Court of Justice released its decision finding that the parties had reached a binding and enforceable contract for the purchase and sale of the royalty. The trial judge agreed that, despite the rapidity of the transaction and the absence of a signed term sheet, the parties had reached agreement on all the essential terms of the deal through a series of phone calls, emails, and videoconferences.

The decision also highlights the fact-driven nature of many commercial cases and the impact that effective cross-examination has on credibility assessments that are ultimately critical to trial outcomes.