

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

JOHN KEYTON and HUGH A. LATIMER

Plaintiffs

- and -

**CANADA LITHIUM CORP.,
PETER SECKER, CHARLES TASCHEREAU,
MITCHELL LAVERY and MICHELLE STONE**

Defendants

Proceeding under the *Class Proceeding Act, 1992*

**PLAINTIFFS' MOTION RECORD
(SETTLEMENT APPROVAL, FEES APPROVAL AND
DISCONTINUANCE)**

Date: November 11, 2016

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**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

JOHN KEYTON and HUGH A. LATIMER

Plaintiffs

- and -

**CANADA LITHIUM CORP.,
PETER SECKER, CHARLES TASCHEREAU,
MITCHEL LAVERY and MICHELLE STONE**

Defendants

Proceeding under the Class Proceedings Act, 1992

**NOTICE OF MOTION
(SETTLEMENT APPROVAL, FEES APPROVAL AND DISCONTINUANCE)**

(Returnable November 23, 2016)

The Plaintiffs will make a motion to the Honourable Justice Paul M. Perell on November 23, 2016 at 10:00 am or as soon after that time as the motion can be heard, at Osgoode Hall, 330 University Ave, Toronto, ON.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- in writing under subrule 37.12.1(1) because it is on consent or unopposed or made without notice;
- in writing as an opposed motion under subrule 37.12.1(4);
- orally.

THE MOTION IS FOR:

- 1. An order in substantially the form of the draft order attached as Schedule “A”;
 - 2. An abridgement of time for the service and filing of these materials, if necessary;
- and

3. Such further and other relief as counsel may advise and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. The within action was commenced on April 8, 2011 and certified as a class proceeding by order of this Court dated August 6, 2013, as amended by further order of this Court dated August 19, 2013;
2. The Opt-Out Period expired on November 25, 2013; 15 persons opted out, but none have commenced actions in respect of the subject matter of this proceeding;
3. After adversarial, arms-length negotiations, the Parties have reached a proposed settlement of the Action that is subject to Court approval;
4. The Settlement Agreement is fair, reasonable and in the best interests of the Class;
5. The Defendant, CLQ (now known as RB Energy Inc., and Énergie RB Inc. in its French form) and related entities, Québec Lithium Inc., QLI Metals Inc. and Sirroco Mining Inc. (collectively, “**RB Group**”) are insolvent;
6. The remaining estate of the RB Group appears to be insufficient to satisfy creditor claims;
7. It is probable that there will be no estate available to satisfy any judgment in the action that might later be obtained by the Class or settlement that might later be achieved.

8. There is uncertainty surrounding the individual Defendants' ability to personally satisfy a judgment or contribute to a better settlement;
9. Settlement on the monetary terms proposed will essentially exhaust remaining responsive professional liability insurance certain of the Defendants have;
10. On June 2, 2016, the parties held a case management conference with Justice Perell to discuss possible resolutions to the action, and agreed to propose a discontinuance Order with a bar term;
11. The Representative Plaintiffs support the settlement and the discontinuance on the terms proposed;
12. Discontinuance of the action on the terms proposed is appropriate in all of the circumstances;
13. In all of the circumstances, no prejudice to the Class will result from the discontinuance sought;
14. *The Class Proceedings Act, 1992*, SO 1992, c 6, and in particular, ss. 12, 19, 20, 29, 32 and 35;
15. *Rules of Civil Procedure*, RRO 1990, Reg 194; and in particular, Rules 1.04, 1.05, 23.01(1)(b), 23.04(1), 37, 39 and 59; and
16. Such further and other grounds as counsel may advise and this Honourable Court may deem just.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The Affidavit of Nicholas Baker, sworn October 28, 2016;
2. Such further and other material as counsel may advise and this Honourable Court may permit.

October 28, 2016

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Counsel for the Defendant, Michelle Stone

SCHEDULE "A"

Court File No.: CV 12-462933-00CP

ONTARIO SUPERIOR COURT OF JUSTICE

THE HONOURABLE)
)
JUSTICE P. M. PERELL) DAY OF _____, 2016

B E T W E E N

JOHN KEYTON and HUGH A. LATIMER

Plaintiffs

and

CANADA LITHIUM CORP.,
PETER SECKER, CHARLES TASCHEREAU,
MITCHELL LAVERY and MICHELLE STONE

Defendants

Proceeding under the *Class Proceedings Act, 1992*

ORDER (Settlement Approval, Fees Approval and Discontinuance)

THIS MOTION, made by John Keyton and Hugh A. Latimer, for an Order approving a Settlement Agreement in this matter pursuant to subsection 29(2) of the *Class Proceedings Act, 1992*, S.O. 1992, c.6, granting leave to discontinue this action pursuant to Rule 23.01(1)(b) of the *Rules of Civil Procedure*, RRO 1990, Reg 194, and approving the discontinuance of this action pursuant to ss. 29(1) of the *Class Proceedings Act, 1992*, S.O. 1992, c. 6, was heard this day at Osgoode Hall, Toronto, Ontario.

ON READING the following:

- (a) the Notice of Motion of the Plaintiffs; and
- (b) the Affidavit of Nicholas Baker, counsel for the Plaintiffs, sworn October 28, 2016, attaching the executed Settlement Agreement in this Action.

AND ON BEING ADVISED:

- (i) that this Action was certified as a class proceeding by Order of this Court dated August 6, 2013, as amended by Order of this Court dated August 19, 2013;
- (ii) that 15 Class Members opted out of this class proceeding on or before the opt-out deadline of November 25, 2013, and that no opt-out party thereafter served a parallel action on any Defendant; and
- (iii) that the Defendants consent to this Order;

AND without any admission of liability on the part of any of the Defendants, who have each denied liability in this Action;

AND ON HEARING the submissions of counsel for the Plaintiffs, and counsel for the individual Defendants Secker, Teschereau, Lavery and Stone;

1. THIS COURT ORDERS AND DECLARES that for the purposes of this Order, the following definitions apply:

- (a) “**Bar Beneficiary**” and “**Bar Beneficiaries**” means, jointly and severally, individually and collectively, the Defendants, their respective employers, their insurers and their respective past and present affiliates, subsidiaries, directors, officers, partners, employees, trustees, servants, consultants, underwriters, advisors, lawyers, representatives, successors, assigns and their heirs, executors, administrators, successors and assigns and any person who may claim contribution or indemnity from them in respect of any Barred Claim or any matters related thereto;
- (b) “**Barred Claim**” means any and all manner of past, present and future claims, demands, actions, suits, causes of action, whether class, individual, derivative or otherwise in nature, whether personal or subrogated, damages whenever incurred, and rights and liabilities of any nature whatsoever, including interest, costs, expenses, administration expenses, penalties, Class Counsel Fees and lawyers’ fees, known or unknown, suspected or unsuspected, in law, under statute or in equity,

whether directly, indirectly, derivatively, or in any other capacity, against Bar Beneficiaries or any one or more of them relating to any conduct alleged, or that could have been alleged, in the Action, and without limitation, any such claims that have been asserted, would have been asserted or could have been asserted, whether in Canada or elsewhere, as a result of the purchase of Securities of CLQ during the Class Period on the TSX;

- (c) “**Class Counsel**” means Siskinds LLP;
- (d) “**Class**” and “**Class Members**” means all persons and entities, other than Excluded Persons, who acquired Securities of CLQ from the opening of trading on the TSX on October 28, 2010 to the close of trading on the TSX on February 28, 2011 and who continued to hold any of those securities as of the close of trading on February 28, 2011;
- (e) “**Class Counsel Fees**” means the fees, disbursements and taxes incurred by Plaintiffs’ counsel in prosecuting the within proceeding;
- (f) “**Class Period**” means the period from October 28, 2010 to and including February 28, 2011;
- (g) “**CLQ**” means the Defendant Canada Lithium Corp. (later RB Energy Inc.);
- (h) “**Effective Date**” means the date upon which this Order becomes a final Order;
- (i) “**Excluded Persons**” means the Defendants and the Standstill Defendants, their respective past and present subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns, as applicable, and any member of the families of the individual Defendants, and the underwriters of CLQ’s January 24, 2011 prospectus;
- (j) “**Securities**” means any securities of CLQ purchased or otherwise acquired on the TSX; and
- (k) “**Standstill Defendants**” means the former Defendants, Coombs, Fairbairn, Pickens, Mohan, Cudney and MacDonald.

2. THIS COURT ORDERS that the settlement of the Action, as recorded in the Settlement Agreement filed for this motion, is fair and reasonable and in the best interests of the Class Members, and is approved pursuant to s. 29 of the *CPA, 1992*, and

shall be implemented by the terms of this Order.

3. THIS COURT ORDERS AND DECLARES that this Order is binding upon each Class Member who did not validly opt out, including those persons who are minors or are mentally incapable, and that the requirements of Rule 7.07.1 of the *Rules of Civil Procedure* are dispensed with regarding this motion and this Order.

4. THIS COURT ORDERS THAT leave to discontinue the action, without costs (other than as directed by the Court below), and with prejudice, is granted and the discontinuance is hereby approved, subject to the following terms:

(a) As of the Effective Date, each Class Member (excluding those who validly opted out), including any person having a legal and/or beneficial interest in the Securities purchased or acquired by these Class Members, and their respective past and present directors, officers, employees, agents, trustees, servants, consultants, underwriters, advisors, representatives, heirs, executors, attorneys, administrators, guardians, estate trustees, successors and assigns, as the case may be, shall not then or thereafter institute, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any Barred Claim against any Bar Beneficiary;

(b) On or about the Effective Date, the individual Defendants, through their counsel, shall pay the sum of CAD \$400,000.00 for the benefit of the Class to Class Counsel for Class Counsel Fees; and

(c) On or about the date of this Order, Class Counsel shall forthwith give notice of the approval of the Settlement Agreement, the granting of leave to discontinue and the approval of the discontinuance with prejudice, the fact of the Barred Claims, and the payment of Class Counsel Fees, by publication on the website of Class Counsel for 12 months, with such notice to be given in substantially the form of the Notice attached as Schedule 1 to this Order.

5. THIS COURT DECLARES that notice to the Class in the manner described in paragraph 4(c) satisfies any notice requirements under s.29(4) or otherwise of the *CPA, 1992*.

6. THIS COURT ORDERS that no person may bring any action or take any proceedings against the Plaintiffs or Defendants, or their respective employers, employees, agents, partners, associates, representatives, successors or assigns or legal counsel, for any matter in any way relating to the implementation of the terms of this Order, except with leave of the Court;

JUSTICE PERELL

SCHEDULE 1

To: RB ENERGY INC. (CANADA LITHIUM CORP.) SHAREHOLDERS

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NOTICE OF APPROVAL OF SETTLEMENT & DISCONTINUANCE OF CLASS PROCEEDING ON TERMS

WHO THIS NOTICE IS FOR

This notice is directed to everyone who acquired securities (common shares and exchange traded warrants) of Canada Lithium Corp., now RB Energy Inc. ("RB") from the opening of trading on the Toronto Stock Exchange ("TSX") on October 28, 2010 to the close of trading on the TSX on February 28, 2011 ("Class Period") **and** continued to hold some or all of those securities as of the close of trading on February 28, 2011 ("Class" and "Class Members").

SETTLEMENT AND DISCONTINUANCE OF CLASS ACTION

The Ontario Superior Court of Justice granted an order on November 1, 2016 in the class action styled ***Keyton and Latimer v Canada Lithium Corp., et al.***, Court File No. CV-12-46293-00CP (Toronto Registry) ("Class Action"). Under the order, a settlement of the Class Action in the amount of CAD \$400,000 has been approved and the Class Action has been discontinued on terms. The primary reason for the settlement was the insolvency of the issuer defendant.

Materials relied on by the Representative Plaintiffs to support the settlement approval and discontinuance on terms can be accessed [here](#).

The order can be accessed [here](#).

Publication of this notice was authorized by the Ontario Superior Court of Justice

For further inquiries, please contact:
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KEYTON and LATIMER
Plaintiffs

-and- CANADA LITHIUM CORP., *et al.*
Defendants

Court File No. CV-12-462933-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding Commenced at London
Transferred to Toronto

ORDER
**(Settlement Approval, Fee Approval and
Discontinuance)**

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KEYTON and LATIMER
Plaintiffs and CANADA LITHIUM CORP., et al.
Defendant

Court File No.: CV-12-462933-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

Proceeding under the *Class Proceedings Act, 1992*

**NOTICE OF MOTION
SETTLEMENT APPROVAL, FEES APPROVAL
AND DISCONTINUANCE
Returnable November 23, 2016**

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Counsel for the Plaintiffs

Court File No.: CV-12-462933-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

JOHN KEYTON and HUGH A. LATIMER

Plaintiffs

- and -

CANADA LITHIUM CORP.,
PETER SECKER, CHARLES TASCHEREAU,
MITCHEL LAVERY and MICHELLE STONE

Defendants

Proceeding under the *Class Proceedings Act, 1992*

AFFIDAVIT OF NICHOLAS BAKER

I, Nicholas Baker, of the City of London, in the Province of Ontario, MAKE OATH

AND SAY:

1. I am an associate lawyer in the class actions practice group of Siskinds LLP (“**Siskinds**”). Siskinds is Class Counsel in this certified class proceeding (“**Action**”).
2. I have been involved in the prosecution and resolution of the Action. As such, I have knowledge of the matters to which I am deposing. Where my knowledge is based on information I have received from others, I have indicated that in the body of my affidavit and I believe that information to be true.
3. Where the term “we” and its derivatives may be used, I am referring to the members of Class Counsel, principally Michael Robb and myself.
4. I swear this affidavit in support of the Plaintiffs’ motion for an Order:

- (a) approving a settlement agreement in this matter pursuant to subsection 29(2) of the *Class Proceedings Act, 1992*, S.O. 1992, c.6 (“CPA”);
 - (b) granting leave to discontinue the Action pursuant to Rule 23.01(1)(b) of the *Rules of Civil Procedure*, RRO 1990, Reg 194; and
 - (c) approving the discontinuance of the Action pursuant to ss. 29(1) of the CPA.
5. In swearing this affidavit, it is not my intention, nor is it the intention of the Plaintiffs, to waive any privilege attaching to the information discussed herein. Nothing in this affidavit should be interpreted as constituting a waiver of any privilege.
6. A true copy of the settlement agreement is attached hereto and marked as **Exhibit “A”** (“**Settlement Agreement**”). Where I have used capitalized terms that I have not defined in this affidavit, those terms have the meanings given to them in the Settlement Agreement.

SECTION 1 - THE ACTION

7. The Plaintiffs were investors in the Defendant, Canada Lithium Corp. (now known as RB Energy Inc. and Énergie RB Inc. in its French form, “**RB**”).
8. RB was a public company, continued under the *Canadian Business Corporations Act*, RSC 1985, c. C-44, engaged in the exploration, development and production of lithium carbonate at its Québec Lithium Project near the city of Val d’Or, Québec.
9. Until November 24, 2014, RB’s securities were traded on the TSX, at which time they were delisted.
10. The Plaintiffs allege that:

- (a) between October 28, 2010 and February 28 2011, RB securities traded at artificially inflated prices on the TSX in consequence of a misrepresentation having been made in continuous disclosure documents released by RB; and
 - (b) RB sold in excess of \$100 million of securities under a prospectus, the offering price for which was also artificially inflated as a consequence of the same misrepresentation being made in the prospectus.
- 11. More particularly, the Plaintiffs allege that contrary to the *Securities Act*, RSO 1990, c. S.5 (“*OSA*”) RB’s prospectus and secondary market disclosure documents contained a misrepresentation as to material scientific and technical information.
- 12. The misrepresentation is alleged to have taken the form of a mineral resource estimate (an estimate of the volume and grade of in situ mineral resources) which, it is alleged, did not accord with National Instrument 43-101, *Standards of Disclosure for Mineral Projects*.
- 13. The individual Defendants are alleged to have been senior officers and/or directors of RB at material times.
- 14. The Plaintiffs allege economic harm resulting from the misrepresentation, which they say is evidenced by a substantial share price decline that followed:
 - (a) an announcement by RB that there were significant issues with the geological modeling that produced the mineral resource estimate; and
 - (b) the announcement of a materially negative revision to the original mineral resource estimate.

15. The Class claims damages from the Defendants under Parts XXIII and XXIII.1 of the *OSA*.
16. The Defendants deny the allegations.

SECTION 2 - THE PROCEDURAL HISTORY

17. The Action was commenced in London, Ontario, on April 8, 2011.
18. By order of Grace J. dated July 26, 2012:
 - (a) the Action was permanently and for trial purposes transferred to Toronto; and
 - (b) the Plaintiff, Mr. Keyton, obtained, on consent, a discontinuance order against certain other individual defendants, former RB directors Kerry J. Knoll, James Fairbairn, Sheila Pickens, Patrick Mohan, Robert Cudney and Ian MacDonald; and, former Chief Financial Officer, Germaine Coombs (collectively “**Standstill Defendants**”).
19. Since then, the defendants have been: RB, Peter Secker (“**Secker**”), Mitchell Lavery (“**Lavery**”), Charles Taschereau (“**Taschereau**”) and Michelle Stone P.Geo (“**Dr. Stone**”) (collectively, the “**Defendants**”).
20. On August 6, 2013, the Defendants consented to an order: adding the Plaintiff, Hugh Latimer (“**Latimer**”) as a party to the Action, discontinuing common law claims, granting leave to proceed under Part XXIII.1 of the *OSA* and certifying the Action as a class action (which order was amended by a further consent order dated August 19, 2013). Attached hereto and marked as Exhibits “**B**” and “**C**” are true copies of this Court’s orders dated August 6, 2013 and August 19, 2013 (without schedules).

21. The opt-out deadline was November 25, 2013. There were 15 Class Members who opted out of the Action. To the best of my knowledge, as at the date of this affidavit, no person who opted out of the Action has commenced another proceeding against a Defendant or Standstill Defendant in relation to the matters at issue in the Action.
22. Pleadings were closed in February, 2014.
23. Between approximately April and September 2014, the parties were engaged in documentary discovery.
24. Pursuant to a joint discovery plan, the Defendants produced in excess of 15,000 documents, including highly technical documents.
25. Examinations for discovery were scheduled to occur in the fall of 2014, to be completed by November 30, 2014.
26. For the reasons I discuss in Section 4, below, the Action was stayed:
 - (a) with respect to RB, from October 14, 2014 to at least May 8, 2015; and
 - (b) with respect to the individual Defendants, except Dr. Stone, from October 14, 2014 to June 21, 2016.

SECTION 3 - RB'S FINANCIAL SITUATION DETERIORATED AS THE ACTION MOVED FORWARD

27. In this Section 3 and the following Section 4, I am aware of certain facts from RB's public disclosures (which I monitored as the Action progressed) and from documents I have reviewed as a result of the Plaintiffs having filed a Notice of Appearance in, and being on the service list in, the *Matter of the Plan of Compromise or Arrangement of*

Québec Lithium Inc., et al. No: 500-11-047560-145 (Québec Superior Court (Commercial Division, Montreal) (“**Québec Court**”).

28. At the time the Action was commenced and until late 2014, RB and its then wholly owned direct subsidiaries, Québec Lithium Inc. (“**QLI**”), QLI Metals Inc. and Sirroco Mining Inc. (“**Sirroco**”) (collectively, “**RB Group**”) were financially solvent.
29. RB’s operating subsidiaries were QLI and Sirroco. No other subsidiary held mining assets.
30. QLI’s primary asset was the Québec Lithium Project. Sirroco’s only asset was (and still is) its indirect shareholding in a Chilean company, Atacama Minerals Chile S.C.M. (“**Atacama**”), which owns and operates a Chilean iodine mine known as Aguas Blancas.
31. RB invested approximately \$350 million in the Québec Lithium Project over the course of 2011-2014, including loans advanced to QLI, and proceeds of the public offering the subject of the Action.
32. RB had disclosed that it was expecting commercial production (50% of capacity) and full production in Q4 2014. However, the process of bringing the Québec Lithium Project into commercial production was delayed due to unexpected plant commissioning issues.

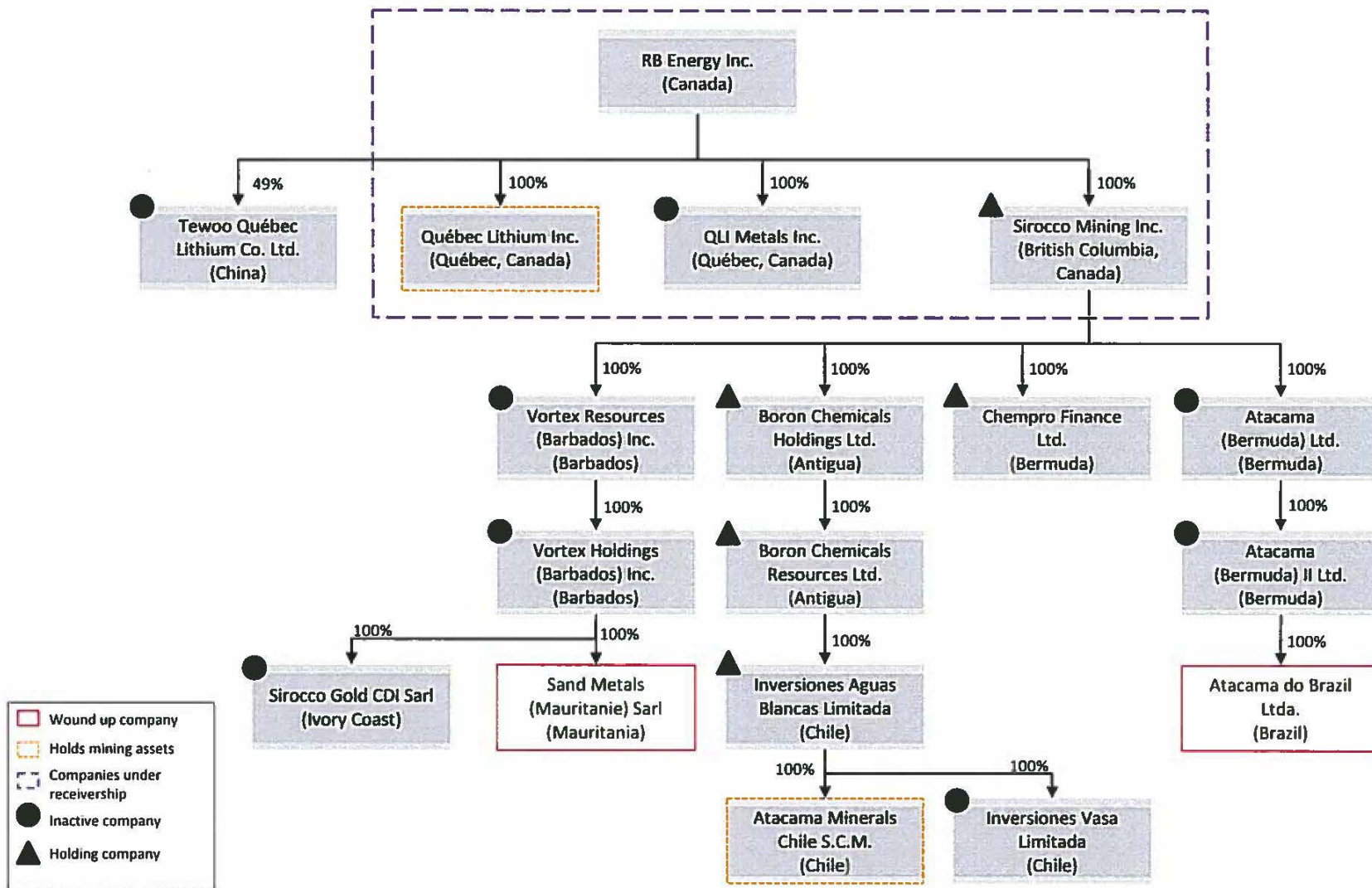
SECTION 4 - RB’S INSOLVENCY, CCAA FILING, RECEIVERSHIP AND SALE OF ASSETS

33. On October 14, 2014, the RB Group commenced proceedings in the Québec Superior Court (Commercial Division, Montreal) (“**Québec Court**”), for creditor protection under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (“**CCAA**”).

34. At that time, the RB Group had in excess of \$107 million of secured financial debt obligations and in excess of \$42 million of unsecured financial debt obligations.
35. Pursuant to an initial order made on October 14, 2014 in the CCAA proceedings, the Québec Court stayed the Action as against all Defendants except Dr. Stone.
36. Attached hereto and marked as Exhibit “D” is a true copy of the initial order made by the Québec Court, as further amended and restated on October 15, 2014, October 29, 2014 and November 13, 2014.
37. Ultimately, the RB Group did not achieve a plan of compromise under the CCAA; and, a marketing of the RB Group’s business and assets on an *en bloc* or piecemeal basis was also unsuccessful.
38. On May 8, 2015, the CCAA proceedings were terminated and the RB Group transitioned into a receivership on the application of a creditor with a court ordered first charge, Hale Capital Partners LP (“Hale”). Hale had provided debtor-in-possession interim financing to the RB Group during its CCAA proceedings.
39. Attached hereto and marked as Exhibits “E” and “F” are, respectively: orders of the Québec Court: terminating the CCAA proceedings; and, appointing a receiver, Duff & Phelps Canada Restructuring Inc., now KSV Kofman Inc. (“KSV Kofman”).
40. I note that, under the order of the Québec Court terminating the CCAA proceedings (Exhibit E), paragraph 23 provided for an extension of the stay against “Directors”.
41. According to the first report of KSV Kofman filed in the Quebec receivership proceedings, as at June 13, 2016:

- (a) the RB Group had no liquidity;
 - (b) QLI's secured debts totaled approximately \$100 million and its unsecured obligations totalled approximately \$21.5 million;
 - (c) Hale and Investissement Québec, a subordinate secured lender and guarantor of financial debt obligations of QLI, estimated, based on technical studies commissioned, that it would cost approximately a further \$150 million to \$200 million and take a further 12 to 18 months to bring the Québec Lithium Project into commercial production;
 - (d) the Québec Lithium Project had significant environmental issues requiring capital expenditures of approximately \$300,000 per month until a permanent fix could be installed, estimated to cost \$30 million; and
 - (e) Atacama owed approximately \$127 million, including a \$97 million loan to another subsidiary in the RB Group, which loan had been outstanding since 2013.
42. Attached hereto and marked Exhibit "G" is a true copy of KSV Kofman's first report, which I was served with by counsel for KSV Kofman.
43. Reproduced below from KSV Kofman's first report is the RB Group organizational chart.

Organizational chart



44. On June 21, 2016, the Québec Court approved:
- (a) a sale of substantially all of the business and assets of QLI;
 - (b) the granting of an option to acquire the shares of QLI which are said to have tax attributes; and
 - (c) the granting of an option to acquire, and a right of first refusal to acquire, the indirect wholly owned shares of Atacama;
45. Attached hereto and marked Exhibit “**H**” is a true copy of the asset sale approval order of the Québec Court.
46. The amount paid by the purchaser has not been disclosed publicly, but KSV Kofman has reported to the Québec Court that the sale results in “a substantial shortfall” to Investissement Québec.
47. At this stage, to my knowledge, unsecured creditors have not recovered anything from the asset sale; and, KSV Kofman have advised that, as a result of the sale, RB shareholders will not recover any value.

SECTION 5 – REMAINING ASSET

48. Based on my review of documents filed in the CCAA and receivership proceedings, the remaining material asset of RB (excluding any tax attributes) is the indirect shareholding interest in Atacama, which operates the iodine mine, called Aguas Blancas, in Chile.
49. Atacama was not the subject of the CCAA or receivership proceedings.

50. Atacama has historically been unable to generate sufficient cash flow to meet its financial obligations. In addition, RB's indirect shareholding in Atacama has been optioned to the purchaser of substantially all of QLI's business and assets.
51. The exercise price of the option is \$10,000, indicating to us that there is very little value, if any, in Atacama.

SECTION 6 – THE REMAINING AVAILABLE INSURANCE

Corporation/Directors and Officer's Liability Insurance

52. During the early stages of the Action, counsel for CLQ, Secker, Lavery and Taschereau provided us with copy of a directors and officers professional liability insurance policy (“**D&O Policy**”) said to be responsive to claims asserted and proposed to be asserted in the Action. A reservation of rights was made with respect to coverage of Dr. Stone.
53. The significant aspects of the D&O Policy is that the policy limit (including excess side coverage) is \$3 million; however, the policy is a wasting policy such that defence costs are drawn against the limits and reduce the coverage available to fund any judgment or settlement.
54. We are advised by counsel to those Defendants that the D&O Policy will, after anticipated legal costs to complete the settlement, be exhausted or almost exhausted with the \$400,000 settlement payment.

Dr. Stone's Professional Liability Insurance

55. Also during the early stages of the litigation, counsel for Dr. Stone provided us with a copy of a secondary professional liability insurance policy said to be held by her. The limits of that policy are \$100,000; however, the insurer has denied coverage.

SECTION 7 - THERE IS NO LONGER A STAY IN EFFECT

56. On May 13, 2016, the Québec Court authorized KSV Kofman to enter into the Settlement Agreement and issued an order granting a *de bene esse* lift of the stay of proceedings in respect of the Directors, for the purpose of obtaining an order from this Honourable Court approving the Settlement Agreement.
57. Attached hereto and marked Exhibit “I” is a true copy of the authorization and lift stay order.
58. I have corresponded with counsel for KSV Kofman who advises me that they consider the stay (for which the *de bene esse* lift was granted) is no longer in effect, it having been terminated on June 21, 2016 as part of the order of the Québec Court approving the sale of substantially all of the business and assets of QLI (see Exhibit H).
59. I have also reviewed the order approving the sale of substantially all of the business and assets of QLI, together with the orders of the Québec Court: terminating the CCAA proceedings; and, appointing a receiver. It does not appear that there is now a stay in effect.

SECTION 8 - THE SETTLEMENT AGREEMENT

60. On May 5, 2016, the parties to the Action (RB acting through KSV Kofman and subject to authorization by the Québec Court granted on May 13, 2016) entered into the Settlement Agreement which is the subject of the within motion.
61. Under the terms of the Settlement Agreement, the Defendants have agreed to pay \$400,000 in full settlement of the Action, including all interest and legal fees incurred.

62. The settlement is not an admission of liability and the Defendants continue to deny any wrongdoing, including all allegations against them in the Action.
63. In exchange for payment of the Settlement Sum, it was intended that the Defendants receive a full and final release from all Class Members. However, after a case management conference with Perell J., at which alternate forms of resolution were discussed, counsel for the Defendants have indicated that the Defendants would also accept, in lieu of releases, a bar on the commencement of further claims in relation to the matters at issue or which could have been at issue in the Action.

SECTION 8 - OUR RECOMMENDATION

64. In our view, having been actively engaged in this matter since 2011, including having monitored the deterioration of RB's financial position and its insolvency and receivership proceedings, we are possessed of adequate information from which to make an informed recommendation concerning resolution of the Action.
65. While we believe the claims advanced in the Action have merit, we see no realistic prospect of a significant recovery beyond the amount provided for by the Settlement Agreement.
66. Accordingly, we believe that the resolution of the Action now is appropriate.
67. In relation to RB, we have considered that, while the prospectus claim against it appears meritorious, the following related factors weigh against continuing the Action:
- (a) substantially all of QLI's business and assets have been sold in the receivership, and the remaining asset of RB, the shares in Atacama, have been optioned with an exercise price indicating little or no value in the underlying asset;

- (b) there have been no distributions made to RB's unsecured creditors; and
- (c) the estate of RB appears to be insufficient to satisfy all creditor claims with the result that there is likely to be no estate available to satisfy any judgment that might be obtained by the Class or settlement that might later be achieved.

68. In relation to the individuals, we have considered that:

- (a) with the exception of Dr. Stone, they assert an expert reliance defence under the *OSA*;
- (b) the expert reliance defence may succeed;
- (c) Dr. Stone is no longer practicing as a professional geoscientist and is not able, at this time, to fund a personal contribution to a settlement; and
- (d) after making inquiries, the personal means of the individual Defendants who may have liability for the Part XXIII claim appear insufficient to satisfy a judgment or fund a settlement much greater than has been achieved.

Risk to Remaining Insurance Coverage

69. In light of RB's insolvency and its inability to realize on its assets to a degree that could afford it the ability to satisfy a judgment or pay a greater settlement amount, we believe the remaining D&O Policy limits are now the only realistic source of recovery for the Class.

70. We believe that by continuing the Action the D&O Policy limits will be fully exhausted well before trial.

SECTION 9 - FACTORS AFFECTING OUR DETERMINATION THAT THE SETTLEMENT SUM IS INSUFFICIENT FOR DISTRIBUTION TO THE CLASS

71. Our view that the Settlement Amount is insufficient for distribution to Class Members rests primarily on the following factors, each of which was significant to our assessment.

Estimated Administration Costs

72. In November 2015, we obtained a preliminary estimate of the cost to provide notice and administer a settlement.
73. The preliminary estimate was obtained from RicePoint Administration Inc., formerly NPT RicePoint Class Action Services Inc. (“**RicePoint**”).
74. RicePoint facilitated the provision of certification notice and the collection of opt-outs in the Action, in 2013.
75. RicePoint estimates that notice and administration would cost at least \$140,000 and could be as high as \$200,000, before tax.

Estimated Number of Class Members and Potential Claimants in a Settlement Administration

76. Since commencement of the Action, Siskinds has been contacted by in excess of 600 people who have provided trading data indicating that they may be Class Members.
77. In our experience, based on past settlement administrations we have been involved in or overseen, we have found that the number of valid claims made in a settlement administration is typically a multiple of the number of people who have contacted Siskinds.
78. As such, if a settlement administration were to occur in this instance, we believe that, anecdotally, it is possible that the number of claimants would exceed 600.

Inquiries from Class Members

79. I have reviewed records of our interactions with Class Members since notice of certification was given on August 27, 2013.
80. Based on my review of those records, I have observed that the frequency of Class Member inquiries as to the status of the Action has decreased over time. More particularly:
- (a) Approximately 160 Class Members initiated contact with or contacted Siskinds for an update on the Action between August 27, 2013 and October 14, 2014 (i.e. between the date of the publication of the certification notice and the date on which the RB Group filed for CCAA protection);
 - (b) 36 Class Members initiated contact with or contacted Siskinds for an update on the Action between October 14, 2014 and June 21, 2016 (i.e. between the date on which the RB Group filed for CCAA protection and the date on which the Québec Court approved the sale of substantially all of the business and assets of QLI); and
 - (c) 7 Class Members have contacted Siskinds for an update on the Action since June 21, 2016 (i.e. since the date on which the Québec Court approved the sale of substantially all of the business and assets of QLI).

SECTION 10 - SUPPORT OF THE PLAINTIFFS

81. The Plaintiffs have approved and support the settlement with the Defendants and they have instructed us to seek the Court's approval of it.

SECTION 11 - NO PRE-APPROVAL NOTICE

82. For practical and cost efficiencies, notice of the pendency of the settlement approval hearing has not been given
83. We believe dispensation of pre-approval notice is desirable in all of the circumstances and is also in the interests of judicial economy.

SECTION 12 – NOTICE OF SETTLEMENT APPROVAL, CLASS COUNSEL FEES AND DISCONTINUANCE

84. The Parties have agreed on the form of notice attached hereto and marked as Exhibit “J”.
85. We propose to update Siskinds’ website to post the notice and indicate, in plain language, that the Action has been settled and discontinued. We will also post to our website a copy of any settlement approval and discontinuance order. We will maintain the website in this way for a period of no less than 12 months.
86. Additionally, we will contact each person who has contacted us about the Action, to provide them information relating to any settlement approval and discontinuance order made; and to provide a copy of the notice and order. We will do so by email or ordinary post, depending on the contact information we have been provided.

SECTION 13 –CLASS COUNSEL FEES REQUEST

87. Since the commencement of the Action up to and including October 14, 2016, Class Counsel have:
- (a) docketed time of \$633,410.50; and
 - (b) financed disbursements of \$159,038.13.

88. The hourly rates and hours expended since the commencement of this action up to and including October 14, 2016, by the primary Siskinds lawyers and clerks involved in this file are as follows:

LAWYER/CLERK NAME	HOURS	RATE
Michael G. Robb 2002 Call	87.6	\$475.00
	47.7	\$500.00
	152.7	\$525.00
	74.8	\$550.00
	5.7	\$575.00
	4.9	\$660.00
Dimitri Lascaris 1992 Call (NY) 2004 Call (ON)	9.8	\$585.00
	1.6	\$600.00
	2.6	\$650.00
	1.2	\$675.00
Nicholas Baker 2009 Call (AU) 2011 Call (ON)	57.4	\$170.00
	155.6	\$200.00
	175.2	\$210.00
	353.7	\$240.00
	49.5	\$300.00
	70.3	\$350.00
Dawn Sullivan 1999 Call	12.9	\$325.00
	74.9	\$350.00
Nicole Young Law Clerk	51.6	\$150.00
	8.5	\$155.00

	105.5	\$155.00
	5.5	\$200.00


89. The following chart sets out the disbursements that have been financed by Siskinds in pursuing the Action, up to October 14, 2016:

DISBURSEMENT	AMOUNT
Courier:	\$1,085.38
Law Society Surcharge:	\$50.00
Copies:	\$17,784.69
Long Distance Telephone Charge:	\$997.85
Postage:	\$9.26
Court Filing Fees:	\$689.00
Research:	\$1,755.85
Binding Supplies:	\$647.70
Agent's Fees and Disbursements:	\$4,284.91
Corporate Profile Search:	\$8.00
Mileage/Travel/Meals:	\$1,560.77
Expert Reports:	\$97,738.05
Non-Expert Records:	\$187.50
Notice of Certification:	\$26,444.67
Service of Documents:	\$229.50
Document Storage (Discovery):	\$5,565.00

90. If this Court permits the Settlement Amount to be paid to Class Counsel on account of fees and disbursements, we will receive the \$400,000, to be allocated as follows:

- (a) \$159,038.13 for disbursements;
 - (b) \$20,585.38 for HST on disbursements
 - (c) \$195,023.44 for fees; and
 - (d) \$25,353.05 for HST on fees.
91. Attached hereto and marked as Exhibits “K” and “L” are our retainer agreements with the Representative Plaintiffs, Messrs. Keyton and Latimer. Those retainer agreements provide that we will be paid a percentage of the recovery obtained on behalf of the Class.
92. The proposed arrangement falls outside of the terms of those retainer agreements. In this unusual circumstance, where it is uneconomical to conduct a distribution, and where our investment in the case significantly exceeds the amount recovered, we have sought and obtained Messrs. Keyton’s and Latimer’s instructions to request that the entire amount be paid by way of counsel fees and disbursements.
93. Accordingly, we request Class Counsel Fees in the amount of \$400,000, including disbursements and applicable taxes. This equates to the total Settlement Amount.

This is Exhibit "A" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 28th day of October, 2016.



A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017

Court File No. CV-12-462933-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

JOHN KEYTON and HUGH A LATIMER

Plaintiffs

- and -

CANADA LITHIUM CORP.,
PETER SECKER, CHARLES TASCHEREAU,
MITCHEL LAVERY and MICHELLE STONE

Defendants

Proceeding under the *Class Proceedings Act, 1992*

SETTLEMENT AGREEMENT

SETTLEMENT AGREEMENT

RECITALS:

- A. The Plaintiff investors issued a Notice of Action on April 8, 2011 and filed a Statement of Claim on May 9, 2011 (as amended thereafter) in this matter (“the Action”) against a group of Defendants, alleging that Canada Lithium Corp. (now RB Energy Inc., “RB”) misrepresented the mineral resource estimates for its Québec Lithium Project during the Class Period (October 28, 2010 to February 28, 2011 inclusive).
- B. On July 26, 2012, the Plaintiffs obtained, on consent, a discontinuance Order against certain individual Defendants (Coombs, Fairbairn, Pickens, Mohan, Cudney, MacDonald);
- C. As of that date, and thereafter, the remaining Defendants have been RB and three individual Defendants all represented by McCarthy Tétrault LLP (Mr. Secker, named as an officer and Director of RB; Mr. Taschereau, named as an officer of RB; and Mr. Lavery, named as a Director of RB), and the individual Defendant Michelle Stone, represented by Wires Jolley LLP (the “Defendants”);
- D. The Plaintiffs alleged that Dr. Stone was an employee, officer or agent of RB. RB denied in its Statement of Defence that Dr. Stone was either an employee, officer or an agent of RB. Dr. Stone asserted a Cross-claim against RB for vicarious liability;
- E. On August 6, 2013, the Plaintiffs and the Defendants consented to an Order granting leave to proceed under the Ontario *Securities Act*, and certifying the action as a class action (which Order was amended by a further consent Order dated August 19, 2013);
- F. On October 14, 2014, the Defendant RB and related companies filed, in Québec Superior Court, for protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, C-36 as amended (the “CCAA”). In the Initial Order, that Court granted a stay of proceedings to RB (as a “Petitioner”), and to “any former, present or future director or officer of the Petitioners” (“Directors”), which included Taschereau, Secker and Lavery, but not Dr. Stone;

- G. The Stay period was thereafter extended in Orders of the Québec Superior Court dated October 15, 2014, October 29, 2014, November 13, 2014, and April 17, 2015;
- H. On May 8, 2015, the Québec Superior Court issued a Discharge and Transition Order terminating the CCAA proceedings which released the stay of proceedings in favour of RB, but extended the stay period in respect of the Directors “until the discharge of the Directors’ Charge”, a charge securing an indemnity granted by the Petitioners to the Directors for post CCAA filing claims;
- I. On the same date, the same Court issued an Order (the “Receivership Order”) appointing Duff & Phelps Canada Restructuring Inc. (“D&P”) to act as Receiver to the property of, *inter alia*, RB, the whole pursuant to Article 243 of the *Bankruptcy and Insolvency Act*;
- J. On July 10, 2015, the Ontario Superior Court of Justice issued an order pursuant to which KSV Kofman Inc. (“KSV”) was substituted in place of D&P as Receiver to RB.

The Plaintiffs and the Defendants consent and agree to the settlement of this certified class action subject to Court approval, on the terms set out in the following paragraphs:

1. The Defendants deny any wrongdoing, including all allegations against them in this Action.
2. The Defendants will pay the sum of \$400,000 in full settlement of this lawsuit, including all interest and legal fees incurred to date and hereafter to the completion of the settlement (the “Settlement Sum”).
3. The Plaintiffs will forthwith bring a motion, with all necessary supporting material, for the approval of this Settlement Agreement for the certified Class (as defined in the August 6, 2013 Order, as amended), on these terms, including a full release for the Defendants in a form acceptable to the Defendants.
4. The parties acknowledge and agree that the Settlement Sum is not appropriate for an economic and efficient distribution to the certified Class.;

5. Plaintiffs' counsel will bring a motion, on notice to the Defendants, for payment of their legal fees and/or disbursements ("Class Counsel Fees") in an amount to be determined by the Court, and to be paid out of the Settlement Sum, and for the remainder of the Settlement Sum to be distributed to an appropriate *cy pres* recipient(s), as approved by the Court.

6. The Defendants acknowledge and agree that they are not parties to the motion concerning Class Counsel Fees, they will not have standing on the motion despite being given notice of it, they will have no involvement in the approval process to determine the amount of Class Counsel Fees and they will not take any position or make any submissions to the Court concerning Class Counsel Fees, except as requested or required by the Court.

7. The parties acknowledge that this Settlement Agreement is null and void in all respects if the Settlement Sum is not approved by the Ontario Court.

Authorized Signatures

8. KSV will file a motion with the Québec Superior Court requesting that: (a) the stay order issued pursuant to the Receivership Order be lifted *de bene esse* for the sole purpose of obtaining an order of the Ontario Court approving this Settlement Agreement, and dismissing the Action on a without costs basis (b) it be authorized to enter into the Settlement Agreement.

9. The persons signing this Settlement Agreement each represents that he/she is fully authorized to enter into the terms and conditions of, and to execute, this Settlement Agreement. In the case of execution by counsel, the signatory represents that he has the full and informed authority of his client to proceed.

Counterparts

10. This Settlement Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same Settlement Agreement.

11. A facsimile or email signature shall be deemed an original signature for the purpose of executing this Settlement Agreement.

J. Keyton by his counsel, Siskinds LLP per [Signature] May 5, 2016
 JOHN KEYTON Witness Date

H. Latimer by his counsel, Siskinds LLP per [Signature] May 5, 2015
 HUGH A. LATIMER Witness Date

KSV KOFMAN INC., in its capacity as court-appointed receiver to RB ENERGY INC. (formerly CANADA LITHIUM CORP.), and not in its personal capacity

By: [Signature] May 13, 2016
 Name: DAVID SIERADZKI Date
 Title: MANAGING DIRECTOR

P. Secker by his counsel McLothry Telford LLP per [Signature] May 5, 2016
 PETER SECKER Witness Date

C. Taschereau by his counsel McLothry Telford LLP per [Signature] May 5, 2016
 CHARLES TASCHEREAU Witness Date

M. Lavery by his counsel McLothry Telford LLP per [Signature] May 5, 2016
 MITCHELL LAVERY Witness Date

MICHELLE STONE Witness Date

KEYTON and LATIMER V. CANADA LITHIUM CORP., *et al.*

Court File No: CV-12-462933-00CP

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at London
Transferred to Toronto

SETTLEMENT AGREEMENT

McCarthy Tétrault LLP

Suite 5300, Toronto Dominion Bank Tower
Toronto ON M5K 1E6

Dana M. Peebles LSUC#: 30820V

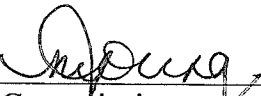
Tel: 416 601-7839

Fax: 416-868-0673

Lawyers for the Defendants,
Lavery, Secker and Taschereau

#15529167

This is Exhibit "B" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 28th day of October, 2016.


A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017

762933
Court File No. CV-12-46293-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE
JUSTICE P. M. PERELL

) Tuesday THE 6th day / PMP
) of August, 2013

~~DAY OF~~, 2013

BETWEEN:

JOHN KEYTON

Plaintiff

- and -

CANADA LITHIUM CORP.,
PETER SECKER, CHARLES TASCHEREAU,
MITCHELL LAVERY and MICHELLE STONE

Defendants



Proceeding under the *Class Proceedings Act, 1992*

ORDER

THIS MOTION, made by the Plaintiff for, *inter alia*, an order granting leave to commence an action to plead a cause of action under Part XXIII.1 of the *Securities Act*, R.S.O. 1990, c. S.5 (“OSA”) and the relevant provisions of the securities legislation of each other Canadian province, and for class certification under the *Class Proceedings Act, 1992*, SO 1992, c 6 (“CPA”), was heard this day at Osgoode Hall, 130 Queen Street West, Toronto, Ontario,

ON READING the materials filed, and on hearing the submissions of Counsel for the Plaintiffs;

AND ON BEING ADVISED that the Defendants consent to this Order:

1. **THIS COURT DECLARES** that, except as otherwise stated, this Order incorporates and adopts the definitions set out in the proposed Second Further Fresh as Amended Statement of Claim (as set out in Schedule "B" hereto).
2. **THIS COURT ORDERS** that Hugh A. Latimer is added as a plaintiff in this action, and that the title of proceedings in this action shall be as follows:

Court File No. CV-12-46293-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

JOHN KEYTON and HUGH A. LATIMER

Plaintiffs

- and -

CANADA LITHIUM CORP.,
PETER SECKER, CHARLES TASCHEREAU,
MITCHELL LAVERY and MICHELLE STONE

Defendants

Proceeding under the *Class Proceedings Act, 1992*

3. **THIS COURT ORDERS**, subject to paragraph 4 herein, that Messrs. Keyton and Latimer (together, the "Plaintiffs") are granted leave to commence an action under Part XXIII.1 of the OSA by filing the Second Further Fresh as Amended Statement of Claim, substantially in the form attached hereto as Schedule "B"

(“Claim”), pleading statutory claims for misrepresentation in secondary market disclosure documents under Part XXIII.1 of the OSA.

4. **THIS COURT ORDERS** that all claims other than statutory claims for:
 - a. misrepresentation in secondary market disclosure documents under Part XXIII.1 of the OSA and the concordant provisions of the securities legislation of each other Canadian province (as set out in Schedule “A-1” hereto); and
 - b. misrepresentation in primary market disclosure documents under Part XXIII, s 130 of the OSA and the concordant provisions of the securities legislation of each other Canadian province and territory (as set out in Schedule “A-2” hereto),are discontinued with prejudice.
5. **THIS COURT ORDERS** that the action, as pleaded in the Claim (as set out in Schedule “B” hereto), is hereby certified as against CLQ and the Individual Defendants as a class proceeding pursuant to s. 5 of the CPA.
6. **THIS COURT ORDERS** that the Class or Class Members be defined as:

All persons and entities, other than Excluded Persons, who acquired securities of CLQ from the opening of trading on the TSX on October 28, 2010 to the close of trading on the TSX on February 28, 2011 and who continued to hold any of those securities as of the close of trading on February 28, 2011.
7. **THIS COURT ORDERS** that the Plaintiffs be appointed as the representative plaintiffs for the Class.

8. **THIS COURT DECLARES** that the causes of action asserted on behalf of the Class are the statutory claims for:

- a. misrepresentation in secondary market disclosure documents under Part XXIII.1 of the OSA and the concordant provisions of the securities legislation of each other Canadian province (as set out in Schedule “A-1” hereto); and
- b. misrepresentation in primary market disclosure documents under Part XXIII, s 130 of the OSA and the concordant provisions of the securities legislation of each other Canadian province and territory (as set out in Schedule “A-2” hereto);

9. **THIS COURT ORDERS** that this class proceeding is the preferable procedure for the resolution of the following common issues:

A. Common Issues: The Documents and Representations

- (1) Did any of the CLQ Documents – see Schedule “C” hereto - contain one or more of the following statements, and if so, which one(s):
 - (a) that CLQ’s estimates of resources (the “Resource Estimates”) at its Quebec Lithium Project indicated:
 - (i) that the aggregated Measured Mineral Resource and Indicated Mineral Resource totalled 46.7 million tonnes grading 1.19% lithium oxide, an increase of approximately 48% in tonnage and 7% in grade over same in the previous Mineral Resource estimate;
 - (ii) that the Inferred Mineral Resource amounted to approximately 57.6 million tonnes grading 1.18% lithium oxide, an increase of approximately 48% in tonnage and 6% in grade, compared to the previous Mineral Resource estimate;
 - (b) that the Quebec Lithium Project ranked, in terms of size, among the top two or three known hard-rock lithium deposits in the world; and
 - (c) that the Upgrade Report was prepared in accordance with NI 43-101.

B. Common Issues under the Securities Legislation

- (2) Are the statutory claims of primary market purchasers who acquired their CLQ securities in Canadian provinces outside Ontario to be determined under the *OSA*, or under the analogous provisions in the Securities Legislation of the provinces and territories where the acquisitions took place (as set out in Schedule "A-2" hereto)?
- (3) If the answer to Issue (1) in any aspect is "yes", were any of those statements material misrepresentations of fact within the meaning of s. 1 of the *OSA*?
- (4) If the answer to Issue (3) in any aspect is "yes", when and by what means were any such material misrepresentations corrected?

The Primary Market Purchasers

- (5) If the answer to Issue (3) in any aspect is "yes" in relation to the Prospectus, are any or all of the Individual Defendants outside the categories of defendants specified in s. 130(1) of the *OSA*? - if "Yes", exclude those Defendants from the Common Issues in this section.
- (6) Has the forward-looking information defence in s. 132.1 of the *OSA* been made out by any or all of the Defendants with respect to the Prospectus?
- (7) In relation to the Individual Defendants, with respect to the Prospectus:
 - (a) Were any or all of the Individual Defendants an "expert" pursuant to s. 130 of the *OSA*? - for those Defendants, are the elements necessary for a claim against an expert in s. 130(4) of the *OSA* made out?
 - (b) Are the elements necessary for a claim against a non-expert in s. 130(5) of the *OSA* made out?
 - (c) Has the expert reliance defence in s. 130(3)(c) of the *OSA* been made out?
- (8) If pursuant to Issue (2) the other Securities Legislation apply, can the Defendants rebut the statutory deemed reliance of Primary Market Purchasers who acquired their CLQ securities in British Columbia, Manitoba, New Brunswick or Saskatchewan upon any material misrepresentations in the Prospectus?

As to Remedies of the Primary Market Purchasers

- (9) If any or all of the Defendants are liable to the Primary Market Purchasers, are those Class Members entitled to rescission against all or any of the Defendants under s. 130(1) of the *OSA*?
- (10) If any or all of the Defendants are liable to the Primary Market Purchasers, what is the per share impact under *OSA* subs. 130(7)?

- (11) Does subsection 130(9) limit the recovery of Primary Market Purchasers?

The Secondary Market Purchasers

- (12) If the answer to Issue (3) in any aspect is “yes”, should the Court exercise its discretion to treat any two or more material misrepresentations having a common subject matter or content as a single misrepresentation, pursuant to s. 138.3(6)(a) of the *OSA*?
- (13) Were any of the Individual Defendants outside the categories of defendants specified in s. 138.3(1) of the *OSA*? - if “Yes”, exclude those Defendants from the Common Issues in this section.
- (14) Were any or all of the Individual Defendants an “expert” pursuant to s. 138.1 of the *OSA*?
- (15) Were any or all of the Individual Defendants an “officer” pursuant to s. 1(1) of the *OSA*?
- (16) Were any or all of the Individual Defendants an “influential person” pursuant to s. 138.1 of the *OSA*?

As to Core Documents

- (17) With respect to each material misrepresentation, if any, in a Core CLQ Document can any or all of the Defendants make out:
- (a) the reasonable investigation defence in ss. 138.4(6) and (7) of the *OSA*?
 - (b) the forward-looking information defence in s. 138.4(9) of the *OSA*?
 - (c) the expert reliance defence in s. 138.4(11) and/or
 - (d) the corrective action defence in s. 138.4(15) of the *OSA*?

As to Non-Core Documents

- (18) With respect to each material misrepresentation in a Non-Core CLQ Document, and pursuant to s. 138.4(1) of the *OSA*, has the Plaintiff proven that any or all of the Defendants other than an expert:
- (a) knew, at the time that the document was released, that the document contained the material misrepresentation;
 - (b) at or before the time that the document was released, deliberately avoided acquiring knowledge that the document contained the material misrepresentation; or
 - (c) through action or failure to act, engaged in gross misconduct in connection with the release of the document?

- (19) With respect to each material misrepresentation in a Non-Core CLQ Document, if the answer to Issue (3) in any aspect is “yes”, then can any or all of the Defendants make out
- (a) the reasonable investigation defence in ss. 138.4(6) and (7) of the *OSA*?
 - (b) the expert reliance defence in s. 138.4(11) of the *OSA*?
 - (c) the forward-looking information defence in s. 138.4(9) of the *OSA*?
 - (d) the corrective action defence in s. 138.4(15) of the *OSA*?

As to Damages

- (20) If any or all of the Defendants are liable to the Primary Market Purchasers under s.138.3, what is the per share impact pursuant to ss. 138.5(1) and 138.6(1) of the *OSA*?
- (21) Can the Defendants prove that a deduction is required to the calculated damages because of a change in the market price of the securities that is unrelated to the misrepresentation, under s.138.5(3)?
- (22) Is the damages cap in s. 138.7(1) of the *OSA* applicable to any or all of the Defendants?
- (23) If the answer to Issue (19) is yes, what is the amount of the damages cap in relation to those Defendants?

C. Other Common Issues

- (24) Is CLQ vicariously liable for the acts of any or all Individual Defendants under Parts XXIII or XXIII.1 of the *OSA*, or under Ontario common law?
- (25) Is CLQ jointly and severally liable for the acts of any or all Individual Defendants under Parts XXIII or XXIII.1 of the *OSA*, or under Ontario common law?
- (26) If any Defendants are liable to the Class, should the Defendants pay the costs of administering and distributing the recovery? If so, which Defendants should pay, and how much?
- (27) If the Court determines that the Defendants are liable to the Class, and if the Court considers that the participation of the Class Members is required to determine individual issues, what directions, procedural steps and/or rulings with respect to the admission of evidence are required?

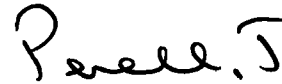
10. **THIS COURT DECLARES** that this Order is made without prejudice to the right of the Defendants to assert such defences hereafter to the Claim (as set out in

Schedule “B” hereto) and as may be amended, and the common issues set out herein, as they see fit, whether by interlocutory motion or motions or at the common issues trial or otherwise, including defences that challenge the viability in law of any or all of the aspects of the Claim or those common issues.

11. **THIS COURT DECLARES** that no other proceeding based upon the facts giving rise to the Claim herein may be commenced without leave of this Court.
12. **THIS COURT ORDERS** that the Plaintiffs’ Litigation Plan is approved in the form attached hereto as Schedule “D”.
13. **THIS COURT ORDERS** that notice of certification of this action as a class proceeding and the granting of leave under Part XXIII.1 of the OSA and the relevant provisions of the securities legislation of each other Canadian province (as set out in Schedule “A-1” hereto), substantially in the form attached hereto as Schedule “E” as it relates to this action (the “Notice”), is hereby approved.
14. **THIS COURT ORDERS** that the Notice shall be disseminated in accordance with the notice program described in paragraph 16 of the Litigation Plan attached hereto as Schedule “D”.
15. **THIS COURT ORDERS** that the costs of and incidental to publication and dissemination of the Notice shall be paid 50% by the Plaintiffs and 50% by the Defendants.
16. **THIS COURT ORDERS** that a Class Member may opt out of this proceeding only in accordance with the directions set out in the Notice, including providing particulars of the date(s), price(s) and number(s) of CLQ securities purchased

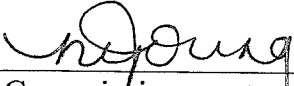
during the Class Period and held as of the end of trading on February 28, 2011 and the same particulars for any subsequent sales of those securities, by no later than the date that is 90 calendar days after the date on which the Notice is first published (the "Opt Out Deadline"). No person may opt out of this proceeding after the Opt Out Deadline, and a person who opts out in accordance with the directions set out in the Notice by the Opt Out Deadline shall not be a Class Member on or after the date such person opts out of the proceeding.

17. **THIS COURT ORDERS** that by no later than 30 calendar days after the Opt Out Deadline, Siskinds LLP shall report to the Court the names of all persons who have opted out of the proceeding, and provide to the Defendants copies of the particulars set forth in paragraph 16 supplied by persons who have opted out of the proceeding.
18. **THIS COURT ORDERS** that no costs are payable with respect to this motion.



THE HONOURABLE JUSTICE PERELL

This is Exhibit "C" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 28th day of October, 2016.


A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017

Court File No. CV-12-462933-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE
JUSTICE P. M. PERELL

) Monday THE 19th
)
) DAY OF August , 2013

B E T W E E N:

JOHN KEYTON and HUGH A. LATIMER

Plaintiffs

- and -

CANADA LITHIUM CORP.,
PETER SECKER, CHARLES TASCHEREAU,
MITCHELL LAVERY and MICHELLE STONE

Defendants

Proceeding under the *Class Proceedings Act, 1992*

O R D E R

THIS MOTION, made by the Plaintiffs, unopposed by the Defendants, to vary the Order dated August 6, 2013, was heard in writing this day at the courthouse, 361 University Avenue, Toronto, Ontario, M5G 1T3, no one appearing or required to appear;

ON READING the motion record of the Plaintiffs;

1. **THIS COURT ORDERS** that the Order made August 6, 2013, is varied by addition of the following italicized words to paragraph four (4):

4. THIS COURT ORDERS that all claims other than statutory claims for:

2

- a. misrepresentation in secondary market disclosure documents under Part XXIII.1 of the OSA and the concordant provisions of the securities legislation of each other Canadian province (as set out in Schedule "A-1" hereto); and
- b. misrepresentation in primary market disclosure documents under Part XXIII, s 130 of the OSA and the concordant provisions of the securities legislation of each other Canadian province and territory (as set out in Schedule "A-2" hereto),

are discontinued with prejudice *and without costs effective upon the expiry of 90 calendar days after the date on which the Notice, approved below, is first published (the "Opt Out Deadline")*.



JUSTICE PAUL M. PERELL

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

AUG 22 2013

AS DOCUMENT NO.:
À TITRE DE DOCUMENT NO.:
PER / PAR:



ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at LONDON
and transferred to Toronto

ORDER
(VARYING AUGUST 6, 2013 ORDER)

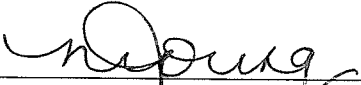
SISKINDS LLP
Barristers & Solicitors
680 Waterloo Street
P.O. Box 2520
London, ON N6A 3V8

Michael G. Robb (LSUC #: 45787G)
Tel: 519.660.7872
Fax: 519.660.7873

Nicholas C. Baker (LSUC #: 59642T)
Tel: 519.660.7868
Fax: 519.660.7869

Lawyers for the Plaintiff

This is Exhibit "D" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 28th day of October, 2016.



A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds LLP
Barristers and Solicitors. Expires: November 23, 2017

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

File: No: 500-11-047560-145

SUPERIOR COURT
Commercial Division

Montreal, October 14, 2014

Present: The Honourable Mr. Justice Martin
Castonguay, J.S.C.

**IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED:**

**QUÉBEC LITHIUM INC., QLI METAUX INC.,
RB ENERGY INC., AND SIROCCO MINING
INC.**

Petitioners

And

KPMG INC.

Monitor

LIMITED INITIAL ORDER

ON READING Petitioners' petition for an initial order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36 (as amended the "CCAA") and the exhibits, the affidavit of Alessandro Bitelli sworn October 14, 2014 filed in support thereof (the "**Petition**") and the consent of KPMG Inc. to act as monitor (the "**Monitor**");

GIVEN the provisions of the CCAA;

WHEREFORE, THE COURT:

1. **GRANTS** in part the Petition.

Stay of Proceedings against the Petitioners and the Property

2. **ORDERS** that, until and including October 15, 2014 at 11:59 p.m. (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Petitioners, or affecting the Petitioners’ business operations and activities (the “**Business**”) or the Property (as defined herein below), except with leave of this Court. Any and all Proceedings currently under way against or in respect of the Petitioners or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court, the whole subject to subsection 11.1 CCAA.
3. **ORDERS** that the rights of Her Majesty in right of Canada and Her Majesty in right of a Province are suspended in accordance with the terms and conditions of subsection 11.09 CCAA.

Stay of Proceedings against the Directors and Officers

4. **ORDERS** that during the Stay Period and except as permitted under subsection 11.03(2) of the CCAA, no Proceeding may be commenced, or continued against any former, present or future director or officer of the Petitioners nor against any person deemed to be a director or an officer of any of the Petitioners under subsection 11.03(3) CCAA (each, a “**Director**”, and collectively the “**Directors**”) in respect of any claim against such Director which arose prior to the Effective Time and which relates to any obligation of the Petitioners where it is alleged that any of the Directors is under any law liable in such capacity for the payment of such obligation.

Possession of Property and Operations

5. **ORDERS** that the Petitioners shall remain in possession and control of their present and future assets, rights, undertakings and properties of every nature and kind whatsoever, and

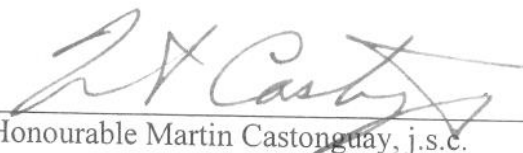
wherever situated, including all proceeds thereof (collectively the “**Property**”), the whole in accordance with the terms and conditions of this order.

No Exercise of Rights or Remedies

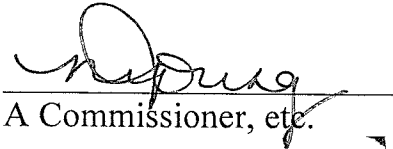
6. **ORDERS** that during the Stay Period, and subject to, *inter alia*, subsection 11.1 CCAA, all rights and remedies of any individual, natural person, firm, corporation, partnership, limited liability company, trust, joint venture, association, organization, governmental body or agency, or any other entity (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Petitioners, or affecting the Business, the Property or any part thereof, are hereby stayed and suspended except with leave of this Court.
7. **DECLARES** that, to the extent any rights, obligations, or prescription, time or limitation periods including, without limitation, to file grievances relating to the Petitioners or any of the Property or the Business may expire (other than pursuant to the terms of any contracts, agreements or arrangements of any nature whatsoever), the term of such rights, obligations, or prescription, time or limitation periods shall hereby be deemed to be extended by a period equal to the Stay Period. Without limitation to the foregoing, in the event that the Petitioners, or any of them, become(s) bankrupt or a receiver as defined in subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) is appointed in respect of the Petitioners, the period between the date of the Order and the day on which the Stay Period ends shall not be calculated in respect of the Petitioners in determining the 30 day periods referred to in Sections 81.1 and 81.2 of the BIA.

POWERS OF THE MONITOR

8. **ORDERS** that KPMG Inc. is hereby appointed to monitor the business and financial affairs of the Petitioners as an officer of this Court (the “**Monitor**”).


Honourable Martin Castonguay, j.s.c.

This is Exhibit "E" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 28th day of October, 2016.



A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017

SUPERIOR COURT

(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No. 500-11-047560-145

DATE: May 8, 2015

PRESIDING: HONORABLE MARTIN CASTONGUAY, J.S.C

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C 1985,
c. C-36, AS AMENDED:

QUÉBEC LITHIUM INC.
QLI MÉTAUX INC.
RB ENERGY INC.
-and-
SIROCCO MINING INC.

Petitioners

-and-

KPMG INC.

Monitor

DISCHARGE AND TRANSITION ORDER

- [1] **ON READING** the Petitioners' *Motion for an Order Terminating the CCAA Proceedings and for Ancillary Relief*, the affidavit of Alessandro Bitelli sworn on May 6, 2015 and the exhibits filed in support thereof (the "**Motion**");
- [2] **CONSIDERING** the Report of the Monitor dated May 7, 2015 (the "**Monitor's Sixth Report**") and the submissions of counsel for the Petitioners, the Monitor, the Interim Lender and The Bank of Nova Scotia as Administrative Agent and Lead Arranger (the "**Agent**");
- [3] **GIVEN** the provisions of the Companies' Creditors Arrangement Act ("**CCAA**");

WHEREFORE THE COURT:

- [4] **GRANTS** the Motion.

- [5] **DECLARES** that all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion, or, otherwise, in the *Second Amended and Restated Initial Order* of this Court dated October 29, 2014 (the "**Initial Order**").

SERVICE

- [6] **DECLARES** that sufficient prior notice of the presentation of the Motion has been given by the Petitioners to interested parties, including the Agent, the Interim Lender and the Monitor, and that service of the Motion and supporting material is good, valid and sufficient, and any further service thereof is hereby dispensed with.

TERMINATION OF CCAA PROCEEDINGS

- [7] **ORDERS** that, except as expressly provided in this Order or in the Order granted by this Court on the date hereof (the "**Receivership Order**") appointing Duff & Phelps Canada Restructuring Inc. (the "**Receiver**") to the assets of the Petitioners (the "**Receivership Proceedings**"), these CCAA proceedings (the "**CCAA Proceedings**") shall be and are hereby terminated effective at 12:01 a.m. on May 8, 2015 (the "**Effective Time**") and the Monitor is hereby discharged.
- [8] **ORDERS** that all Orders rendered in these CCAA Proceedings shall continue in full force and effect, including with respect to sealing provisions contained in such Orders which sealing provisions shall continue pending further order of the Court issued pursuant to a motion brought in the Receivership Proceedings on notice to all interested parties.
- [9] **ORDERS** that notwithstanding any other provision of this Order or the Receivership Order, the Petitioners shall be entitled to retain and administer, and the Receiver is hereby directed to leave, the amount of \$149,067.71 (the "**Retained Amount**") in the bank account of the Petitioners designated in the Post-Petition Payables Schedule (Exhibit R-5) in order for the Petitioners to (i) pay vacation pay accrued but not paid prior to the appointment of the Receiver, for any employees terminated pursuant to paragraph 10 below and any accrued but unpaid wages for such employees (collectively, the "**RBE Termination Payments**"); and (ii) to pay obligation pursuant to cheques that have been issued by the Petitioners after the day on which the CCAA Proceedings commenced (the "**Filing Date**"), and which cheques are outstanding and have not cleared the Petitioners' bank account(s) as of the Effective Time ("**Outstanding Post-Petition Cheques**")

TERMINATION OF CERTAIN EMPLOYEES

- [10] **AUTHORIZES** and **DIRECTS** the Petitioners to terminate the employment of all employees of RB Energy Inc. and only of RB Energy Inc., issue records of employment to such terminated employees and pay the RBE Termination Payments from the Retained Amount, with such termination to be effective immediately prior to the Effective Time.

PAYMENT OF POST-PETITION PAYABLES

- [11] **ORDERS** and **DIRECTS** the Receiver to take possession of any unused portion of the Retained Amount 30 days from the date hereof.

- [12] **ORDERS** that the Receiver is authorized and directed to pay the following to the extent not paid from the Retained Amount, as applicable in accordance with paragraph [9] above:
- (a) the RBE Termination Payments;
 - (b) the Outstanding Post-Petition Cheques;
 - (c) obligations incurred or accrued by the Petitioners in accordance with the May Forecast (Exhibit R-4) for which payment has not been made as at the Effective Time as and when such obligations become due, including without limitation, but without duplication:
 - (i) those Post-Petition Payables amounting to \$541,290 as set out on the Post-Petition Payables Schedule (Exhibit R-5);
 - (ii) the accrued but unpaid wages of QLI employees;
 - (iii) reasonable unpaid professional fees that have been incurred by counsel for the Petitioners, the Petitioners' advisors, the Monitor or counsel for the Monitor (the "**CCAA Professionals**") up to and including the date on which the Receiver has been appointed to the extent not discharged by the monetary retainers in the possession of the CCAA Professionals (the "**CCAA Professionals' Retainers**"); and
 - (iv) such other amounts that the Receiver is satisfied, in its reasonable discretion, constitute obligations properly incurred by the Petitioners from and after the Filing Date.
- (collectively, the "**Post-Petition Payables**")
- [13] **ORDERS** the Receiver to establish a reserve of \$77,200 from the cash transferred by the **Petitioners to the Receiver pursuant to the provisions of the Receivership Order** and deposit such cash reserve in a segregated trust account (the "**QLI Vacation Pay Reserve**") and to pay only the vacation pay accrued but not paid prior to the appointment of the Receiver for the employees of Quebec Lithium Inc. (the "**QLI Vacation Pay**") from the QLI Vacation Pay Reserve.
- [14] **ORDERS** and **DIRECTS** the Receiver to file a certificate with the Court certifying that to the best of the Receiver's knowledge, all the Post-Petition Payables have been paid and/or discharged in full (or with respect to QLI Vacation Pay certifying that either the QLI Vacation Pay has been paid and/or there is no vacation entitlement remaining with respect to any QLI employees for the period prior to the appointment of the Receiver because the accrued vacation has been taken the "**Vacation Entitlement**"), within 7 business days following the payment (to the best of the Receiver's knowledge) of the final Post-Petition Payables (or the use of the final Vacation Entitlement). Upon the filing of such certificate, any amounts remaining in the QLI Vacation Pay Reserve shall be released from the QLI Vacation Pay Reserve to the Receiver.

- [15] **ORDERS** that the obligations of the Receiver set out in paragraphs [12], [13] and [14] hereof shall survive any bankruptcy of the Petitioners and be binding on any trustee in bankruptcy appointed in respect of the Debtors.

APPROVAL OF MONITOR'S ACTIVITIES

- [16] **ORDERS** that the Monitor's First Report dated November 12, 2014, the Monitor's Second Report dated January 8, 2015, the Monitor's Third Report dated February 3, 2015, the Monitor's Fourth Report dated April 2, 2015, the Monitor's Fifth Report dated April 16, 2015 and the Monitor's Sixth Report are hereby approved and the actions, conduct and activities of the Monitor described therein are hereby approved.
- [17] **ORDERS** and **DECLARES** that, notwithstanding any provision of this Order, the termination of the CCAA Proceedings and the discharge of the Monitor, the Monitor may carry out such functions and duties as may be incidental to the termination of the CCAA Proceedings and the transition to the Receivership Proceedings, pursuant to this Order, any further order of the court or as otherwise required. In carrying out such functions and duties, the Monitor shall continue to have the benefit of any and all protections granted in the CCAA Proceedings and nothing contained in this Order shall affect, vary, derogate from or amend any of the protections in favour of the Monitor, which protections will continue to apply *mutatis mutandis*.
- [18] **ORDERS** that no action, demand, claim, complaint or other proceedings shall be commenced or filed against the Monitor in any way arising out of or related to its capacity, decision, actions or conduct as Monitor, except with prior leave of this Court and on prior written notice to the Monitor, the whole as provided in the Initial Order and such further order securing, as security for costs, the full judicial and reasonable extrajudicial costs of the Monitor in connection with any proposed action or proceedings as the Court hearing such motion for leave to proceed may deem just and appropriate.

CCAA CHARGES

- [19] **ORDERS** and that notwithstanding the termination of the CCAA Proceedings, the charges granted by the Court in the CCAA Proceedings (the "**CCAA Charges**") shall continue to bind the Property pending further Order of the Court, pursuant to a motion brought in the Receivership Proceedings on notice to the beneficiaries of the CCAA Charges.
- [20] **DECLARES** that the notwithstanding paragraph [19] above, the Administration Charge shall attach only to the CCAA Professionals' Retainers which CCAA Professionals' Retainers shall be the sole source of payment for any fees charged and disbursements incurred by the CCAA Professionals from and after the Effective Time unless the Receiver agrees to pay and pays such post-receivership appointment fees and disbursements directly. The CCAA Professionals shall provide an accounting to the Receiver of any fees charged or disbursements incurred by them during the Receivership Proceedings which are paid out of their respective CCAA Professionals' Retainers.

- [21] **ORDERS** that any residual amounts in the CCAA Professionals' Retainers after payment of all outstanding obligations to applicable CCAA Professionals shall be remitted to the Receiver upon the earlier of (i) agreement between the Receiver and the applicable CCAA Professional; (ii) the discharge of the CCAA Charges in accordance with paragraph [19] above; (iii) further order of the Court directing the remittance of such residual amounts to the Receiver or (iv) 60 days from the date hereof.
- [22] **ORDERS** that the CCAA Charges, other than the Administration Charge as against the CCAA Professionals' Retainers, shall be subject to charges created by the Receivership Order.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

- [23] **ORDERS** that, notwithstanding any provisions of this Order, the Stay Period is hereby extended only in respect of the Directors until the discharge of the Directors' Charge, and, except in respect of proceedings alleging claims contemplated by s. 11.03(2) of the CCAA, and during the Stay Period no proceeding may be commenced or continued against any of the Directors with respect to any claim against such Directors that arose on or after the Filing Date that relates to any obligations of the Petitioners whereby the Directors are alleged under any law to be liable in their capacity as Directors for the payment or performance of such obligations.

TERMINATION OF CERTAIN LEASES

- [24] **ORDERS** that the rights conferred on Caterpillar Financial Services Limited ("CFSL") by Order of this Court dated April 7, 2015, in respect of CFSL's ability to terminate certain leases between CFSL and Quebec Lithium Inc. are exercisable as against the Receiver provided that such rights may be exercised against the Receiver immediately upon the appointment of the Receiver rather than May 29, 2015.

GENERAL

- [25] **ORDERS** that any and all administrative matters relating to the CCAA Proceedings which arise following the termination of the CCAA Proceedings and the effective date of the appointment of the Receiver as set out in the Receivership Order may be brought before this Court for determination, advice and direction.
- [26] **ORDERS** that all persons shall cooperate fully with the Petitioners and the Monitor and do all such things that are necessary or desirable for the purposes of giving effect to and in furtherance of this Order.
- [27] **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative

body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order.

- [28] **ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada;
- [29] **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security;
- [30] **THE WHOLE** without costs.



MARTIN CASTONGUAY, J.S.C

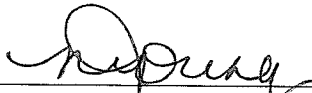
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COPIE CONFORME



Godie Cook
Greiffier adjoint

This is Exhibit "F" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 28th day of October, 2016.



A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017

SUPERIOR COURT

(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No. 500-11-047560-145

DATE: May 8, 2015

PRESIDING : THE HONOURABLE MR. JUSTICE MARTIN CASTONGUAY, J.S.C.

IN THE MATTER OF THE RECEIVERSHIP OF:

QUÉBEC LITHIUM INC., QLI MÉTAUX INC., RB ENERGY INC. AND SIROCCO MINING INC.

Debtors

-and-

HALE CAPITAL PARTNERS L.P.

Petitioner

-and-

KPMG INC.

Monitor

-and-

DUFF & PHELPS CANADA RESTRUCTURING INC.

Receiver

ORDER APPOINTING A RECEIVER
(Section 243 of the *Bankruptcy and Insolvency Act*)

- 2 -

- [1] **ON READING** the Petitioner's Motion for the Appointment of a Receiver (the "**Motion**") pursuant to Article 243 of the *Bankruptcy and Insolvency Act* (the "**BIA**"), the affidavit and the exhibits in support thereof;
- [2] **SEEING** the service of the Motion;
- [3] **SEEING** the submissions of Petitioner's attorneys;
- [4] **SEEING** that the Petitioner sent the Debtors, the Monitor and creditors of the Debtors' whose rights are published at the appropriate registries a five day Notice of Intention to Enforce a Charge pursuant to the terms of the Second Amended and Restated Initial Order issued by this Court in this matter on October 29, 2014 (the "**Second Amended and Restated Initial Order**");
- [5] **SEEING** the consent of the Debtors to the issuance of this Order;
- [6] **SEEING** that it is appropriate to appoint a receiver to the Property (such as defined herein) of the Debtors and to terminate the proceedings instituted pursuant to the *Companies' Creditors Arrangement Act* (the "**CCA Proceedings**") pursuant to the terms of a Discharge and Transition Order dated May 8, 2015 (the "**Discharge and Transition Order**");

WHEREFORE THE COURT:

- [7] **GRANTS** the Motion;

SERVICE

- [8] **ORDERS** that any prior delay for the presentation of this Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof;

APPOINTMENT

- [9] **APPOINTS** Duff & Phelps Canada Restructuring Inc., trustee, to act as receiver (the "**Receiver**") to the Property of Québec Lithium Inc., QLI Métaux Inc., RB Energy Inc. and Sirocco Mining Inc. (collectively, the "**Debtors**") until one of the following events comes to pass:
 - (a) the sale of all the Property; or
 - (b) the issuance of any order by the Court terminating the mandate of the Receiver;

- [10] **DECLARES** that the order (the “**Order**”) and its effects shall survive the filing by any of the Debtors of a notice of intention to make a proposal or of a proposal pursuant to the terms of the BIA or the bankruptcy of any of the Debtors, unless the Court orders otherwise.
- [11] **DECLARES** the Order and its effects shall survive the termination of the CCAA Proceedings.

RECEIVER’S POWERS

- [12] **AUTHORIZES** the Receiver to exercise the following powers:

A) Powers related to the possession of the Property

AUTHORIZES the Receiver to take possession of all Debtors’ present and future assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof but excluding (i) the Retained Amount (as defined in the Discharge and Transition Order); (ii) the QLI Vacation Pay Reserve (as defined in the Discharge and Transition Order), (iii) the monetary retainers paid by the Debtors to the Monitor, the Monitor’s counsel, the Debtors’ counsel and the Debtors’ directors’ counsel and (iv) the LC Cash Collateral (as defined below) (collectively, the “**Property**”) and to exercise the following powers listed hereinafter in the place and stead of the Debtors in respect of the Property:

B) Powers related to the preservation of the Property

- (a) all the powers necessary for the preservation and for the protection of the Property;
- (b) all the powers necessary to control the Property, the place of business and the premises occupied by the Debtors;
- (c) all the powers necessary to grant the Receiver access, at all times, to the place of business and to the premises of the Debtors, to the Property, and to change the locks and security codes required to grant access to such premises and places of business of the Debtors;
- (d) all the powers necessary to grant the Receiver access to all the accounting records of the Debtors, as well as to any document, contract, register of any nature or kind whatsoever, wherever they may be situated and regardless of the medium on which they may be recorded (the “**Records**”), as well as the powers necessary to make copies of all the Records necessary or useful to the execution of the Receiver’s functions;
- (e) all the powers necessary to undertake an analysis of the Debtors’ Records;

C) Powers related to the Control of Debtors' Receipts and Disbursements

- (f) except as otherwise provided herein, all the powers necessary to control the Debtors' receipts and disbursements;
- (g) all the powers necessary to collect all the accounts receivable and all the other claims of the Debtors and to transact in respect of same, as well as to sign any document for this purpose;
- (h) all the powers necessary to open any required bank account, pursuant to the terms and conditions the Receiver may determine, with any chartered Canadian bank, or any other financial institution, the whole, in order to cash any item payable to the Debtors, and to issue any payment which, in the opinion of the Receiver, is necessary or useful to the preservation or maintenance of the Debtors' Property;

[13] ORDERS the Debtors to remit immediately all cash on hand remaining from advances under the Interim Facility (as defined in the Second Amended and Restated Initial Order) to the Receiver other than the Retained Amount;

D) Powers related to the disposition or sale of the Property

- (i) all the powers necessary to interest or solicit one or several potential buyers of all or any part of the Property, including, without limitation, the right to carry out a public call for tenders or private solicitations in order to dispose of the Property;

[14] ORDERS the Receiver to petition the Court for authorization to sell all or any part of the Property outside the ordinary course of business, upon finding a purchaser and pursuant to conditions it deems reasonable in the circumstances;

[15] DECLARES that, notwithstanding the preceding paragraph, the Receiver shall have the power to sell all or any part of the Property outside the ordinary course of business, without the Court's authorization, provided that the price and value in each case does not exceed \$200,000 or \$4,000,000 in aggregate and subject to the rights of lessors under equipment leases;

[16] GRANTS the Receiver all the powers necessary to initiate, prosecute and continue the prosecution of any and all proceedings it considers appropriate, including for the purpose of Sections 34 and 249 of the BIA, within the performance of its duties regarding the Property;

[17] AUTHORIZES the Receiver to retain the services of any lawyer, or of any person or business in order to appropriately fulfil its functions;

[18] DECLARES that the Receiver may provide creditors and other relevant stakeholders with information in response to requests made by them in writing. A copy of such requests must be sent to the Petitioner's attorney. Where the Receiver has been

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advised by the Petitioner that information is confidential, proprietary or competitive, the Receiver shall not provide such information to any person without the consent of the Petitioner unless otherwise directed by this Court.

DEBTORS' DUTIES

- [19] **ORDERS** the Debtors, their directors, officers, employees, agents and representatives to forthwith provide the Receiver with access to the Property, to the places of business and to the premises of the Debtors, as well as to the Records;
- [20] **ORDERS** the Debtors, their directors, officers, employees, agents and representatives to cooperate with the Receiver in the exercise of the powers that are granted pursuant to the terms of the Order;
- [21] **ORDERS** the Debtors not to dispose, alienate, encumber or otherwise transact in any manner whatsoever, with regard to the Property, other than in the ordinary course of business or with the authorization of the Receiver;

NON-INTERFERENCE WITH THE RECEIVER, THE DEBTORS AND THE PROPERTY

- [22] **ORDERS** that subject to any other order rendered by the Court, which may only be rendered after a prior notice has been duly sent to the Receiver and to the Petitioner, no proceeding, seizure, revendication, or any other enforcement process shall be commenced or enforced against the Property;
- [23] **ORDERS** that no person shall interrupt, modify, terminate or fail to execute its obligations pursuant to any contract, agreement, license or permit entered into with any of the Debtors without the prior consent of the Receiver or without the authorization of the Court, provided however that The Bank of Nova Scotia ("**BNS**") may terminate any VISA card issued to any of the Debtors or on behalf of the Debtors to any of their employees or former employees, as the case may be;

CONTINUATION OF SERVICES

- [24] **ORDERS** that any person having an oral or written agreement with the Debtors, as well as any supplier of goods or services to the Debtors is hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services, as may be required by the Receiver and that the Receiver shall be authorized to continue use of the Debtors' current premises, telephone numbers, facsimile numbers, internet addresses, domain names and other services, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver, in accordance with the normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court;

EMPLOYEES

- [25] **AUTHORIZES** the Receiver, on behalf of the Debtors, to continue to engage the services of the employees of the Debtors until the Receiver, acting for and on behalf of the Debtors, terminates the employment of such employees. The Receiver shall not be liable for any employee related liabilities, including any successor-employer liabilities as provided for in sections 14.06(1.2) of the *BIA* other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) and 81.6(3) of the *BIA* or under the *Wage Earner Protection Program Act*;

PROTECTION OF PERSONAL INFORMATION

- [26] **DECLARES** that pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall be permitted to disclose personal information on identifiable individuals, which information it has in its possession or under its responsibility, to interested parties or to investors, financiers, prospective purchasers or potential strategic partners, as well as to their advisors, but only to the extent desirable or required, and only upon condition that the persons to whom such personal information is disclosed shall undertake to maintain and protect the privacy of such information and limit the use of such information pursuant to confidentiality agreements entered into with the Receiver;

LIMITATION OF LIABILITY

- [27] **DECLARES** that subject to the powers granted to the Receiver pursuant to the terms of paragraph 12 of the Order, nothing contained herein shall require the Receiver to occupy or to take control, or to otherwise manage all or any part of the Property. The Receiver shall not and shall not be deemed, as a result of this Order, to be in possession or the custodian of any of the Property within the meaning of environmental legislation, the whole pursuant to the terms of the *BIA*;
- [28] **DECLARES** that the Receiver is not subject to any of the obligations contained in sections 232.1 to 232.12 of the *Mining Act*, C.Q.L.R., c. M-13.1 (the "**Mining Act**"), and is not required to comply with any remediation and restoration plan submitted to the Minister of Natural Resources and Wildlife by the Debtors pursuant to section 232.1 of the *Mining Act* nor the supply any guarantee pursuant to section 232.4 of the *Mining Act*. Should the Receiver intend to move, disturb or damage a facility erected under division III of chapter 4 of the *Mining Act*, it shall notify in writing the Minister of Natural Resources and Wildlife.
- [29] **ORDERS** the Receiver to notify in writing the Minister of Natural Resources and Wildlife should it intend to seek from this Court the powers necessary to operate Quebec Lithium Inc.'s mining business.

- [30] **DECLARES** that the powers of the Receiver shall be exercised pursuant to its sole discretion and judgment;
- [31] **DECLARES** that any act or decision made by the Receiver in the exercise of its powers granted by this Order shall be deemed to be made on behalf of the Debtors;
- [32] **DECLARES** that section 215 of the *BIA* applies *mutatis mutandis*, and hence that no action lies against the Receiver by reason of its appointment or the execution of the powers granted by the Court, except by leave of the Court. The entities related to the Receiver or belonging to the same group as the Receiver shall benefit from the protection arising under the present paragraph;

FEES

- [33] **DECLARES** that as security for the professional fees and disbursements incurred in relation to these proceedings, both before and after the date of the Order, a charge and security over the Property is hereby constituted in favour of the Receiver, of the Receiver's attorneys and other advisors, to the extent of the aggregate amount of \$500,000 (the "**Receiver's Administration Charge**");
- [34] **DECLARES** that, other than the Tewoo Security and the BNS Cash Collateral Charge, the Receiver's Administration Charge shall rank in priority to any and all hypothecs, mortgages, liens, security interests, priorities, charges, encumbrances, construction liens or security of whatever nature or kind affecting the Property, including any and all charges created by this Court in the CCAA Proceedings (the "**CCAA Charges**") (which CCAA Charges shall continue to bind the Property pursuant to the provisions of the Discharge and Transition Order) and all charges created by orders issued by this Court in this matter (collectively, the "**Encumbrances**") affecting the Property charged by such Encumbrances;
- [35] **DECLARES** that the Receiver's Administration Charge is effective and shall charge, as of 12:01 a.m. (Montreal time) the day of the Order (the "**Effective Time**"), all the Debtors' Property present and future;
- [36] **DECLARES** that notwithstanding: (i) these proceedings and any declaration of insolvency made herein, (ii) any petition for a bankruptcy order filed pursuant to the *BIA* in respect of the Petitioner and any bankruptcy order granting such petition or any assignment in bankruptcy made or deemed to be made in respect of the Petitioner and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by the Receiver pursuant to the Order and the granting of the Receiver's Administration Charges do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting a recourse for abuse under an applicable law, and shall be valid and enforceable as against any person, including any trustee in bankruptcy, and any receiver to the Property of the Debtors;

- [37] **AUTHORIZES** the Receiver to collect the payment of its fees and disbursements and those of its attorneys, with the consent of the Petitioner, the whole subject to taxation in conformity with the *BIA*, if applicable;
- [38] **DECLARES** that notwithstanding anything to the contrary herein the Receiver's Administration Charge shall be junior and subordinate to the Tewoo Security as against the Pledged Shares (as defined in the Motion).
- [39] **DECLARES** that, in respect of certain pre-filing letters of credit issued by BNS and pre-filing credit card and other cash management services provided to the Debtors and certain persons related to the Debtors, secured by cash collateral (the "**LC Cash Collateral**") maintained by BNS in an aggregate principal amount of CDN\$4,001,420 (the "**LC Exposure**"), the Receiver's Administration Charge, as may attach to the LC Cash Collateral, including by operation of law or otherwise, (a) shall rank junior in priority to the BNS Cash Collateral Charge and (b) shall attach to the LC Cash Collateral only to the extent of the rights of the Debtors to the return of any LC Cash Collateral from BNS following (i) the payment and satisfaction of all LC Exposure and (ii) the exercise of any rights in respect of the LC Cash Collateral pursuant to Section 97(3) of the *BIA*, notwithstanding anything to the contrary contained herein.

RECORDS

- [40] **DECLARES** that the Receiver shall allow current or former directors of the Debtors or their authorized representatives reasonable access to the Records on reasonable notice to the Receiver and provide at least 7 days' prior written notice to the directors before destroying such Records or transferring such Records to another party;

GENERAL

- [41] **DECLARES** that the Order, the Motion and the affidavit do not, in and of themselves, constitute a default or failure to comply by the Debtors under any statute, regulation, license, permit, contract, permission, covenant, agreement, undertaking or any other written document or requirement;
- [42] **DECLARES** that the Receiver is at liberty to serve any notice, circular or any other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to persons or other appropriate parties at their respective given address as last shown in the Records; the documents served in this manner shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three (3) business days after mailing if delivered by ordinary mail;
- [43] **DECLARES** that the Receiver may serve any court materials in these proceedings on all represented parties, by emailing a PDF or other electronic copy of such

materials to counsels' email addresses, provided that the Receiver shall deliver "hard copies" of such materials upon request to any party as soon as practicable thereafter;

[44] **DECLARES** that any party interested in these proceedings may serve any court material in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses, provided that such party shall deliver a "hard copy" on paper of such PDF or electronic materials to the Debtors' and the Receiver's counsel and to any other party who may request such delivery;

[45] **DECLARES** that a copy of all court material served in these proceedings shall be sent to the Receiver, the Receiver's counsel and Hale Capital Partners L.P.'s counsels at the following email addresses:

If to the Receiver:

Duff & Phelps Canada Restructuring Inc.
c/o: Robert Kofman and David Sieradzki
Bobby.Kofman@duffandphelps.com
David.Sieradzki@duffandphelps.com

If to the Receiver's counsel:

Osler, Hoskin & Harcourt LLP
c/o: Martin Desrosiers and Tracy Sandler
mdesrosiers@osler.com
tsandler@osler.com

If to Hale Capital Partners L.P.'s counsel:

Davies Ward Phillips & Vineberg LLP
c/o: Jay Swartz, Denis Ferland and Gabriel Lavery Lepage
jswartz@dwpv.com
dferland@dwpv.com
glepage@dwpv.com

[46] **DECLARES** that, unless otherwise provided herein, ordered by this Court, or provided by the BIA, no document, order or other material need be served on any person in respect of these proceedings, unless such person has served a notice of appearance on the solicitors for the Debtors and the Receiver and has filed such notice with the Court;


[47] **DECLARES** that any interested Person may apply to this Court to vary or rescind the Order or seek other relief upon five (5) days notice to the Receiver, the Petitioner and

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any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order;

- [48] **DECLARES** that the present Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada;
- [49] **DECLARES** that the Receiver shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order and any subsequent orders of this Court and, without limitation to the foregoing, an order under Chapter 15 of the *U.S. Bankruptcy Code*, for which the Receiver shall be the foreign representative of the Debtors. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and to provide such assistance to the Receiver as may be deemed necessary or appropriate for that purpose;
- [50] **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order;

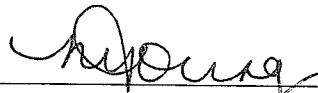
[51] **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever;



COPIE CONFIRMEE

Joelle Cook
Greffier adjoint

This is Exhibit "G" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 28th day of October, 2016.



A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017



**First Report of
KSV Kofman Inc.
as Receiver of
RB Energy Inc., Quebec Lithium Inc.,
QLI Metaux Inc. and Sirocco Mining Inc.**

June 13, 2016

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CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
No: 500-11-049079-151

SUPERIOR COURT
(Commercial Division)

IN THE MATTER OF THE RECEIVERSHIP
OF:

QUEBEC LITHIUM INC., QLI METAUX
INC., RB ENERGY INC. AND SIROCCO
MINING INC.

Debtors

-and-

HALE CAPITAL PARTNERS, L.P.,
INVESTISSEMENT QUÉBEC *ET AL.*

Mis-en-cause

FIRST REPORT OF
KSV KOFMAN INC.
AS RECEIVER
June 13, 2016

1.0 Introduction

1. This report ("Report") is filed by KSV Kofman Inc. ("KSV") in its capacity as Court-appointed receiver (the "Receiver") of the assets, properties and undertakings of Quebec Lithium Inc. ("QLI"), QLI Metaux Inc. ("QLIM"), RB Energy Inc. ("RB") and Sirocco Mining Inc. ("Sirocco") (collectively, the "Company").
2. On October 14, 2014, the Superior Court (Commercial Division) of the Province of Quebec, District of Montreal (the "Court") granted the Company protection pursuant to the *Companies' Creditors Arrangement Act* ("CCAA") pursuant to an Initial Order, as amended and restated (the "Initial Order"). KPMG Inc. ("KPMG") was appointed the Monitor in the CCAA proceedings.
3. Pursuant to Court Orders made on May 8, 2015, the CCAA proceedings were terminated and Duff & Phelps Canada Restructuring Inc. ("D&P") was appointed Receiver (the "Receivership Order"). A copy of the Receivership Order is attached as Appendix "A".
4. On June 30, 2015, D&P was acquired by KSV. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) made on July 10, 2015, D&P's ongoing mandates were transferred to KSV. The restructuring professionals overseeing this mandate prior to June 30, 2015 remain unchanged.
5. The primary purpose of these receivership proceedings has been to preserve the Company's assets until a going-concern solution for the Company was identified.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide information about the Company and these receivership proceedings;
 - b) detail a transaction (the “Transaction”) with 9554661 Canada Inc. (the “Purchaser”), a subsidiary of Jien International Investment Ltd. (“Jien”), that, subject to Court approval, will result in the sale of substantially all of QLI’s business and assets pursuant to an Asset Purchase Agreement dated June 10, 2016 between the Receiver and the Purchaser (the “APA”);
 - c) discuss a Court-approved sale and investor solicitation process (“SISP”) carried out by Rothschild Inc. (“Rothschild”) from November 1, 2014 to April 30, 2015 in the Company’s CCAA proceedings;
 - d) detail interest expressed by various prospective purchasers over the course of the receivership proceedings and how that interest was considered;
 - e) provide the Receiver’s rationale for recommending the Transaction for Court approval; and
 - f) recommend that the Court issue an Order:
 - i. approving the Transaction;
 - ii. vesting title in and to the Purchased Assets (as defined in the APA) in the Purchaser free and clear of all liens, claims and encumbrances, except those set out in the schedule to the draft Vesting Order (the “Permitted Liens”);
 - iii. authorizing and directing the Receiver to repay, by direction or otherwise, the Company’s indebtedness to Hale, which is secured by a Court-ordered charge made in the CCAA proceedings and continued pursuant to the Receivership Order (the “Interim Lender Charge”);
 - iv. discharging those Court-ordered charges created in the CCAA proceedings which were continued in the receivership pursuant to the Receivership Order;
 - v. sealing the Confidential Appendices to this Report until further Court Order; and
 - vi. approving the Receiver’s activities from the commencement of these proceedings, as detailed herein.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon unaudited financial information prepared by the Company’s management, the Company’s books and records, discussions with the Company’s management and other information, including technical and engineering reports and studies commissioned by the Company.

2. The Receiver has not performed an audit or other verification of such information. An examination of the Company's financial forecasts as outlined in the Chartered Professional Accountant Canada handbook has not been performed. Future-oriented financial information relied upon in this Report is based on assumptions regarding future events provided by management and/or by consultants retained by the Company; actual results achieved may vary from this information and these variations may be material. The Receiver accepts no responsibility for any third party reliance on the financial or other information provided in this Report.

1.3 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

2.0 Executive Summary

1. The Company was granted CCAA protection on October 14, 2014.
2. Pursuant to the Court-approved SISP, Rothschild marketed the Company's business and assets on an en bloc or piecemeal basis.
3. No acceptable offers were received during the SISP and it was duly terminated as declared in the Court Order dated April 17, 2015.
4. On May 8, 2015, the Receivership Order was issued on application of Hale, in its capacity as DIP lender. Hale is presently owed approximately US\$16 million.
5. In June, 2015, Investissement Quebec ("IQ"), which at the time was a subordinate secured lender and guarantor of 80% (up to \$60 million) of the Company's senior credit facility, acquired at a discount the Company's senior lender debt. The senior lenders were owed approximately \$72 million at the time.
6. Hale and IQ have funded the Company's business during these proceedings, including its care and maintenance costs. These costs average approximately \$450,000 per month, before professional fees and capital expenditures necessary to deal with environmental matters at the QLI mine.
7. Because the SISP was unsuccessful, Hale and IQ commissioned at the outset of the receivership engineering and technical studies concerning the viability of QLI's lithium mine and chemical processing plant in La Corne, Quebec (the "Lithium Project"), including the costs and time required to bring it into production.
8. A technical report issued by BBA Inc. ("BBA") in November, 2015 estimates the capital required to bring the Lithium Project into production is between \$150 million and \$200 million. The timeline to bring the mine to production is estimated to be 12 to 18 months.
9. There was no formal sale process during the receivership given the low value of the expressions of interest received during the SISP, and that all expressions of interest during the receivership required IQ to compromise the debt owed to it by the Company or were conditional on diligence and/or financing.

10. Through the end of December, 2015, it appeared a strong possibility that Hale would not be able to recover its loans to the Company.
11. In December, 2015, interest in the Lithium Project increased due to the strengthening of the lithium market. IQ advised at that time that it was prepared to consider a transaction with the Purchaser due in part to its confidence in Jien, an entity with which it has a relationship on another transaction. The Receiver has been advised that IQ is familiar with Jien and therefore is of the view that Jien has the technical expertise and financial capacity required to bring the Lithium Project into production, as well as the operational knowledge to operate it.
12. Throughout the receivership process, and particularly from January, 2016 onward, the Receiver directed all interested parties to IQ because its support was required for any transaction.
13. The Company has no liquidity and there is no funding for another sale process at this time, including from Hale and IQ.
14. There is urgency to complete the Transaction given that there are significant environmental issues that will require funding in the near future, including capital expenditures.
15. QLI's employees familiar with environmental matters and its consultants have estimated that capital expenditures of approximately \$300,000 per month are required to address QLI's ongoing environmental issues at the Lithium Project. These costs need to be funded until an evaporator/crystallizer ("Crystallizer") can be installed, which is to be a permanent fix for the environmental issues. The Crystallizer is estimated to cost \$30 million and will require up to nine months to deliver and install. Until a Crystallizer is operational, there is a risk that the ongoing preventative measures being undertaken by QLI will not adequately address the water level and treatment issues. This risk increases during the winter and, given the lead-time to install the Crystallizer, there is urgency to complete a transaction with a party capable of funding the Crystallizer project. Other capital expenditures may be required if the Crystallizer cannot be installed prior to next winter, including, potentially, raising the berm/dam by approximately 1.5 metres, which, in and of itself, is estimated to cost \$2.5 million.
16. The Transaction will see substantially all of the business and assets of QLI sold to the Purchaser, with the Purchaser having options to acquire certain of the Company's subsidiaries.
17. The Receiver supports the Transaction based on the results of the SISP, the expressions of interest received during the receivership, IQ's support for the Transaction, and the need to address in the short term the environmental concerns at the Lithium Project. IQ is of the view that the acquisition of the Lithium Project by the Purchaser will enhance economic prosperity in the Val D'Or, Quebec region, which has been adversely affected by the downturn in the mining sector.
18. Hale also supports the Transaction.

3.0 Background

1. RB is a public company. Until November 24, 2014, the common shares of RB traded on the Toronto Stock Exchange and the U.S. OTCQX marketplace, at which time they were delisted.
2. RB was established to acquire, explore, develop and mine mineral resource properties in Canada and internationally. RB has 16 current and former direct and indirect subsidiaries, including QLI, QLIM and Sirocco. A copy of the Company's corporate chart is attached as Appendix "B".
3. The three RB subsidiaries in receivership are:
 - a) QLI, the principal asset of which is the Lithium Project;
 - b) QLIM, which does not carry on business operations, nor does it have any assets or employees. QLIM is a guarantor of certain of QLI's obligations; and
 - c) Sirocco, being an inactive holding company and the indirect shareholder of Atacama Minerals Chile S.C.M. ("Atacama"), an operational iodine mine located in Aguas Blancas, Chile (the "Aguas Blancas Project").

3.1 QLI

1. QLI's primary asset is the Lithium Project, which has been on "care and maintenance" since October, 2014. Although activities have been ongoing to bring the facility into operation, the Lithium Project has never been fully operational.
2. In the three years prior to the commencement of formal insolvency proceedings, RB, through QLI, invested approximately \$350 million in the development of the Lithium Project.
3. QLI currently employs 14 individuals. QLI's workforce is not unionized and QLI does not maintain any pension plans. Since the commencement of the receivership proceedings, QLI's employees have been performing care and maintenance functions, addressing environmental issues, assisting the Receiver with administrative and accounting functions, and assisting with technical studies and assessments of the Lithium Project.
4. The Lithium Project's monthly care and maintenance costs total approximately \$450,000, before professional fees and capital expenditures required to address environmental matters. These are the minimum costs that need to be incurred to keep the mine on care and maintenance. A summary of these costs is provided in the table below.

Description	Monthly Cost (\$000s)
Payroll, including consultants on contract	160
Site maintenance	95
Insurance	80
Energy	50
Municipal and property taxes	35
Security	30
Total	450

5. Based on a detailed engineering and technical study dated November 16, 2015 prepared by BBA, an engineering consulting firm, the capital required to complete the Lithium Project and bring it into production is estimated to range from \$150 million to \$200 million. BBA estimates that the Lithium Project is at least 12 to 18 months from an operational restart.
6. Other than the Lithium Project, QLI's only known material assets are the cash in its receivership bank account (approximately \$14.2 million as at the date of this Report) and a potential refund for investment tax credits in the amount of approximately \$3.6 million related to fiscal 2014, which is presently being audited by Revenu Quebec¹.
7. QLI's secured debt totals approximately \$100 million, the details of which are set out in Section 4.0 of this Report. According to its books and records, QLI's unsecured obligations total approximately \$21.5 million.

3.1.1 Environmental Matters

1. On or about April 27, 2015, Environment Canada ("EC") served the Company and certain representatives with a Notice of Intent to issue a Direction pursuant to the Fisheries Act, R.S.C., 1985, c. F-14 (the "Notice of Intent"), including a draft Direction. The Direction was ultimately not issued.
2. On or about May 8, 2015, immediately following the Receiver's appointment, EC served the Receiver with a revised Notice of Intent, including a further draft Direction. The draft Direction required certain actions, including (i) measures to prevent the potential deposit of deleterious substances from the waste water collection ponds, and (ii) requirements to submit the first study design and perform the first biological monitoring study pursuant to the Metal Mining Effluent Regulations, SOR/2002-222 (the "MMERs") by certain proposed deadlines (the "MMERs Studies").

¹ On April 14, 2016, Revenu Quebec approved and paid approximately \$16.5 million for similar tax refund claims related to QLI's 2012 and 2013 fiscal years.

3. The Receiver and Osler, Hoskin & Harcourt LLP (“Osler”), the Receiver’s legal counsel, have corresponded extensively with EC regarding the Notice of Intent and proposed Direction, and the status of various environmental matters at QLI’s mine site. On the basis of, among other things, a voluntary action plan submitted to EC by the Receiver on or about May 27, 2015, EC confirmed in writing on June 2, 2015 that it would not issue the proposed draft Direction against the Receiver. Subsequently, EC confirmed that its immediate concerns, as outlined in the Notice of Intent and draft Direction, had been addressed and that it did not plan to issue the proposed draft Direction against the Company. The draft Direction was not issued.
4. QLI, the Receiver and Osler have had a frequent and ongoing dialogue with EC and the Quebec Ministry of Sustainable Development, Environment and Fight against Climate Change (“EQ”) regarding environmental matters at QLI’s mine site and QLI’s environmental action plan. The Receiver, through QLI, has been addressing environmental matters as identified by EC, EQ, QLI and third party environmental consultants, as applicable, including engaging third party advisors, contractors and suppliers to deal with collection pond water level management issues, the treatment of waters stored in the collection ponds and the controlled release of those treated waters to the environment through QLI’s final discharge point, toxicity levels in relation to those released waters, certain repairs and the potential construction of an emergency spillway. The Receiver has also caused QLI to invest significantly in capital equipment required to address the immediate environmental concerns raised by EC and EQ, including improvements to increase the capacity of QLI’s water treatment system.
5. As part of this frequent and ongoing dialogue, QLI received two Avertissements from EC, dated December 24, 2015 and February 17, 2016, relating to (i) the toxicity tests QLI conducted to monitor the quality of the water released from QLI’s final discharge point, which in some instances had not passed certain regulatory requirements, and (ii) the submission of the MMERs Studies. In addition, QLI received three Notices of Non-Compliance from EQ, dated November 4, 5 and 9, 2015, relating to point (i) above and also to the water level in the tailings collection pond, which was above its legal operating limit. The Receiver, through QLI, has responded to all of these Notices of Non-Compliance, which are proactively being addressed.
6. Monitoring and addressing environmental matters has been a significant and costly focus of the Receiver and its counsel from the outset of these proceedings. Funding has been requested and allocated, as required, in order for the Receiver to cause QLI to remain in compliance with the applicable environmental legislation and the action plan provided to EC.

3.2 Sirocco

1. Sirocco is an inactive holding company. Aside from the amounts owed pursuant to a guarantee in favor of Tewood referred to in Section 4.5 below, it has no third party debt and its only asset is its indirect shareholdings of Atacama. The three corporate entities² between Sirocco and Atacama are inactive holding companies with no known third party liabilities of significance. Atacama is not subject to these receivership proceedings - it is operating in the normal course.
2. RB and its predecessor companies have indirectly invested approximately \$130 million in Atacama's Aguas Blancas Project over the past 20 years.
3. The Aguas Blancas Project has been in operation since 2001 with annual production in the range of 1,000 tons of iodine. Atacama presently employs 246 individuals, of which 144 are unionized³.
4. As a result of the decline in the global iodine markets, Atacama's financial performance has deteriorated in recent years. The table below summarizes Atacama's operating results and net equity/(deficit) for its fiscal years ended December 31, 2014 and 2015 and the three month period ended March 31, 2016.

(US\$000s)	2016 (three months) (unaudited)	2015 (audited)	2014 (audited)
Sales	8,001	36,765	50,251
Operating costs	7,279	35,682	52,068
Operating profit/(loss)	722	1,083	(1,817)
Overhead/other expenses ⁴	1,610	9,196	3,622
Net profit/(loss) before interest and taxes	(888)	(8,113)	(5,439)
Interest	2,157	8,654	9,107
Income taxes	(892)	(4,273)	(2,154)
Net profit/(loss)	(2,154)	(12,494)	(12,392)
Retained earnings/(Deficit)	(21,493)	(19,340)	(6,846)
Total equity	(4,142)	(1,988)	10,506

5. Atacama's operating losses caused, *inter alia*, a liquidity crisis beginning in 2015 and the erosion of the balance of its equity. The income statement for the three months ended March, 2016 reflect that losses are recurring. Atacama's March, 2016 balance sheet reflects negative retained earnings of approximately US\$21.5 million. Atacama was unable to generate sufficient cash flow to service its bank debt and continue to operate in the normal course.

² These entities are Boron Chemicals Holdings Ltd. (incorporated in Antigua), Boron Chemicals Resources Ltd. (incorporated in Antigua) and Inversiones Aguas Blancas Limitada (incorporated in Chile).

³ The union is Sindicato de Trabajadores de la Empresa Atacama Minerals Chile S.C.M.

⁴ In 2015, the equipment used in Atacama's nitrate plant was disposed and written off. The write-off totalled approximately US\$6.4 million, which is included in the "other expenses" line item in the table above.

6. Due to its cash flow issues, Atacama commenced a process in the fourth quarter of 2014 to refinance its bank debt. At that time, Atacama's bank debt totaled approximately US\$30 million owing to Scotiabank Chile, Banco Bilbao Vizcaya Argentaria, S.A., Banco de Crédito e Inversiones S.A., Banco Itau Chile and Banco Del Estado De Chile (collectively, the "Chilean Banks").
7. The refinancing process was completed in February, 2016. The refinancing converted approximately US\$25 million of short term demand loans into a US\$3 million working capital facility and a US\$22 million term loan.
8. The table below provides a summary of Atacama's creditors as at March 31, 2016.

Description	Amount (US\$000s)
Bank debt	24,804
Mine closure costs ⁵	3,033
Other liabilities	3,071
Subtotal	30,908
Due to related parties	96,597
Total	127,505

9. In addition to its secured debt, Atacama has third party debt of a further \$6 million, before considering "off-balance sheet" liabilities, including employee, environmental and other obligations.
10. Atacama is also indebted on an unsecured basis in the amount of approximately US\$97 million to Chempro Finance Ltd. ("Chempro"), a wholly-owned subsidiary of Sirocco. These loans have been outstanding since 2013. Chempro is a financing company that was originally created to provide capital to Atacama from Sirocco on a tax efficient basis.

4.0 Secured Creditors

4.1 Court Ordered Charges

1. Certain of the Court-ordered charges in the Initial Order were continued in the receivership pursuant to the CCAA Discharge and Transition Order made on May 8, 2015 (the "CCAA Discharge Order"). A copy of the CCAA Discharge Order is filed as an exhibit to the Application for approval of an Asset Purchase Agreement and issuance of a Vesting Order (the "Receiver's Application") filed with the Court in conjunction with this Report.

⁵ The mine closure costs relate to reclamation and remediation costs that are expected to be incurred near the end of the mine life, which is estimated to be in 2028. The obligation is amortized over the life of the mine.

2. A summary of these charges and the status of each is as follows⁶:
- a. Administration Charge (\$1 million): The CCAA Discharge Order continued the Administration Charge in an amount equal to retainers then held by the Company's counsel (Blake Cassels & Graydon LLP), the Monitor (KPMG) and the Monitor's counsel (Stikeman Elliott LLP). Any amounts owing to these firms have since been paid from the retainers and each firm has paid the remaining retainer to the Receiver. It is the Receiver's understanding that there are no professional fees outstanding under the Administration Charge.
 - b. Interim Lender Charge (\$22 million): Hale was the DIP Lender in the Company's CCAA proceedings and advanced US\$13 million to the Company, which was secured by the Interim Lender Charge. Amounts owing to Hale have continued to accrue during the receivership. Hale is presently owed approximately US\$16 million, with interest and costs continuing to accrue.
 - c. Directors' Charge (\$1.5 million): The CCAA Discharge Order provided a mechanism to protect Directors in the event that the Company failed to pay accrued wages, vacation pay and other priming obligations for which a director may be liable, such as HST and other sales taxes. All such obligations have been paid in accordance with the CCAA Discharge Order. The Company is in a refund position in respect of HST and provincial sales taxes. As contemplated by paragraph 14 of the CCAA Discharge Order, the Receiver filed a certificate with this Court, attached as Appendix "C", certifying that, to the best of the Receiver's knowledge, all of the Post-Petition Payables and the QLI Vacation Pay (as those terms are defined in the CCAA Discharge Order) have been paid. Accordingly, the Receiver is not aware of any claims against the Directors that would be subject to the Directors' Charge.
 - d. KERP Charge (\$760,000): The beneficiaries of the KERP Charge were paid in full during the CCAA proceedings with the exception of 50% of the retention bonuses payable to three senior members of management. These employees are owed a total of \$232,500, subject to the repayment in full of the Company's indebtedness owing to Hale under the DIP facility. Subject to payment of that amount (following repayment in full of the Hale debt), the Receiver is seeking to discharge these charges as any amounts owing thereunder have been, or will have been, paid in full.
3. The November 13th Order (as defined below) provided that the payment of all of Rothschild's fees in respect of a transaction or upon the closing of a transaction would, subject to certain exceptions indicated in the November 13th Order, rank in priority to the payment of any secured creditor but subordinate to the Administration Charge and the Interim Lender Charge. There is no amount payable to Rothschild in connection with the proposed Transaction.

4.2 Hale

1. Hale is presently owed approximately US\$16 million under the DIP facility, including interest and costs which continue to accrue.

⁶ The maximum amount of each charge is provided in parenthesis.

4.3 Investissement Quebec

1. At the commencement of these proceedings, Bank of Nova Scotia (“BNS”), the Administrative Agent and Lead Arranger on behalf of a lending syndicate comprised of BNS, Caterpillar Financial Services Limited and The Commonwealth Bank of Australia (collectively, the “Senior Lenders”), was owed approximately \$72 million under a senior credit facility dated April 4, 2012, as amended, among RB, QLI and the Senior Lenders (the “Senior Credit Facility”).
2. Pursuant to a Contract of Suretyship dated February 23, 2012 (the “IQ Guarantee”), IQ guaranteed 80% of the net losses incurred by the Senior Lenders on the Senior Credit Facility, up to \$60 million.
3. On May 21, 2015, the Agent called the IQ Guarantee. In June, 2015, IQ acquired the obligations to the Senior Lenders pursuant to a Release and Subrogation Agreement and a Debt and Security Assignment Agreement and IQ subrogated to the rights of the Senior Lenders in respect of their rights, title and interest in the Senior Credit Facility.
4. IQ also advanced \$3 million to QLI on a secured basis in September, 2014.
5. At the request of the Receiver, Osler provided the Receiver with an opinion on the validity and enforceability of the Senior Credit Facility acquired by IQ. The opinion provides that, subject to customary assumptions and qualifications contained therein, the security granted under the Senior Credit Facility is valid and enforceable against QLI’s assets as described in the security documents.

4.4 Construction Hypothec Claims

1. 16 construction legal hypothecs have been registered against QLI’s property at the Lithium Project (collectively, the “Construction Hypothec Claims”). The estimated amount of these claims is approximately \$5.8 million.
2. The Construction Hypothec Claims have not been reviewed or adjudicated. Nothing in the request made by the Receiver to the Court in this motion is seeking to affect the rights, priorities or entitlements of these claimants, which are set out in the schedule of “Permitted Liens” attached to the draft Vesting Order.
3. Accordingly, the rights of the holders of Construction Hypothec Claims will not be affected by the granting of the Order sought.

4.5 Tianjin Products and Energy Resources Development Co. Ltd.

1. In August, 2013 and August, 2014, Tianjin Products and Energy Resources Development Co. Ltd. (“Tewoo”) made two advances of US\$5 million to QLI. These obligations are guaranteed by Sirocco and secured by a pledge of Sirocco’s shares of Boron Chemicals Holdings Ltd. (“Boron”). Sirocco, through its interest in Boron, is the indirect shareholder of Atacama.
2. Tewoo is presently owed US\$10 million plus interest and costs, which continue to accrue.

3. The Receiver has had a dialogue with Tewoo and its legal counsel throughout these proceedings. Nothing in this motion is seeking to affect the rights, priorities or entitlements of Tewoo.

4.6 Other

1. Various equipment lessors have registered security interests in certain of QLI's leased equipment.

5.0 Funding of these Proceedings

1. There was approximately \$3 million in the Company's bank accounts at the commencement of the receivership. These funds were transferred into receivership accounts and were used to fund these proceedings, including the care and maintenance costs of the Lithium Project. These amounts have been exhausted.
2. On August 6, 2015, IQ, Hale and the Receiver entered into a cost sharing agreement (the "Cost Sharing Agreement"), whereby, among other things, IQ agreed to reimburse 50% of the costs funded from the receivership bank account to maintain the property of QLI. IQ's funding commitment was retroactive to the commencement of the receivership proceedings.
3. As at the date of this Report, IQ has provided funding of approximately \$4.3 million.
4. The Cost Sharing Agreement, *inter alia*, provided both a funding framework and a framework under which Hale and IQ agreed to assess the viability of the Lithium Project, including the costs to bring it into production, with a view to potentially restructuring it. BBA was engaged to perform the assessment, including the estimated start-up costs. The Cost Sharing Agreement required that the Receiver not conduct a sale process for the business and assets of the Company until the assessment could be completed. This information was required to assess the likelihood of completing a transaction, including the amount of capital a buyer would need to both fund a transaction and to fund the cost of bringing the Lithium Project into production.
5. As at the date of this Report, there is approximately \$14.2 million in the receivership bank accounts. These funds were principally generated from investment tax credit ("ITC") refunds received on April 14, 2016 in the amount of approximately \$16.5 million.
6. The Receiver worked closely with QLI's management and Ernst & Young LLP ("E&Y"), QLI's tax advisor, in order to collect the ITC refunds. This included responding to information requests from Revenu Quebec as part of its audit process and corresponding extensively with Revenu Quebec in respect thereof. In April, 2016, Revenu Quebec paid in full QLI's \$16.5 million of ITC claims for 2012 and 2013. There is one outstanding ITC claim for 2014 in the amount of approximately \$3.6 million.

6.0 SISP⁷

1. On November 13, 2014, the Court made an Order which, *inter alia*, approved the SISP and authorized the engagement of Rothschild by the Company as the sales advisor (the “November 13th Order”). Copies of the November 13th Order and the SISP are filed as exhibits to the Receiver’s Application.
2. The SISP defined the “SISP Team” as the Company, Rothschild and KPMG, in its capacity as CCAA Monitor.
3. Rothschild is one of the world’s largest independent financial advisory groups, employing approximately 2,800 people in 40 countries. Rothschild provides strategic, M&A, wealth management and fundraising advice and services to governments, companies and individuals worldwide. Rothschild is known for its investment banking experience, including in the mining sector.
4. An overview of the SISP undertaken by Rothschild is as follows:
 - a) The SISP commenced in November, 2014.
 - b) The SISP considered offers for all of the Company’s property, assets and undertaking on an en bloc or piece meal basis.
 - c) Rothschild’s prospective buyer list included parties that may be interested in the Lithium Project and/or the Aguas Blancas Project on both a sale or investment basis. In this regard, the SISP provided that “*the Petitioners will conduct a SISP whereby prospective purchasers and investors will have the opportunity to submit a bid for some or all of the Sale Assets (a “Purchase Bid”) or make an investment in the Petitioners’ business or any part thereof (an “Investment Bid”).*” **[Emphasis added.]**
 - d) Rothschild approached 245 parties, which it categorized as follows:

Description	No. of Parties
Industry players	28
Specialty chemicals/metals companies	24
Mining focused specialist investment vehicles	23
Private equity institutions with mining interest	21
Existing partners	2
Japanese/Korean trading houses	13
Chinese players	25
Potential debt capital partners	50
CCAA plan sponsors	59
Total	245

⁷ Defined terms in this section of the Report have the meanings provided to them in the SISP.

- e) Rothschild's buyer list is attached as Confidential Appendix "1". The Receiver is proposing to file this list on a confidential basis in order to preserve the confidentiality of the materials used by Rothschild in its mandate as the Court-appointed Sales Advisor.
- f) Rothschild prepared an investment profile summarizing the opportunity, which was distributed to its buyer list.
- g) Interested parties were required to execute a confidentiality agreement ("CA"), following which they were provided access to an online data room and a copy of a confidential information memorandum ("CIM").
- h) Interested parties were provided with the opportunity to attend at the Company's mine sites in Quebec and Chile and to meet with the Company's executives.
- i) The deadline for interested parties to submit a non-binding letter of intent ("LOI") was January 23, 2015.
- j) The SISP established criteria for an LOI to be considered a Qualified Bid. Prospective bidders were to be advised on or before January 31, 2015 whether their LOI was a Qualified Bid.
- k) Qualified Bidders were to be provided with a form of asset purchase agreement in which parties would be required to submit either a binding Purchase Bid or Investment Bid. The deadline to submit binding offers was March 27, 2015.
- l) The SISP provided that the SISP Team would review and evaluate the Qualified Offers and determine the Successful Bid. If the Company determined that there were no Qualified Offers, the Company was to file a motion with the Court with respect to the continuation, modification or termination of the SISP.
- m) The SISP contemplated a target closing date of April 15, 2015.

6.1 Results of the SISP

1. The results of the SISP are summarized as follows:
 - a) 24 parties executed a CA and performed diligence;
 - b) Seven parties submitted non-binding LOIs - two were for the Lithium Project, three were for the Aguas Blancas Project and two were for both projects;
 - c) Each LOI was highly conditional and for a value substantially less than the amounts owing by the Company under the Senior Credit Facility;
 - d) The offers for Atacama ascribed either a value below the level of Atacama's debt (i.e. according to the formula provided in this LOI, value was to be paid to the buyer) or nominal value;

- e) Rothschild prepared a summary of the LOIs which is attached as Confidential Appendix “2”. The Receiver is requesting that this summary remain confidential, in order to preserve the identity of the bidders and the terms of their offers; and
 - f) No Binding Offers or Qualified Offers were submitted.
2. Immediately following the offer deadline of March 27, 2015, the Company engaged in what was called the “Amended Sales Process”. In consultation with Hale and BNS, Rothschild was requested to re-engage with parties that expressed an interest in this opportunity, including the parties that submitted LOIs, with the objective of receiving binding offers by April 14, 2015.
 3. In its fifth report to Court dated April 16, 2015 (the “Fifth Report”), the Monitor reported that *“No Binding Offers were submitted by April 14, 2015 and the Monitor is informed that there are no indications that any Binding Offers will be submitted in the near term. As no Qualified Offers have been received as a result of the SISP and the Amended Sales Process and there is no reason to believe that any Binding Offers are forthcoming, the Petitioners are seeking approval from this Honourable Court to terminate the SISP”*.
 4. In its Fifth Report, the Monitor reported that Rothschild attributed the lack of Qualified Offers to a number of factors, including:
 - a) *Market conditions including commodity prices and the mining investment climate;*
 - b) *The time period over which parties were permitted to perform due diligence;*
 - c) *The circumstances of the particular bidders including the inability of certain bidders to obtain acquisition financing; and*
 - d) *The complexity of the assets, particularly restart risks and costs for the Lithium Project.*

6.2 Termination of the SISP

1. On April 15, 2015, the Company delivered a notice to Rothschild terminating Rothschild’s mandate, a copy which is attached as Appendix “D”. Rothschild’s termination became effective on April 30, 2015.
2. On April 17, 2015, the Court issued an order formally terminating the SISP.

6.3 Monitor’s Overview of the SISP

1. On May 18, 2016, KPMG provided the Receiver with a document summarizing the SISP. A copy of KPMG’s summary is attached as Appendix “E”.
2. The Receiver requested that KPMG prepare its document to assist the Court to consider the sale approval motion, including the attributes of the SISP and its outcome.

3. KPMG's document summarizes the SISP and its results and concludes: *"As set out above, management of the Petitioners and the Sales Advisor, under the supervision of the Monitor, conducted a robust sales process for all of the Petitioners assets. A wide galaxy of potential purchasers was contacted. Extensive due diligence was conducted by numerous parties in a process that commenced in mid-November 2014 and was carried out to the end of March 2015. Unfortunately no meaningful binding offers were received for any of the Petitioners assets, and offers that were received were of nominal value."*

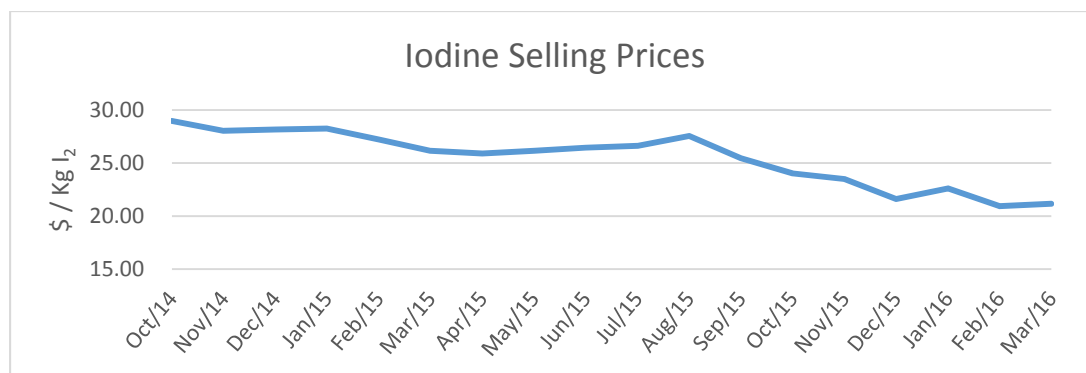
6.4 Sealing

1. The Receiver recommends that the LOI summary, the buyer list and the APA be filed with the Court on a confidential basis and remain sealed until further Court Order in order to preserve the confidentiality of these documents and to consider the risk that the availability of this information may negatively impact any future offers if the Transaction does not close for any reason. The Receiver does not believe that any stakeholder will be prejudiced if the information is sealed at this time.

7.0 Receivership Sale Efforts

1. The Receiver has worked closely with Hale and IQ throughout these proceedings. The initial focus during the receivership was to secure funding for continuing the care and maintenance costs at the Lithium Project, which was ultimately provided through the Cost Sharing Agreement.
2. Because the SISP did not generate any viable offers, Hale and IQ were not prepared to fund the costs of the Receiver to carry out another SISP immediately following the one carried out in the CCAA proceedings, particularly in light of its expected duration and cost. Market conditions in the mining sector did not warrant another similar effort at that time. Accordingly, based on input from Hale and IQ, the initial focus in the receivership was to assess the viability of the Lithium Project (the BBA report was commissioned for this purpose) and to provide funding for the care and maintenance of QLI's assets, including for environmental issues.
3. Over the course of these proceedings, a large number of parties contacted the Receiver to express an interest in acquiring the Lithium Project. The Receiver either engaged in discussions with these parties or directed them to Hale and IQ. Based on the Receiver's discussions and feedback from Hale and IQ, it was evident to the Receiver that an eventual purchaser would have to negotiate the settlement of the secured amounts owing to IQ. In fact, until late 2015, it was not clear that Hale would fully recover the amounts it advanced to the Company under the DIP facility.
4. Commencing in December, 2015, there was a significant increase in the level of interest in the Lithium Project, largely due to an increase in the price of lithium and forecasted global demand. The price of 99%-pure lithium carbonate imported to China more than doubled by the end of December 2015, to \$13,000 per tonne. According to industry publications, battery applications are expected to be the growth driver for lithium for the foreseeable future. It is anticipated that electric vehicle developments will lead this growth, underpinned by consumption of portable electronics, like smartphones, tablets and power tools.

5. Notwithstanding the increased interest in the Lithium Project, it remains the case that all indications of interest to date require a negotiation with IQ on the settlement of its secured debt or were conditional on financing and/or diligence. Given the complexities of the Lithium Project, a significant period of time would be required to address diligence related to conditions and/or financing.
6. In December, 2015, IQ and Hale advised that they would be prepared to support a transaction with the Purchaser, subject to the Court's approval. The Transaction is discussed in further detail in Section 8.0 below.
7. On the other hand, the iodine markets have continued to decline. The chart below reflects the decrease in Atacama's average monthly selling price of iodine from the commencement of the SISP in October, 2014 through March, 2016.



8. Because the Receiver did not conduct a sale process, the Receiver has had extensive discussions with both Hale and IQ on their respective dealings with prospective purchasers during the receivership, as more fully appears from paragraphs 86 to 104 of the Receiver's Application.
9. The Receiver understands that all proposals submitted to IQ were highly conditional, including on diligence and financing. Many of the interested parties had little or no financial backing and lack the operational expertise to bring the Lithium Project into production.
10. The Receiver is not aware of any unconditional proposals that contemplated a full repayment of amounts owing to IQ or to unsecured creditors.
11. IQ has performed diligence on the parties that contacted it in respect of their operational experience and financial capability to bring the mine into production. IQ had specified criteria to be met by these interested parties and no party other than the Purchaser satisfied IQ's criteria. The Purchaser has the financial capacity to bring the mine into production. IQ believes that the Transaction will improve economic prosperity in the Val D'or, Quebec region, which has suffered due to the downturn in the mining sector.
12. The Purchaser is the only party that has received internal IQ approval. The Transaction was formally approved through a Decree of the Government of Quebec issued on May 25, 2016, permitting IQ to give its formal and final consent. The APA was finalized shortly thereafter.

8.0 Transaction⁸

1. A summary of the Transaction is as follows:
 - a) **Purchaser:** The Purchaser is a subsidiary of Jien incorporated for the purpose of acquiring the Company's business and assets. Jien's ultimate parent is Jilin Jien Nickel Industry Co., Ltd., a listed company in the A-Share Market⁹ of the Shanghai Stock Exchange. The main scope of business of Jien is investment, development, production and sales of mineral resources. Jien presently carries on mining operations in Canada under Canadian Royalties Inc., which operates the Nunavik Nickel project in the far north of Quebec, and Liberty Mines Inc., which operates a nickel mine in Timmins, Ontario. Jien has an existing business relationship with IQ in relation to the operation of the Nunavik Nickel project.
 - b) **Purchased Assets:** Substantially all of the assets of QLI, including the assets used in the Lithium Project and tax refunds.
 - c) **Purchase Price:** The purchase price is comprised of:
 - Cash consideration sufficient to repay Hale's DIP loan in full, including interest, fees and costs accrued through to the closing date;
 - Assumed liabilities, the largest component of which is the assumption of a portion (but not all) of QLI's secured indebtedness owing to IQ. There are other unquantified obligations being assumed by the Purchaser, including liabilities related to the Remediation Plan, Cure Costs and obligations related to the Transferred Employees; and
 - Vendor Payment, which represents the costs and expenses owed to the Receiver at closing, including professional fees incurred by the Receiver and its legal counsel.
 - d) **Permitted Liens:** The Construction Hypothec Claims of up to \$5.8 million.
 - e) **Deposit:** \$2 million, which has been funded by the Purchaser and has been deposited in the Receiver's trust account.
 - f) **Excluded Assets:** Cash on deposit in the receivership bank accounts (which will be used by the Receiver to complete the payments and distributions contemplated herein) and QLI's corporate records.
 - g) **Employees:** The Receiver understands that the Purchaser intends to offer employment to all 14 individuals presently employed by QLI¹⁰.

⁸ Defined terms in this section of the Report have the meanings provided to them in the APA.

⁹ The A-Share Market is comprised of mainland China-based companies that trade on Chinese stock exchanges such as the Shanghai Stock Exchange. A-shares are generally only available for purchase by mainland citizens.

¹⁰ It is anticipated that the number of employees will increase significantly.

- h) **Critical Contract:** The APA provides for the assignment of a *Mining Claim Transfer and Easement Agreement* dated as of February 1, 2010, as amended (the “Schyan Agreement”) between Canada Lithium Corporation (“CLC”)¹¹ and Schyan Exploration Inc./Exploration Schyan Inc. (“Schyan”). Under the Schyan Agreement, Schyan transferred to CLC certain mining claims (the “Schyan Claims”). In consideration of the transfer, CLC agreed to transfer to Schyan all of its rights in and to any non-lithium minerals comprised within the Schyan Claims, and also granted access rights to Schyan in order to develop and mine the non-lithium materials comprised within the Schyan Claims. Schyan granted to CLC a right of first refusal in the event Schyan wishes to assign, sell or dispose of, or has received an offer which it is willing to accept for the assignment, sale or disposition of all or part of its interest in the non-lithium minerals comprised within the Schyan Claims.

The Schyan Agreement was amended pursuant to an Amendment to Mining Claim Transfer and Easement Agreement registered at the Mining Register on September 24, 2010, thereby transferring the Schyan Claims from CLC to QLI. There are no monetary defaults of RB or QLI under the Schyan Agreement and, accordingly, the Receiver believes the proposed assignment is appropriate.

- i) **QLI Option:** For 150 days following the closing of the Transaction, the Purchaser has the option to subscribe for shares representing all of the shares of QLI for an exercise price to be determined by the Purchaser and the Receiver, acting reasonably. The Receiver understands that the Purchaser is considering exercising the QLI Option in order to take advantage of the tax attributes, if any, of QLI. To effect this, the Purchaser may be required to restructure QLI pursuant to restructuring legislation.
- j) **Aguas Blancas Option:** The APA also provides the Purchaser with an option for 180 days following the closing of the Transaction to acquire RB’s shares of Sirocco for an exercise price of \$10,000. The share transfer would be subject to Sirocco’s share pledge in favour of Tewoo which secures Sirocco’s guarantee of QLI’s US\$10 million debt owing to Tewoo.

If the Purchaser does not exercise the Aguas Blancas Option, the Purchaser is being granted a 12 month right of first refusal to acquire the Sirocco Shares in the event that a subsequent offer is received for these shares.

- k) **Representation and Warranties:** Consistent with the terms of a standard insolvency transaction, i.e., on an “as is, where is” basis, with limited representations and warranties.
- l) **Closing:** Two business days following the satisfaction of all conditions precedent, or such other date as may be agreed to in writing by the Receiver and the Purchaser. The Outside Date is August 15, 2016.

¹¹ CLC is a predecessor company of RB.

- m) **Material Conditions:** The material conditions precedent to closing are:
- between the execution of the APA and closing, there shall not have occurred a Material Adverse Effect. The Receiver is not aware of any Material Adverse Effect as at the date of this Report;
 - obtaining the consent or an assignment order to assign to the Purchaser the Critical Contract set out in the APA, being the Schyan Agreement;
 - obtaining regulatory approvals pursuant to the Competition Act and the Investment Canada Act (the “ICA”). In this regard:
 - The Purchaser has submitted an application for an advanced ruling certificate to be issued by the Commissioner of Competition. The Receiver understands that the Purchaser anticipates receiving the requested certificate and/or appropriate clearance in the short term; and
 - In April, 2016, the Purchaser filed a notice under Part III of the ICA. Should a notice under either subsection 25.2(1) or 25.3(2) of the ICA not be received, this condition will have been satisfied. If such a notice is received, the Purchaser will need to provide additional information under the ICA in order to seek: (i) a notice indicating that no order for the review of the Transaction will be made; (ii) a notice indicating that no further action will be taken; or (iii) an order confirming that the Governor in Council authorizes the Transaction;
 - the Court shall have issued a Sale Approval and Vesting Order.
2. **Transition Services Agreement:** The APA requires that the Receiver and the Purchaser enter into a Transition Services Agreement (“TSA”) substantially in the form attached as a schedule to the APA. The purpose of the TSA is for the Receiver to maintain in good standing certain permits and other contracts or agreements until they can be transferred to the Purchaser in accordance with the APA. As part of the TSA, the Purchaser has agreed to fund, in advance, any costs incurred by the Receiver, including professional fees of the Receiver and its legal counsel. The Purchaser has also indemnified the Receiver for any duties performed under the TSA.
3. A copy of the APA is filed under seal as an exhibit to the Receiver’s Application.

8.1 Recommendation

1. The Receiver believes the Transaction is appropriate in the circumstances for the following reasons:
 - a) In the Receiver’s view, the SISP was commercially reasonable, including timelines, breadth of the SISP Team’s canvassing of the market, information made available to interested parties, including information in the data room, the CIM and the availability of management for meetings and site visits. The SISP Team canvassed the market for sale or investment bids for all or portions of the Company’s business and assets;

- b) Rothschild is a leading investment banker with a global reputation. It has significant expertise in the mining sector. Notwithstanding its expertise, the SISP did not result in any offers to purchase nor did it identify any viable investment opportunities for the Company;
- c) Hale and IQ had discussions with numerous parties over the course of the receivership proceedings to identify purchasers and/or partners for the Lithium Project. The Receiver understands that each proposal made to IQ was conditional and/or contemplated a significant compromise of IQ's secured debt. The Purchaser is acceptable to IQ based on its operational and technical expertise and on its financial strength;
- d) The Transaction contemplates a full repayment to Hale and a substantial shortfall to IQ. Both Hale and IQ have consented to the Transaction;
- e) The Receiver does not believe that further time spent marketing the Company's business and assets will result in a transaction acceptable to IQ;
- f) Hale has advised that it would not support the use of the cash in the receivership bank account to fund the Lithium Project's care and maintenance expenses and/or a further sale process. These costs total approximately \$450,000 per month before professional fees and capital expenditures;
- g) The Receiver understands that the Purchaser's objective is to provide the necessary capital (estimated to range between \$150 million to \$200 million) to bring the Lithium Project into production. As a result, the Transaction contemplates the continued employment of QLI's 14 existing employees. The Receiver understands that the Lithium Project has the potential to create long term employment for over 230 employees in La Corne, Quebec, which is economically depressed;
- h) The Transaction does not prejudice the Construction Hypothec Claims as these claims are unaffected by the Vesting Order;
- i) There is urgency to complete a transaction, particularly given the ongoing environmental issues described in this Report, including significant capital expenditures as described in Section 2, Paragraph 15 above, and a lack of funding for a further SISP;
- j) In respect of the option on the shares of Sirocco, the SISP did not identify any credible offers for the Aguas Blancas Project. The value of the LOIs submitted were negligible and, in one case, negative. Since that time, the iodine markets and Atacama's financial results have deteriorated further. For there to be value in the Sirocco shares, a transaction for Atacama would need to generate in excess of US\$40 million, being the sum of Atacama's third party obligations (approximately US\$31 million) and Sirocco's guarantee of QLI's US\$10 million indebtedness owing to Tewoo;

- k) The Transaction does not prejudice Tewoo as its secured claim under Sirocco's guarantee is preserved in the event the Purchaser exercises its option to acquire the shares of Sirocco; and
 - l) The Transaction preserves an opportunity for a proposal to be filed by the Purchaser, which may result in recoveries for QLI's unsecured creditors.
2. Based on the foregoing, the Receiver recommends that this Honourable Court approve the Transaction.

9.0 Proposed Repayment of Hale Debt

1. The APA contemplates that a portion of the purchase price is to be paid directly to Hale in satisfaction of the funding advanced by it and secured by the Interim Lender Charge. The Interim Lender Charge was created under the Initial Order and continued in the Receivership Order, subject only to the Receiver's Charge in the amount of \$500,000.
2. The Receiver believes it is appropriate for Hale to be repaid in full at the closing of the Transaction. The Receiver is not aware of any other secured creditors or any claim that ranks or may rank in priority to Hale.
3. Based on QLI's books and records, the Receiver is not aware of any deemed trust or priority claims for vacation pay and/or employee source deductions owing to the Federal or Provincial tax authorities relating to the pre-filing and/or post-filing periods.
4. Based on the foregoing, the Receiver recommends that this Honourable Court issue an order authorizing: (i) the portion of the purchase price attributed to Hale's secured debt be paid directly to Hale by the Purchaser on the closing of the Transaction; and (ii) the Receiver to distribute funds to Hale from the cash in the receivership account in order to repay in full the Company's secured indebtedness owing to Hale.

10.0 Overview of the Receiver's Activities

1. Since the commencement of these proceedings, the Receiver's activities have included the following:
 - Corresponding extensively with Hale, IQ and their respective legal counsel in connection with all material matters, including the environmental, funding, tax and transactional issues detailed in this Report;
 - Dealing with funding matters, including dealing with the Cost Sharing Agreement;
 - Submitting funding requests to IQ throughout these proceedings in accordance with the Cost Sharing Agreement;
 - Reviewing cash flow projections and budget-to-actual analyses and reporting to Hale and IQ thereon;

- Corresponding extensively with Osler regarding environmental issues, including issues involving water levels in the tailings and sodium-sulphate ponds at QLI's site and the costs of addressing these issues, QLI's dealings with EC and EQ and monitoring the toxicity levels in the ponds;
- Engaging in a routine dialogue with EC, including attending two meetings at EC's offices and exchanging various correspondence, action plans and reporting on QLI's progress relative to its action plans submitted to EC and EQ;
- Monitoring the status of environmental issues, including corresponding routinely with Osler and QLI's environmental coordinator;
- Reviewing status updates from QLI on various environmental issues and consulting reports commissioned by QLI in order to address certain environmental matters;
- Pursuing investment tax credits, including corresponding regularly with E&Y, QLI's management and legal counsel in respect thereof;
- Dealing with information requests and other enquiries submitted by Revenu Quebec in the context of its audit of QLI's investment tax credit claims;
- Reviewing multiple versions of the APA, TSA and other Transaction documents;
- Corresponding extensively with Hale, IQ and legal counsel in respect of the Transaction and their respective dealings with interested parties throughout these proceedings;
- Drafting this Report and reviewing and commenting on all Transaction and other documents filed in connection with this motion;
- Facilitating multiple diligence requests for the Purchaser and its legal counsel;
- Responding to numerous calls and enquiries from interested parties regarding the status of a sale process for the Company's business and assets and corresponding with Hale and IQ in respect thereof;
- Reviewing correspondence and legal documents filed in connection with litigation involving SGS Canada Inc. in respect of QLI's lab equipment;
- Reviewing correspondence and legal documents in respect of a settlement of Class Action proceedings involving RB;
- Dealing with cash management issues, including reviewing and issuing payments related to the receivership and assisting the Company to administer its payroll;
- Corresponding on a near daily basis with the Company's controller and other employees at the Company;

- Corresponding regularly with representatives of Atacama, including its management, board members and legal counsel, in connection with its operations and refinancing efforts;
- Monitoring Atacama's operating results, including reviewing monthly management reports detailing the status of financial, employee, health and safety and other operational issues;
- Dealing with issues affecting the various subsidiaries of RB;
- Responding to numerous calls and enquiries from creditors, shareholders and other stakeholders; and
- Dealing generally with the administration of these proceedings, including filing the Receiver's statutory interim reports with the Office of the Superintendent of Bankruptcy (Canada).

11.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Court make an Order granting the relief detailed in Section 1.1 of this Report.

* * *

All of which is respectfully submitted,

KSV Kofman Inc.

**KSV KOFMAN INC.,
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF
QUEBEC LITHIUM INC., QLI METAUX INC., RB ENERGY INC. AND
SIROCCO MINING INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No. 500-11-047560-145

DATE: May 8, 2015

PRESIDING : THE HONOURABLE MR. JUSTICE MARTIN CASTONGUAY, J.S.C.

IN THE MATTER OF THE RECEIVERSHIP OF:

QUÉBEC LITHIUM INC., QLI MÉTAUX INC., RB ENERGY INC. AND SIROCCO MINING INC.

Debtors

-and-

HALE CAPITAL PARTNERS L.P.

Petitioner

-and-

KPMG INC.

Monitor

-and-

DUFF & PHELPS CANADA RESTRUCTURING INC.

Receiver

ORDER APPOINTING A RECEIVER
(Section 243 of the *Bankruptcy and Insolvency Act*)

- 2 -

- [1] **ON READING** the Petitioner's Motion for the Appointment of a Receiver (the "Motion") pursuant to Article 243 of the *Bankruptcy and Insolvency Act* (the "BIA"), the affidavit and the exhibits in support thereof;
- [2] **SEEING** the service of the Motion;
- [3] **SEEING** the submissions of Petitioner's attorneys;
- [4] **SEEING** that the Petitioner sent the Debtors, the Monitor and creditors of the Debtors' whose rights are published at the appropriate registries a five day Notice of Intention to Enforce a Charge pursuant to the terms of the Second Amended and Restated Initial Order issued by this Court in this matter on October 29, 2014 (the "Second Amended and Restated Initial Order");
- [5] **SEEING** the consent of the Debtors to the issuance of this Order;
- [6] **SEEING** that it is appropriate to appoint a receiver to the Property (such as defined herein) of the Debtors and to terminate the proceedings instituted pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA Proceedings") pursuant to the terms of a Discharge and Transition Order dated May 8, 2015 (the "Discharge and Transition Order");

WHEREFORE THE COURT:

- [7] **GRANTS** the Motion;

SERVICE

- [8] **ORDERS** that any prior delay for the presentation of this Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof;

APPOINTMENT

- [9] **APPOINTS** Duff & Phelps Canada Restructuring Inc., trustee, to act as receiver (the "Receiver") to the Property of Québec Lithium Inc., QLI Métaux Inc., RB Energy Inc. and Sirocco Mining Inc. (collectively, the "Debtors") until one of the following events comes to pass:
- (a) the sale of all the Property; or
 - (b) the issuance of any order by the Court terminating the mandate of the Receiver;

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- [10] **DECLARES** that the order (the "Order") and its effects shall survive the filing by any of the Debtors of a notice of intention to make a proposal or of a proposal pursuant to the terms of the BIA or the bankruptcy of any of the Debtors, unless the Court orders otherwise.
- [11] **DECLARES** the Order and its effects shall survive the termination of the CCAA Proceedings.

RECEIVER'S POWERS

[12] **AUTHORIZES** the Receiver to exercise the following powers:

A) Powers related to the possession of the Property

AUTHORIZES the Receiver to take possession of all Debtors' present and future assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof but excluding (i) the Retained Amount (as defined in the Discharge and Transition Order); (ii) the QLI Vacation Pay Reserve (as defined in the Discharge and Transition Order), (iii) the monetary retainers paid by the Debtors to the Monitor, the Monitor's counsel, the Debtors' counsel and the Debtors' directors' counsel and (iv) the LC Cash Collateral (as defined below) (collectively, the "Property") and to exercise the following powers listed hereinafter in the place and stead of the Debtors in respect of the Property:

B) Powers related to the preservation of the Property

- (a) all the powers necessary for the preservation and for the protection of the Property;
- (b) all the powers necessary to control the Property, the place of business and the premises occupied by the Debtors;
- (c) all the powers necessary to grant the Receiver access, at all times, to the place of business and to the premises of the Debtors, to the Property, and to change the locks and security codes required to grant access to such premises and places of business of the Debtors;
- (d) all the powers necessary to grant the Receiver access to all the accounting records of the Debtors, as well as to any document, contract, register of any nature or kind whatsoever, wherever they may be situated and regardless of the medium on which they may be recorded (the "Records"), as well as the powers necessary to make copies of all the Records necessary or useful to the execution of the Receiver's functions;
- (e) all the powers necessary to undertake an analysis of the Debtors' Records;

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C) Powers related to the Control of Debtors' Receipts and Disbursements

- (f) except as otherwise provided herein, all the powers necessary to control the Debtors' receipts and disbursements;
 - (g) all the powers necessary to collect all the accounts receivable and all the other claims of the Debtors and to transact in respect of same, as well as to sign any document for this purpose;
 - (h) all the powers necessary to open any required bank account, pursuant to the terms and conditions the Receiver may determine, with any chartered Canadian bank, or any other financial institution, the whole, in order to cash any item payable to the Debtors, and to issue any payment which, in the opinion of the Receiver, is necessary or useful to the preservation or maintenance of the Debtors' Property;
- [13] **ORDERS** the Debtors to remit immediately all cash on hand remaining from advances under the Interim Facility (as defined in the Second Amended and Restated Initial Order) to the Receiver other than the Retained Amount;

D) Powers related to the disposition or sale of the Property

- (i) all the powers necessary to interest or solicit one or several potential buyers of all or any part of the Property, including, without limitation, the right to carry out a public call for tenders or private solicitations in order to dispose of the Property;
- [14] **ORDERS** the Receiver to petition the Court for authorization to sell all or any part of the Property outside the ordinary course of business, upon finding a purchaser and pursuant to conditions it deems reasonable in the circumstances;
- [15] **DECLARES** that, notwithstanding the preceding paragraph, the Receiver shall have the power to sell all or any part of the Property outside the ordinary course of business, without the Court's authorization, provided that the price and value in each case does not exceed \$200,000 or \$4,000,000 in aggregate and subject to the rights of lessors under equipment leases;
- [16] **GRANTS** the Receiver all the powers necessary to initiate, prosecute and continue the prosecution of any and all proceedings it considers appropriate, including for the purpose of Sections 34 and 249 of the BIA, within the performance of its duties regarding the Property;
- [17] **AUTHORIZES** the Receiver to retain the services of any lawyer, or of any person or business in order to appropriately fulfil its functions;
- [18] **DECLARES** that the Receiver may provide creditors and other relevant stakeholders with information in response to requests made by them in writing. A copy of such requests must be sent to the Petitioner's attorney. Where the Receiver has been

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advised by the Petitioner that information is confidential, proprietary or competitive, the Receiver shall not provide such information to any person without the consent of the Petitioner unless otherwise directed by this Court.

DEBTORS' DUTIES

- [19] **ORDERS** the Debtors, their directors, officers, employees, agents and representatives to forthwith provide the Receiver with access to the Property, to the places of business and to the premises of the Debtors, as well as to the Records;
- [20] **ORDERS** the Debtors, their directors, officers, employees, agents and representatives to cooperate with the Receiver in the exercise of the powers that are granted pursuant to the terms of the Order;
- [21] **ORDERS** the Debtors not to dispose, alienate, encumber or otherwise transact in any manner whatsoever, with regard to the Property, other than in the ordinary course of business or with the authorization of the Receiver;

NON-INTERFERENCE WITH THE RECEIVER, THE DEBTORS AND THE PROPERTY

- [22] **ORDERS** that subject to any other order rendered by the Court, which may only be rendered after a prior notice has been duly sent to the Receiver and to the Petitioner, no proceeding, seizure, revendication, or any other enforcement process shall be commenced or enforced against the Property;
- [23] **ORDERS** that no person shall interrupt, modify, terminate or fail to execute its obligations pursuant to any contract, agreement, license or permit entered into with any of the Debtors without the prior consent of the Receiver or without the authorization of the Court, provided however that The Bank of Nova Scotia ("BNS") may terminate any VISA card issued to any of the Debtors or on behalf of the Debtors to any of their employees or former employees, as the case may be;

CONTINUATION OF SERVICES

- [24] **ORDERS** that any person having an oral or written agreement with the Debtors, as well as any supplier of goods or services to the Debtors is hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services, as may be required by the Receiver and that the Receiver shall be authorized to continue use of the Debtors' current premises, telephone numbers, facsimile numbers, internet addresses, domain names and other services, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver, in accordance with the normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court;

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EMPLOYEES

- [25] **AUTHORIZES** the Receiver, on behalf of the Debtors, to continue to engage the services of the employees of the Debtors until the Receiver, acting for and on behalf of the Debtors, terminates the employment of such employees. The Receiver shall not be liable for any employee related liabilities, including any successor-employer liabilities as provided for in sections 14.06(1.2) of the *BIA* other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) and 81.6(3) of the *BIA* or under the *Wage Earner Protection Program Act*;

PROTECTION OF PERSONAL INFORMATION

- [26] **DECLARES** that pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall be permitted to disclose personal information on identifiable individuals, which information it has in its possession or under its responsibility, to interested parties or to investors, financiers, prospective purchasers or potential strategic partners, as well as to their advisors, but only to the extent desirable or required, and only upon condition that the persons to whom such personal information is disclosed shall undertake to maintain and protect the privacy of such information and limit the use of such information pursuant to confidentiality agreements entered into with the Receiver;

LIMITATION OF LIABILITY

- [27] **DECLARES** that subject to the powers granted to the Receiver pursuant to the terms of paragraph 12 of the Order, nothing contained herein shall require the Receiver to occupy or to take control, or to otherwise manage all or any part of the Property. The Receiver shall not and shall not be deemed, as a result of this Order, to be in possession or the custodian of any of the Property within the meaning of environmental legislation, the whole pursuant to the terms of the *BIA*;
- [28] **DECLARES** that the Receiver is not subject to any of the obligations contained in sections 232.1 to 232.12 of the *Mining Act*, C.Q.L.R., c. M-13.1 (the "*Mining Act*"), and is not required to comply with any remediation and restoration plan submitted to the Minister of Natural Resources and Wildlife by the Debtors pursuant to section 232.1 of the *Mining Act* nor the supply any guarantee pursuant to section 232.4 of the *Mining Act*. Should the Receiver intend to move, disturb or damage a facility erected under division III of chapter 4 of the *Mining Act*, it shall notify in writing the Minister of Natural Resources and Wildlife.
- [29] **ORDERS** the Receiver to notify in writing the Minister of Natural Resources and Wildlife should it intend to seek from this Court the powers necessary to operate Quebec Lithium Inc.'s mining business.

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- [30] **DECLARES** that the powers of the Receiver shall be exercised pursuant to its sole discretion and judgment;
- [31] **DECLARES** that any act or decision made by the Receiver in the exercise of its powers granted by this Order shall be deemed to be made on behalf of the Debtors;
- [32] **DECLARES** that section 215 of the *BIA* applies *mutatis mutandis*, and hence that no action lies against the Receiver by reason of its appointment or the execution of the powers granted by the Court, except by leave of the Court. The entities related to the Receiver or belonging to the same group as the Receiver shall benefit from the protection arising under the present paragraph;

FEES

- [33] **DECLARES** that as security for the professional fees and disbursements incurred in relation to these proceedings, both before and after the date of the Order, a charge and security over the Property is hereby constituted in favour of the Receiver, of the Receiver's attorneys and other advisors, to the extent of the aggregate amount of \$500,000 (the "Receiver's Administration Charge");
- [34] **DECLARES** that, other than the Tewoo Security and the BNS Cash Collateral Charge, the Receiver's Administration Charge shall rank in priority to any and all hypothecs, mortgages, liens, security interests, priorities, charges, encumbrances, construction liens or security of whatever nature or kind affecting the Property, including any and all charges created by this Court in the CCAA Proceedings (the "CCAA Charges") (which CCAA Charges shall continue to bind the Property pursuant to the provisions of the Discharge and Transition Order) and all charges created by orders issued by this Court in this matter (collectively, the "Encumbrances") affecting the Property charged by such Encumbrances;
- [35] **DECLARES** that the Receiver's Administration Charge is effective and shall charge, as of 12:01 a.m. (Montreal time) the day of the Order (the "Effective Time"), all the Debtors' Property present and future;
- [36] **DECLARES** that notwithstanding: (i) these proceedings and any declaration of insolvency made herein, (ii) any petition for a bankruptcy order filed pursuant to the *BIA* in respect of the Petitioner and any bankruptcy order granting such petition or any assignment in bankruptcy made or deemed to be made in respect of the Petitioner and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by the Receiver pursuant to the Order and the granting of the Receiver's Administration Charges do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting a recourse for abuse under an applicable law, and shall be valid and enforceable as against any person, including any trustee in bankruptcy, and any receiver to the Property of the Debtors;

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- [37] **AUTHORIZES** the Receiver to collect the payment of its fees and disbursements and those of its attorneys, with the consent of the Petitioner, the whole subject to taxation in conformity with the *BIA*, if applicable;
- [38] **DECLARES** that notwithstanding anything to the contrary herein the Receiver's Administration Charge shall be junior and subordinate to the Tewoo Security as against the Pledged Shares (as defined in the Motion).
- [39] **DECLARES** that, in respect of certain pre-filing letters of credit issued by BNS and pre-filing credit card and other cash management services provided to the Debtors and certain persons related to the Debtors, secured by cash collateral (the "**LC Cash Collateral**") maintained by BNS in an aggregate principal amount of CDN\$4,001,420 (the "**LC Exposure**"), the Receiver's Administration Charge, as may attach to the LC Cash Collateral, including by operation of law or otherwise, (a) shall rank junior in priority to the BNS Cash Collateral Charge and (b) shall attach to the LC Cash Collateral only to the extent of the rights of the Debtors to the return of any LC Cash Collateral from BNS following (i) the payment and satisfaction of all LC Exposure and (ii) the exercise of any rights in respect of the LC Cash Collateral pursuant to Section 97(3) of the *BIA*, notwithstanding anything to the contrary contained herein.

RECORDS

- [40] **DECLARES** that the Receiver shall allow current or former directors of the Debtors or their authorized representatives reasonable access to the Records on reasonable notice to the Receiver and provide at least 7 days' prior written notice to the directors before destroying such Records or transferring such Records to another party;

GENERAL

- [41] **DECLARES** that the Order, the Motion and the affidavit do not, in and of themselves, constitute a default or failure to comply by the Debtors under any statute, regulation, license, permit, contract, permission, covenant, agreement, undertaking or any other written document or requirement;
- [42] **DECLARES** that the Receiver is at liberty to serve any notice, circular or any other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to persons or other appropriate parties at their respective given address as last shown in the Records; the documents served in this manner shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three (3) business days after mailing if delivered by ordinary mail;
- [43] **DECLARES** that the Receiver may serve any court materials in these proceedings on all represented parties, by emailing a PDF or other electronic copy of such

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materials to counsels' email addresses, provided that the Receiver shall deliver "hard copies" of such materials upon request to any party as soon as practicable thereafter;

- [44] **DECLARES** that any party interested in these proceedings may serve any court material in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses, provided that such party shall deliver a "hard copy" on paper of such PDF or electronic materials to the Debtors' and the Receiver's counsel and to any other party who may request such delivery;
- [45] **DECLARES** that a copy of all court material served in these proceedings shall be sent to the Receiver, the Receiver's counsel and Hale Capital Partners L.P.'s counsels at the following email addresses:

If to the Receiver:

Duff & Phelps Canada Restructuring Inc.
c/o: Robert Kofman and David Sieradzki
Bobby.Kofman@duffandphelps.com
David.Sieradzki@duffandphelps.com

If to the Receiver's counsel:

Osler, Hoskin & Harcourt LLP
c/o: Martin Desrosiers and Tracy Sandler
mdesrosiers@osler.com
tsandler@osler.com

If to Hale Capital Partners L.P.'s counsel:

Davies Ward Phillips & Vineberg LLP
c/o: Jay Swartz, Denis Ferland and Gabriel Lavery Lepage
jswartz@dwpv.com
dferland@dwpv.com
glepage@dwpv.com


- [46] **DECLARES** that, unless otherwise provided herein, ordered by this Court, or provided by the BIA, no document, order or other material need be served on any person in respect of these proceedings, unless such person has served a notice of appearance on the solicitors for the Debtors and the Receiver and has filed such notice with the Court;
- [47] **DECLARES** that any interested Person may apply to this Court to vary or rescind the Order or seek other relief upon five (5) days notice to the Receiver, the Petitioner and

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any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order;

- [48] **DECLARES** that the present Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada;
- [49] **DECLARES** that the Receiver shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order and any subsequent orders of this Court and, without limitation to the foregoing, an order under Chapter 15 of the *U.S. Bankruptcy Code*, for which the Receiver shall be the foreign representative of the Debtors. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and to provide such assistance to the Receiver as may be deemed necessary or appropriate for that purpose;
- [50] **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order;

[51] **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever;



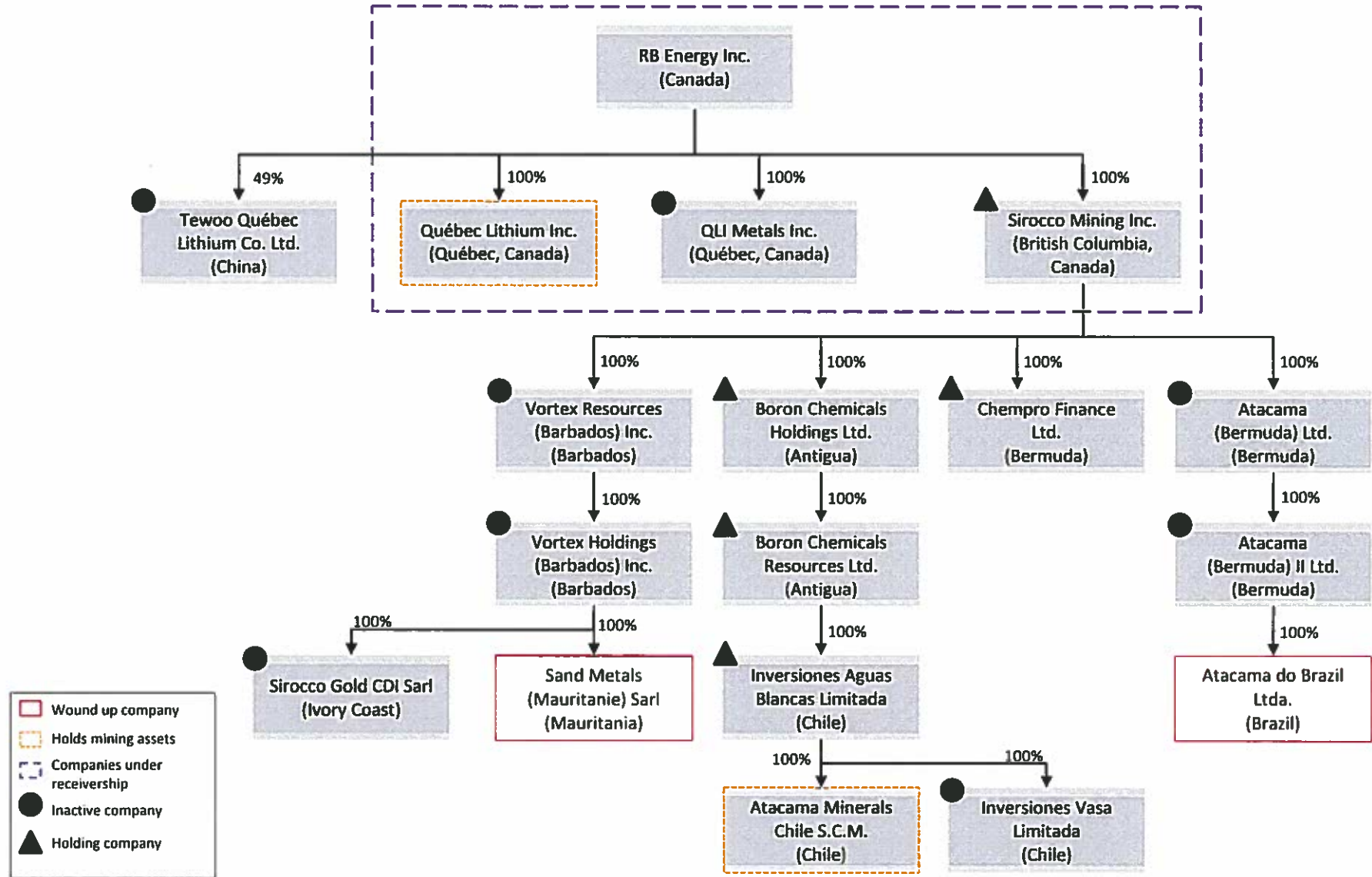
CLERK OF THE COURT



Clerk adjoint

Appendix “B”

Organizational chart



Appendix “C”

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

No.: 500-11-049079-151

IN THE MATTER OF THE RECEIVERSHIP OF:

**QUÉBEC LITHIUM INC., QLI MÉTAUX INC., RB
ENERGY INC. AND SIROCCO MINING INC.**

Debtors

-and-

KSV KOFMAN INC.

Receiver/Petitioner

**RECEIVER'S CERTIFICATE
Post-Petition Payables and QLI Vacation Pay
(Discharge and Transition Order dated May 8, 2015)**

- A. WHEREAS on May 8, 2015, the Honourable Mr. Justice Castonguay rendered an order (the "Discharge and Transition Order") for the termination of *Companies' Creditors Arrangement Act* ("CCAA") proceedings relating to Québec Lithium Inc. ("QLI"), QLI Métaux Inc. ("QLIM"), RB Energy Inc. ("RBE") and Sirocco Mining Inc. (collectively with QLI, QLIM and RBE, the "Debtors") and providing for certain transition measures concurrent to a receivership order granted on the same date appointing Duff & Phelps Canada Restructuring Inc. (subsequently substituted by KSV Kofman Inc.) (the "Receiver") as Receiver of the Debtors.
- B. WHEREAS paragraph 14 of the Discharge and Transition Order orders the Receiver to file a certificate with the Court certifying that to the best of the Receiver's knowledge, all the Post-Petition Payables (as this term is defined in the Discharge and Transition Order) have been paid and/or discharged in full (or with respect to QLI Vacation Pay (as this term is defined in the Discharge and Transition Order) certifying that either the QLI Vacation Pay has been paid and/or there is no vacation entitlement remaining with respect to any QLI employees for the period prior to the appointment of the Receiver because the accrued vacation has been taken (the "Vacation Entitlement"), within 7 business days following the payment (to the best of the Receiver's knowledge) of the final Post-Petition Payables (or the use of the final Vacation Entitlement).

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THEREFORE THE RECEIVER CERTIFIES THAT:

1. As of the date hereof, to the best of the Receiver's knowledge, all the Post-Petition Payables (as this term is defined in the Discharge and Transition Order) have been paid and/or discharged in full; and
2. As of the date hereof, all QLI Vacation Pay (as this term is defined in the Discharge and Transition Order) has been paid and/or there is no Vacation Entitlement remaining.

In accordance with paragraph 14 of the Discharge and Transition Order, any amounts remaining in the QLI Vacation Pay Reserve (as this term is defined in the Discharge and Transition Order) shall be released from the QLI Vacation Pay Reserve to the Receiver.

THIS CERTIFICATE was issued by the Receiver on May 19, 2016.

**KSV Kofman Inc., in its capacity of
Receiver of the Debtors and not in its
personal or corporate capacity.**

By: 

Name: David Sieradzki
Title: Managing Director

No: 500-11-049079-151

SUPERIOR COURT
(Commercial Division)
DISTRICT OF MONTRÉAL

IN THE MATTER OF THE RECEIVERSHIP OF :

QUÉBEC LITHIUM INC., QLI MÉTAUX INC., RB ENERGY
INC. AND SIROCCO MINING INC.

Debitors

-and-

KSV KOFMAN INC.

Receiver

RECEIVER'S CERTIFICATE

Post-Petition Payables and QLI Vacation Pay
(Discharge and Transition Order dated May 8, 2015)

ORIGINAL

Me Martin Desrosiers
Osler, Hoskin & Harcourt LLP
1000 De La Gauchetière Street West, Suite 2100
Montréal, Québec H3B 4W5

Notification by e-mail:
notificationosler@osler.com
mdesrosiers@osler.com

Tel: 514.904.8100 Fax: 514.904.8101

Code : BO 0323 o/f: 1164952

Appendix “D”



RB ENERGY INC

VIA EMAIL

April 15, 2015

Rothschild Inc.
1251 Avenue of the Americas
New York, NY 10020

Attention: Mr. Neil Augustine

Re: Termination of Engagement of Rothschild Inc.

Dear Mr. Augustine:

As you know, by letter agreement dated November 1, 2014 (the "**Engagement Letter**"), RB Energy Inc., Quebec Lithium Inc., QLI Metaux Inc. and Sirocco Mining Inc. (collectively, the "**CCAA Applicants**") retained Rothschild Inc. ("**Rothschild**") as their financial advisor and investment banker in connection with their proceedings under the *Companies' Creditors Arrangement Act*. Among other things, Rothschild was retained to assist the CCAA Applicants with a sales and investor solicitation process ("**SISP**") to be conducted with a view to soliciting offers and effecting a transaction for the sale or investment in one or more of their businesses.

As you are aware, no qualifying offers were received by the deadline set out in the SISP. Following the bid deadline, Rothschild was asked to canvass interested parties further to attempt to attract binding offers in the additional short time frame that was available to the CCAA Applicants. Unfortunately, no offers were submitted in this supplementary process.

As the SISP has run its course with no binding offers submitted, the CCAA Applicants are seeking an order from the Court formally terminating the SISP. Rothschild's continued engagement will not be required after April 30, 2015. Pursuant to Section 8 of the Engagement Letter, the CCAA Applicants hereby give notice terminating Rothschild's engagement effective fifteen (15) days from the date hereof, being April 30, 2015.

Thank you for your efforts on behalf of the CCAA Applicants.

RB ENERGY INC., for and on behalf of itself and the other CCAA Applicants



By: _____

Name: Kevin Ross
Title: Chief Operating Officer

cc: Rick Clark, RB Energy Inc.
Alessandro Bitelli, RB Energy Inc.
Karina Danilyuk, Rothschild
Jonathan Brownstein, Rothschild
Pam Huff, counsel to CCAA Applicants
Linc Rogers, counsel to CCAA Applicants
Phil Reynolds, Monitor
Ashley Taylor, counsel to Monitor

Appendix “E”



KPMG Inc.
 Bay Adelaide Centre
 333 Bay Street Suite 4600
 Toronto ON M5H 2S5
 Canada

Telephone (416) 777-8500
 Fax (416) 777-3364
 Internet www.kpmg.ca

May 18, 2016

KSV Advisory Inc.
 150 King Street, West, Suite 2308
 Toronto, Ontario
 M5H 1J9

Attention: Mr. David Sieradzki
 Managing Director

Dear Mr. Sieradzki:

Re: Quebec Lithium Inc., QLI Métaux Inc., RB Energy Inc. and Sirocco Mining Inc.

You have asked for certain information regarding the proceedings which were commenced pursuant to the *Companies' Creditors Arrangement Act* ("CCAA") of Québec Lithium Inc., QLI Métaux Inc., RB Energy Inc. and Sirocco Mining Inc. (collectively, the "Petitioners"). You have particularly asked for information related to the sales process which was undertaken in those proceedings.

Background

On October 14, 2014, the Petitioners filed a motion pursuant to the CCAA before the Commercial Division of the Quebec Superior Court of the District of Montreal (the "Court"). A CCAA order was granted by the Court which, among other things, appointed KPMG Inc. as Monitor (the "CCAA Proceedings").

The main restructuring activity during the CCAA Proceedings was the conduct of a Court-approved sales and investor solicitation process for the property of the Petitioners, which comprised substantially all of: 1) a Lithium production facility and related assets in Val-d'Or Quebec; and 2) the Petitioner's interests in an Iodine mine facility in Chile.

In this regard, on November 14, 2014, the Court approved:

- 1) the retention of a sales advisor (the "Sales Advisor") to conduct a sales and investor solicitation process (the "SISP); and
- 2) the SISP.



The Retention of a Sales Advisor

On October 23 and 24, 2014, senior management of the Petitioners, representatives from the Interim Lender and the Agent, the Monitor and various counsel representing these parties undertook an investment bank selection process which included reviewing presentations and proposals from a number of highly qualified and reputable investment banking firms.

As a result of this process, Rothschild Inc. was selected to be the Sales Advisor for the Petitioners. As mentioned, the Sales Advisor's retention was subsequently approved by the Court.

The SISP

The SISP commenced on the November 14, 2015, the date the Court approved the process. As a member of the Sales Team, the Monitor was extensively involved in the SISP.

A chart setting out the key process milestones and timeline of the SISP, along with comments in respect of the key activities and ultimate results, is provided below (capitalized terms not defined in the table are used as defined in the SISP):

<u>Process Milestone</u>	<u>Target Date</u>	<u>Comments</u>
Commencement of solicitation process	As soon as reasonably practical following granting of the SISP Approval Order	The Sales Advisor prepared a Teaser Letter, Confidential Information Memorandum ("CIM") and a Process Letter, and sent the Teaser Letter and a Confidentiality Agreement ("CA") to those prospective purchasers and investors (each a "Solicited Party") listed on a Contact List which was created by the SISP Team. The Petitioners set up and populated an electronic data room with relevant information. The Contact List included 245 Solicited Parties, who were contacted by the Sales Advisor.
Preliminary due diligence period	Continuous process once commenced until January 23, 2015	Upon signing a CA and providing certain disclosure information and evidence of financial wherewithal to complete a transaction contemplated by the SISP, a Solicited Party was provided access to confidential information about the Petitioners, including the CIM, the Process Letter and the electronic data room, in order to perform due diligence.



Deadline for submission of non-binding Letters of Intent (“LOI”)	On or before January 23, 2015	The SISP sets out numerous matters which were required to be addressed in LOIs submitted as Purchase Bids or Investment Bids. The LOI requirements were reasonably exhaustive given the requirement of the SISP Team, the Agent and the Interim Lender that full details be provided about the expected final form of offer that each Prospective Bidder may ultimately submit. A total of 7 LOIs were received in the process.
Identification of Qualified Bidders	On or before January 31, 2015	The SISP Team, in consultation with the Agent and the Interim Lender, evaluated each LOI against certain Bid Criteria and identified Prospective Bidders with which the Petitioners continued to work with a view to obtaining a Binding Offer from the Prospective Bidder (once so selected, a “Qualified Bidder”). Prospective Bidders were notified in writing on or before January 31, 2015 as to whether they are Qualified Bidders.
Deadline for submission of Binding Offers	On or before March 27, 2015	Qualified Bidders were given time to complete their due diligence and submit a Binding Offer, which had to be submitted in the form of a template asset purchase or sponsor/investment agreement (for which a template was provided at the election of the Petitioners). A cash deposit in the amount of 10% of the purchase price or investment amount, as applicable, was to be included with all Binding Offers. No meaningful binding offers were received for any of the Petitioner’s assets.
Target Closing Date	April 15, 2015	

The Outcome

As set out above, management of the Petitioners and the Sales Advisor, under the supervision of the Monitor, conducted a robust sales process for all of the Petitioners assets. A wide galaxy of potential purchasers was contacted. Extensive due diligence was conducted by numerous parties in a process that commenced in mid-November 2014 and was carried out to the end of March 2015. Unfortunately no meaningful binding offers were received for any of the Petitioners assets, and offers that were received were of nominal value.



Based on the results of the SISP, the Court pronounced on May 8, 2015 two orders which terminated the CCAA proceedings and appointed Duff & Phelps Canada Restructuring Inc. to act as Receiver of the property of the Petitioners.

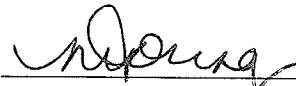
Yours truly,

KPMG Inc.

A handwritten signature in blue ink, appearing to read 'Philip J. Reynolds'.

per: Philip J. Reynolds
Senior Vice President

This is Exhibit "H" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 28th day of October, 2016.



A Commissioner etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017

**SUPERIOR COURT
(Commercial Division)**

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-049079-151

DATE: JUNE 21, 2016

PRESIDING: THE HONOURABLE MARTIN CASTONGUAY, J.S.C.

IN THE MATTER OF THE RECEIVERSHIP OF:

**QUÉBEC LITHIUM INC., QLI MÉTAUX INC., RB ENERGY INC. AND SIROCCO
MINING INC.**

Debtors

-and-

KSV KOFMAN INC.

Petitioner

-and-

HALE CAPITAL PARTNERS, L.P.

-and-

INVESTISSEMENT QUÉBEC

-and-

9554661 CANADA INC.

-and-

2242974 CANADA INC. (formerly CONSTRUCTION PROMEC INC.)

-and-

9190-5778 QUEBEC INC.

-and-

3391612 CANADA INC.

COPIE CONFONME

le 21 juin 2016

Abigail Carbonnier, g.c.s.

~~*Carbonnier*~~

500-11-049079-151

-and-

LES STRUCTURES GB LTÉE

-and-

2985080 CANADA INC.

-and-

CONSTRUCTION NORASCON INC.

-and-

J.Y. MOREAU ÉLECTRIQUE INC.

-and-

2950-0519 QUÉBEC INC.

-and-

WSP CANADA INC.

-and-

CONSTRUCTION P.B.M. INC.

-and-

LES INDUSTRIES BLAIS INC.

-and-

BREMO INC. (doing business as REMATECH DIVISION BREMO)

-and-

DYNAMITAGE CASTONGUAY LTÉE

-and-

9222-0201 QUÉBEC INC. (formerly LOCATION DUMCO INC.)

-and-

9208-1777 QUÉBEC INC.

-and-

LES HUILES H.L.H. LTÉE

-and-

PETER SECKER

-and-

RICHARD P. CLARK

500-11-049079-151

-and-

L. SIMON JACKSON

-and-

KEVIN ROSS

-and-

KATHY LOVE

-and-

KERRY KNOLL

-and-

IAN MCDONALD

-and-

STÉPHANE BERTRAND

-and-

ALESSANDRO BITELLI

-and-

BRENDAN PIDCOCK

-and-

ROTHSCHILD INC.

-and-

SGS CANADA INC.

-and-

SCHYAN EXPLORATION INC. / EXPLORATION SCHYAN INC.

-and-

**THE REGISTRAR FOR THE LAND REGISTRY OFFICE FOR THE REGISTRATION
DIVISION OF ABITIBI**

-and-

**THE REGISTRAR OF THE PUBLIC REGISTER OF REAL AND IMMOVABLE MINING
RIGHTS**

-and-

**THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL
RIGHTS**

500-11-049079-151

Mis-en-cause

APPROVAL, ASSIGNMENT AND VESTING ORDER

[1] The Petitioner presents an *Application for approval of an Asset Purchase Agreement and for the issuance of a vesting and assignment order* dated June 10, 2016 (the "**Application**") pursuant to section 243 of the *Bankruptcy and Insolvency Act, RSC 1985, c B-3* ("**BIA**");

[2] **CONSIDERING** the Application, the affidavit and the exhibits in support thereof as well as the representations of the Receiver's attorney;

[3] **CONSIDERING** the report of the Receiver dated June 13, 2016 (the "**Receiver's Report**");

[4] **CONSIDERING** the provisions of the BIA.

FOR THESE REASONS, THE COURT:

[5] **GRANTS** the Application.

[6] **DECLARES** that the service of the Application constitutes good and sufficient service on all persons and further **DECLARES** that the Petitioner is relieved of any other requirements for service of the Application.

[7] **DECLARES** that all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Application.

SALE APPROVAL

[8] **ORDERS** and **DECLARES** that the transactions (the "**Transaction**") contemplated by the Asset Purchase Agreement (the "**Purchase Agreement**") dated as of June 10, 2016 by and among KSV Kofman Inc., in its capacity as court-appointed receiver (the "**Receiver**") of the assets, rights, undertakings and properties of Québec Lithium Inc. ("**QLI**"), RB Energy Inc. ("**RBE**") and Sirocco Mining Inc. ("**Sirocco**" and collectively with QLI and RBE, the "**Debtors**") and not in its personal capacity, as vendor (the "**Vendor**") and 9554661 Canada Inc., as purchaser (the "**Purchaser**"), a copy of which was filed under seal as Exhibit P-39 of the Application, and vesting in the Purchaser all of QLI's rights, title and interest in and to all of the Purchased Assets (as defined in the Purchase Agreement), a summary of which is identified in Schedule A

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hereto, is hereby approved, and the execution of the Purchase Agreement by the Vendor is hereby authorized and approved, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to by the Purchaser and the Vendor.

[9] **AUTHORIZES** and **DIRECTS** the Receiver to apply, disburse, release and/or deliver the Deposit or the applicable portions thereof in accordance with the provisions of the Purchase Agreement and this Order.

EXECUTION OF DOCUMENTATION

[10] **AUTHORIZES** and **DIRECTS** the Receiver, the Debtors (represented by the Receiver for all intents and purposes) and the Purchaser to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in or contemplated by the Purchase Agreement, including without limitation the Subscription Options, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the Receiver, and any other ancillary document which could be required or useful to give full and complete effect thereto, including any application form required under the *Mining Act and the Act respecting the lands in the domain of the State*.

AUTHORIZATIONS

[11] **ORDERS** and **DECLARES** that this Order shall constitute the only authorization required by the Receiver to proceed with the Transaction and that no shareholder approval, if applicable, shall be required in connection therewith.

[12] **AUTHORIZES** and **ORDERS** the Receiver to pay the aggregate amount of \$232,500 under the KERP to the entitled beneficiaries, in accordance with the terms of the KERP.

[13] **AUTHORIZES** and **ORDERS** the Vendor to make a partial payment of the Interim Lender Payment to the Interim Lender, as per the payment instructions from the Interim Lender, from the surplus funds in the receivership bank accounts.

[14] **AUTHORIZES** and **ORDERS** the Purchaser, on behalf of the Vendor, to pay the unpaid balance of the Interim Lender Payment to the Interim Lender, as per the payment instructions from the Interim Lender.

[15] **ORDERS** that the Receiver's Report is hereby approved and the actions, conduct and activities of the Receiver described therein are hereby approved.

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VESTING OF THE PURCHASED ASSETS

[16] **ORDERS** and **DECLARES** that upon the delivery by the Receiver of a certificate substantially in the form appended as **Schedule B** hereto (the "**Certificate**") to the Purchaser, all rights, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, free and clear from any and all right, title, benefits, priorities, court-ordered priorities, claims (including claims provable in bankruptcy in the event that the Debtors (or anyone of them) should be adjudged bankrupt), liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, CCAA Charges, hypothecs, mortgages, pledges, trusts, deemed trusts (whether contractual, statutory, or otherwise), conditional sales, resolatory conditions, title retention agreements, servitudes, easements, assignments, judgments, executions, writs of seizure or execution, notices of sale, options, agreements, rights of distress, legal, equitable or contractual setoff, adverse claims, levies, taxes, disputes, debts, charges, options to purchase, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"), including without limiting the generality of the foregoing, (i) all Encumbrances created by order of this Court; (ii) all charges, security interests or charges evidenced by registration, publication or filing pursuant to the *Civil Code of Québec*, or any other applicable legislation providing for a security interest in personal or movable property, (iii) the registrations made on the Register of Personal and Movable Real Rights listed on **Schedule C** hereto; and (iv) the registrations made on the Land Register for the Registration Division of Abitibi (both on the index of immovables and the Register of Real Rights of State Resource Development) and on the Public Register of Real and Immovable Mining Rights listed on **Schedule D** hereto, excluding however, the permitted encumbrances, easements and restrictive covenants listed on **Schedule E** hereto (the "**Permitted Encumbrances**") and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets, other than the Permitted Encumbrances, be hereby expunged, radiated, cancelled and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate.

[17] Upon delivery by the Receiver of the Certificate to the Purchaser, **TERMINATES** the Sales Advisor Priority created by an Order of this Court on November 13, 2014 and **DECLARES** that no amount is due by the Debtors or the Receiver to the Sales Advisor.

[18] Upon delivery by the Receiver of the Certificate to the Purchaser, **TERMINATES** and **DISCHARGES** all CCAA Charges provided that, for greater certainty, the CCAA Charges do not include the Receiver's Administration Charge.

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[19] **ORDERS** and **DECLARES** that upon the issuance of the Certificate, the rights and obligations of the Vendor under the Agreement listed on **Schedule F** hereto (the "**Assigned Agreement**") are assigned to the Purchaser.

[20] **ORDERS** and **DIRECTS** the Receiver to send a copy of this Order to the party to the Assigned Agreement.

[21] **ORDERS** that the Receiver file a copy of the Certificate with the Court no later than two business days following delivery thereof to the Purchaser.

[22] **DECLARES** that the Receiver may rely exclusively on a written confirmation from the Purchaser that the Purchase Agreement conditions in its favour have been satisfied or waived to deliver the Certificate, without any obligation to independently confirm or verify the waiver or satisfaction of the applicable conditions.

[23] **DECLARES** that upon issuance of the Certificate, the Transaction shall be deemed to constitute and shall have the same effect as a sale under judicial authority as per the provisions of the *Code of Civil Procedure* and a forced sale as per the provisions of the *Civil Code of Quebec*.

CANCELLATION OF SECURITY REGISTRATIONS

[24] **ORDERS** the Registrar of the Land Registry Office for the Registration Division of Abitibi (including, for greater certainty, the index of immovables and the Register of Real Rights of State Resource Development) and the Registrar of the Public Register of Real and Immovable Mining Rights (collectively, the "**Registers**") upon presentation of the Certificate and a certified copy of this Order accompanied by the required application for registration and upon payment of the prescribed fees, to publish this Order and:

- (i) to proceed with an entry on the Registers showing the Purchaser as the owner or holder of the immovable rights and mineral rights and mineral leases identified in **Part 2** of **Schedule A** hereto (the "**Immovable Rights**"); and
- (ii) to cancel and discharge all Encumbrances on the Immovable Rights listed on **Schedule D** hereto.

[25] **ORDERS** the Registrar of the Registry of Personal and Movable Real Rights, upon presentation of true copies of this Order and of the Certificate accompanied by the required form and upon payment of the prescribed fees, to proceed with the cancellation, radiation and discharge of all registrations listed on Schedule C hereto as against the Purchased Assets, in order to allow the transfer to the Purchaser of the Purchased Assets free and clear of such registrations.

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VALIDITY OF TRANSACTION

[26] **ORDERS** that notwithstanding:

- (a) the pendency of these proceedings;
- (b) any assignment in bankruptcy;
- (c) any application for bankruptcy order now or hereafter issued pursuant to the BIA or otherwise and any order issued pursuant to such application; or
- (d) the provisions of any federal or provincial legislation;

the remittance of all payments in accordance with the Purchase Agreement is to be binding on any trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Receiver, the Debtors or the Purchaser, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

PROTECTION OF PERSONAL INFORMATION

[27] **ORDERS** that, pursuant to sub-section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, or any similar provision of any applicable provincial legislation including, without limitation, the *Act respecting the Protection of Personal Information in the Private Sector*, CQLR c P-39.1, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Receiver's records pertaining to the Debtors' past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which corresponds in all material respects to the prior use of such information by the Vendor.

LIMITATION OF LIABILITY

[28] **DECLARES** that, the Receiver shall not, as a result of this Order, (i) be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, or (ii) be an employer, or a joint or successor employer or a related or common employer or payor within the meaning of any legislation governing employment or labour standards or labour relations or pension benefits or health and safety or other statute, regulation or rule of law.

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[29] **DECLARES** that no action lies against the Receiver by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court, with no less than seven days' written notice to the Receiver. The entities related to the Receiver or belonging to the same group as the Receiver shall benefit from the protection arising under the present paragraph.

CONFIDENTIALITY

[30] **ORDERS** that Appendix "1" and Appendix "2" of the Receiver's Report shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

[31] **ORDERS** that the Purchase Agreement (Exhibit P-39 of the Application) shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened following the filing of the Certificate or upon further Order of the Court, whichever comes first.

GENERAL

[32] **ORDERS** and **DIRECTS** the Receiver and **AUTHORIZES** the Purchaser to (i) take all steps and execute all additional documents and application forms required by the Ministère de l'Énergie et des Ressources Naturelles as may be necessary for the completion of the Transaction and (ii) to take all steps as may be necessary to effect conveyance of the Purchase Assets to the Purchaser and the removal, cancellation and the discharge of the Encumbrances (other than the Permitted Encumbrances) as against the Purchased Assets.

[33] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

[34] **DECLARES** that the Receiver shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Receiver as may be deemed necessary or appropriate for that purpose.

[35] **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any

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court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

[36] **ORDERS** the provisional execution of the present Order, notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

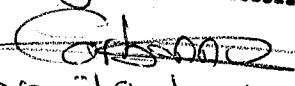
THE WHOLE WITHOUT COSTS.



MARTIN CASTONGUAY J.S.C.

Hearing date : June 21, 2016

Me Martin Desrosiers
Me Julien Morissette
Me Julien Hynes-Gagné
Osler, Hoskin & Harcourt LLP
Counsel to Petitioner

COPIE CONFORME
21 JUN 2016

Abigail Carbonnier, gacs.

SCHEDULE A – SUMMARY OF PURCHASED ASSETS

PART 1

The Purchased Assets are described in section 2.1 of the Asset Purchase Agreement and consist of all of QLI's right, undertaking, title and interests, if any, in and to the assets, rights, undertakings and properties, of every kind and nature and wherever situated other than certain excluded assets, including the following:

- (a) all immovable property, and all other parcels of real or immovable property used in the Lithium Project, including those listed in Part 2 of Schedule A;
- (b) all mining claims, mineral concessions and mining leases of QLI, as well as all other real or immovable property leases granted pursuant to *An Act respecting the lands in the domain of the State* (Québec) to which QLI is a party, including the mining claims, mineral concessions, mining leases and other real or immovable property owned, used or leased listed in Part 2 of Schedule A;
- (c) all machinery, spare parts, equipment, tools, computers, technology and communication hardware and infrastructure, furniture, furnishings and office equipment owned, used or leased by QLI;
- (d) all automobiles, trucks, trailers and other rolling stock of QLI and used in the Lithium Project;
- (e) all inventories of QLI of every kind and nature including all raw materials, work-in-progress, finished goods and operating supplies;
- (f) all accounts receivable, trade accounts and other debts owing or accruing to QLI or Vendor in connection with the Lithium Project and any insurance proceeds;
- (g) certain assumed contracts, in each case, as amended, extended, assigned or otherwise modified;
- (h) all permits, certificates, registrations, licenses, or similar authorizations owned by or issued to QLI or Vendor in connection with the Lithium Project that are transferable, and all pending applications therefor, but only to the extent that such may be conveyed by Vendor (with or without any authorization);
- (i) income tax refunds and other tax refunds or receivables related to the Lithium Project (including the QLI's tax credit claims for the years 2012, 2013 and 2014) and taxes paid in advance (including immovable taxes paid in advance related to the Lithium Project)

- 2 -

- (j) the books and records;
- (k) all insurance policies in the name of QLI of any kind whatsoever and all rights of QLI under such insurance policies, in each case, to the extent assignable, and all amounts relating to prepaid insurance in respect thereto; and
- (l) any goodwill associated with QLI, but only to the extent that such may be conveyed by Vendor.

PART 2

The Immovable Rights, mining lease, mining claims, other mining rights and related leases (located in the municipality of La Corne, in the Province of Québec) are composed of the following:

MINING RIGHTS

All rights, titles and interest of Québec Lithium Inc. conferred by the following Mining Lease and Mining Claims:

A. Mining lease

1. Mining Lease granted by the Minister of Natural Resources and Wildlife (now Minister of Energy and Natural Resources) to Québec Lithium Inc. for a term of twenty (20) years, commencing on May 29, 2012 and terminating on May 28, 2032, signed by the corporation on May 24, 2012 and by the Minister on May 29, 2012, which was registered at the Public Register of Real and Immovable Mining Rights kept by Minister of Energy and Natural Resources under the number one thousand and five (**BM 1005**) and in the Registration Division of Abitibi on July 3, 2012 under number 19 223 220 and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-1843**.

The said Mining Lease affects the immovable property known and designated as being composed of the following lots:

- (a) Lot number **FOUR MILLION SEVEN HUNDRED TWO THOUSAND TWO HUNDRED AND FIFTEEN (4 702 215)** of the Cadastre of Quebec, Registration Division of Abitibi;
- (b) Lot number **FIVE MILLION THIRTEEN THOUSAND FIVE HUNDRED AND TEN (5 013 510)** of the Cadastre of Quebec, Registration Division of Abitibi;

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- (c) Lot number **FIVE MILLION THIRTEEN THOUSAND FIVE HUNDRED AND ELEVEN (5 013 511)** of the Cadastre of Quebec, Registration Division of Abitibi;
- (d) Lot number **FIVE MILLION THIRTEEN THOUSAND FIVE HUNDRED AND TWELVE (5 013 512)** of the Cadastre of Quebec, Registration Division of Abitibi;
- (e) Lot number **FIVE MILLION THIRTEEN THOUSAND FIVE HUNDRED AND THIRTEEN (5 013 513)** of the Cadastre of Quebec, Registration Division of Abitibi; and
- (f) Lot number **FIVE MILLION THIRTEEN THOUSAND FIVE HUNDRED AND FOURTEEN (5 013 514)** of the Cadastre of Quebec, Registration Division of Abitibi.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

2. The rights, titles and interests of Québec Lithium Inc. in the following lots:

- (a) Lot number **FOUR MILLION SEVEN HUNDRED TWO THOUSAND TWO HUNDRED AND FIFTEEN (4 702 215)** of the Cadastre of Quebec, Registration Division of Abitibi;
- (b) Lot number **FIVE MILLION THIRTEEN THOUSAND FIVE HUNDRED AND TEN (5 013 510)** of the Cadastre of Quebec, Registration Division of Abitibi;
- (c) Lot number **FIVE MILLION THIRTEEN THOUSAND FIVE HUNDRED AND ELEVEN (5 013 511)** of the Cadastre of Quebec, Registration Division of Abitibi;
- (d) Lot number **FIVE MILLION THIRTEEN THOUSAND FIVE HUNDRED AND TWELVE (5 013 512)** of the Cadastre of Quebec, Registration Division of Abitibi;
- (e) Lot number **FIVE MILLION THIRTEEN THOUSAND FIVE HUNDRED AND THIRTEEN (5 013 513)** of the Cadastre of Quebec, Registration Division of Abitibi; and
- (f) Lot number **FIVE MILLION THIRTEEN THOUSAND FIVE HUNDRED AND FOURTEEN (5 013 514)** of the Cadastre of Quebec, Registration Division of Abitibi.

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B. Mining claims

1. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2145325** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3022**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

2. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2145326** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3023**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

3. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2145327** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3024**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

4. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2145328** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3025**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

5. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2145329** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3026**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

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6. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2145330** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3027**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

7. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2145331** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3028**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

8. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2145332** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3029**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

9. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2145333** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3030**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

10. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2145334** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3031**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

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11. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2145335** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3032**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

12. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2145336** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3033**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

13. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2154987** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3034**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

14. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2154988** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3035**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

15. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2154989** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3036**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

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16. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2154990** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3037**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

17. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2154991** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3038**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

18. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2154992** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3039**.

The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

19. Mining Claim registered at the Public Register of Real and Immovable Mining Rights kept by the Minister of Energy and Natural Resources under the number **CDC 2154993** and for which a land file was opened at the Register of Real Rights of State Resource Development for the Registration Division of Abitibi, under the serial number **84-A-3040**.

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The immovable described hereinabove corresponds wholly to the immovable for which the land file was opened.

LEASES RESPECTING LANDS IN THE DOMAIN OF THE STATE

All rights, title and interest of Québec Lithium Inc., as superficiary, relating to the following leases granted under the *Act respecting lands in the domain of the State*.

1. Lease number 823737 00 000 granted by the Minister of Natural Resources and Wildlife to Québec Lithium Inc. which was signed on behalf of the Minister of Natural Resources and Wildlife on June 21, 2011 and by Québec Lithium Inc on June 27, 2011.
2. Lease number 824386 00 000 granted by the Minister of Natural Resources to Québec Lithium Inc which was signed on behalf of the Minister of Natural Resources on December 18, 2012 and by Québec Lithium Inc on January 3, 2013.
3. Lease number 824390 00 000 granted by the Minister of Natural Resources and Wildlife to Québec Lithium Inc which was signed on behalf of the Minister of Natural Resources and Wildlife on September 19, 2012 and by Québec Lithium Inc on September 21, 2012.
4. Lease number 824392 00 000 granted by the Minister of Natural Resources and Wildlife to the Corporation which was signed on behalf of the Minister of Natural Resources and Wildlife on September 6, 2012 and by Québec Lithium Inc on September 17, 2012.
5. Lease number 824394 00 000 granted by the Minister of Natural Resources and Wildlife to Québec Lithium Inc which was signed on behalf of the Minister of Natural Resources and Wildlife on September 19, 2012 and by Québec Lithium Inc on September 21, 2012.
6. Lease executed on June 15, 2012 covering an area of 43 hectares, for a five-year term expiring in June 2017.
7. Lease executed on November 20, 2012 covering an area of 96.31 hectares, for a five-year term expiring in November 2017.

SCHEDULE B – RECEIVER'S CERTIFICATE

SUPERIOR COURT
(Commercial Division)CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-049079-151

IN THE MATTER OF THE RECEIVERSHIP OF:**QUÉBEC LITHIUM INC., QLI MÉTAUX INC., RB ENERGY INC. AND SIROCCO
MINING INC.**

Debtors

-and-

KSV KOFMAN INC.

Petitioner

-and-

HALE CAPITAL PARTNERS, L.P.

-and-

INVESTISSEMENT QUÉBEC

-and-

9554661 CANADA INC.

-and-

2242974 CANADA INC. (formerly CONSTRUCTION PROMEC INC.)

-and-

9190-5778 QUEBEC INC.

-and-

3391612 CANADA INC.

-and-

LES STRUCTURES GB LTÉE

-and-

2985080 CANADA INC.

-and-

CONSTRUCTION NORASCON INC.

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-and-

J.Y. MOREAU ÉLECTRIQUE INC.

-and-

2950-0519 QUÉBEC INC.

-and-

WSP CANADA INC.

-and-

CONSTRUCTION P.B.M. INC.

-and-

LES INDUSTRIES BLAIS INC.

-and-

BREMO INC. (doing business as REMATECH DIVISION BREMO)

-and-

DYNAMITAGE CASTONGUAY LTÉE

-and-

9222-0201 QUÉBEC INC. (formerly LOCATION DUMCO INC.)

-and-

9208-1777 QUÉBEC INC.

-and-

LES HUILES H.L.H. LTÉE

-and-

PETER SECKER

-and-

RICHARD P. CLARK

-and-

L. SIMON JACKSON

-and-

KEVIN ROSS

-and-

KATHY LOVE

-and-

KERRY KNOLL

- 3 -

-and-

IAN MCDONALD

-and-

STÉPHANE BERTRAND

-and-

ALESSANDRO BITELLI

-and-

BRENDAN PIDCOCK

-and-

ROTHSCHILD INC.

-and-

SGS CANADA INC.

-and-

SCHYAN EXPLORATION INC. / EXPLORATION SCHYAN INC.

-and-

**THE REGISTRAR FOR THE LAND REGISTRY OFFICE FOR THE REGISTRATION
DIVISION OF ABITIBI**

-and-

**THE REGISTRAR OF THE PUBLIC REGISTER OF REAL AND IMMOVABLE MINING
RIGHTS**

-and-

**THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL
RIGHTS**

Mis-en-cause

**RECEIVER'S CERTIFICATE
(Approval, Assignment and Vesting Order)**

- A. Pursuant to a receivership order (the "**Receivership Order**") rendered by the Honourable Mr. Justice Martin Castonguay of the Superior Court of Québec, Commercial Division (the "**Court**") on May 8, 2015, Duff & Phelps Canada Restructuring Inc. ("**D&P**") was appointed to act as receiver to the Property (as this term is defined in the Receivership Order) of Québec Lithium Inc. ("**QLI**"),

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QLI Métaux Inc. ("**QLIM**"), RB Energy Inc. ("**RBE**") and Sirocco Mining Inc. ("**Sirocco**" and, collectively with QLI, QLIM and RBE, the "**Debtors**").

- B. On June 30, 2015, D&P was acquired by KSV Kofman Inc. ("**KSV**") and, pursuant to an Order of the Ontario Superior Court of Justice issued on July 10, 2015 in file number CV-15-11025-00CL, D&P's ongoing mandates were transferred to KSV, including acting as receiver for the Property of the Debtors (in such capacity, the "**Receiver**").
- C. Pursuant to the *Approval, Assignment and Vesting Order* rendered by the Court on June 21, 2016 (the "**Approval and Vesting Order**"), the transactions contemplated by the Asset Purchase Agreement dated as of June 10, 2016 (the "**Purchase Agreement**") by and among the Receiver, as Vendor of the assets, rights, undertakings and the properties of QLI, RBE and Sirocco and 9554661 Canada Inc., as Purchaser, with a view, *inter alia*, to vest in and to the Purchaser, all of QLI's right, title and interest in and to the Purchased Assets.
- D. All capitalized term used and not defined herein have the meaning given to such terms in the Purchase Agreement.
- E. The Approval and Vesting Order provides for the vesting of all of QLI's right, title and interest in and to the Purchased Assets in the Purchaser, in accordance with the terms of the Approval and Vesting Order and upon the delivery of a certificate (the "**Certificate**") issued by the Receiver confirming that all conditions precedent have been satisfied or waived.
- F. In accordance with the Approval and Vesting Order, the Receiver has the power to authorize, execute and deliver this Certificate to the Purchaser and to file it with the Court.

THEREFORE THE RECEIVER CERTIFIES THAT:

1. In its capacity of Vendor, the Receiver confirms that all applicable conditions in its favour under the Purchase Agreement have been satisfied or waived, as applicable.
2. The Purchaser has delivered to the Receiver confirmation in writing evidencing that all applicable conditions in its favour under the Purchase Agreement have been satisfied or waived, as applicable.
3. In its capacity of Vendor, the Receiver has received from the Purchaser all amounts payable to it by the Purchaser on Closing, in accordance with the Purchase Agreement.
4. Hale Capital Partners, L.P. has delivered to the Receiver confirmation in writing evidencing that all capital, interest, fees and costs payable to Hale by the Purchaser on Closing were received, in accordance with the Purchase Agreement.

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Closing is deemed to have occurred on _____, 2016.

THIS CERTIFICATE was issued by the Receiver on _____, 2016.

**KSV Kofman Inc., in its capacity of
Receiver of the Debtors and not in its
personal or corporate capacity.**

By: _____
Name: _____
Title: _____

SCHEDULE C – RPMRR REGISTRATIONS

1. Conventional movable hypothec with delivery by QUÉBEC LITHIUM INC. in favour of THE BANK OF NOVA SCOTIA registered at the Register of Personal and Movable Real Rights ("**RPMRR**") on August 22, 2012 under registration number 12-0685519-0001, as assigned to INVESTISSEMENT QUÉBEC on July 15, 2015 under registration number 15-0667906-0001.
2. Conventional movable hypothec without delivery by QUÉBEC LITHIUM INC. in favour of THE BANK OF NOVA SCOTIA registered at the RPMRR on August 22, 2012 under registration number 12-0685519-0002, as assigned to INVESTISSEMENT QUÉBEC on July 15, 2015 under registration number 15-0667906-0001.
3. Conventional movable hypothec without delivery by QUÉBEC LITHIUM INC. and RB ENERGY INC. in favour of INVESTISSEMENT QUÉBEC registered at the RPMRR on September 16, 2014 under registration number 14-0861570-0001.

SCHEDULE D – CANCELLED IMMOVABLE REGISTRATIONS

1. Hypothec in the amount of \$150,000,000 in favor of The Bank of Nova Scotia registered by summary in the Land Register, for the Registration Division of Abitibi, on September 12, 2012 under number 19 407 539 and at the Public Register of Real and Immovable Mining Rights on September 6, 2012 under number 54749.
2. Hypothec in the amount of \$5,000,000 in favor of Investissement Québec (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on September 16, 2014 under number 21 054 104 and at the Public Register of Real and Immovable Mining Rights on September 24, 2014 under number 55712.
3. Notice of Replacement of *Fondée de Pouvoir* in connection with the hypothec referred to in paragraph 1 above, registered in the Land Register, for the Registration Division of Abitibi, on April 14, 2016 under number 22 235 340 and at the Public Register of Real and Immovable Mining Rights on May 20, 2016 under number 56159.

SCHEDULE E – PERMITTED ENCUMBRANCESConstruction legal hypothecs

All legal hypothecs registered and prior notices of the exercise of a hypothecary right against the Purchased Assets (as such term is defined in the Asset Purchase Agreement) as of the Closing Date (as such term is defined in the Asset Purchase Agreement) with respect to claims of Persons (as such term is defined in the Asset Purchase Agreement) having taken part in the construction or renovation of an immovable including, without limitation:

1. Legal Hypothec (construction) dated October 8, 2014 in favour of 9190-5778 Québec Inc. for an amount of \$96,618.74 with interest at the rate of 26.82% per annum registered at the Land Registry Office for the Registration Division of Abitibi under number 21 105 742 and at the Public Register of Real and Immovable Mining Rights under number 55738.
2. Legal Hypothec (construction) dated October 9, 2014 in favour of 2985080 Canada Inc. for an amount of \$734,034.80 registered at the Land Registry Office for the Registration Division of Abitibi under number 21 109 091.
3. Legal Hypothec (construction) dated October 15, 2014 in favour of 3391612 Canada Inc. for an amount of \$174,727.96 with interest at the rate of 24% per annum registered at the Land Registry Office for the Registration Division of Abitibi under number 21 119 314 and at the Public Register of Real and Immovable Mining Rights under number 55741.
4. Legal Hypothec (construction) dated October 8, 2014 in favour of Les Structures GB Ltée for an amount of \$470,831.05 plus taxes registered at the Land Registry Office for the Registration Division of Abitibi under number 21 122 484.
5. Legal Hypothec (construction) dated August 29, 2014 in favour of Construction Promec Inc. for an amount of \$200,996.59 registered at the Land Registry Office for the Registration Division of Abitibi under number 21 122 491.
6. Legal Hypothec (construction) dated October 17, 2014 in favour of Construction Norascon Inc. for an amount of \$286,212.95 with interest at the rate of 18% per annum and registered at the Land Registry Office for the Registration Division of Abitibi under number 21 129 101 and at the Public Register of Real and Immovable Mining Rights under number 55742.
7. Amended Legal Hypothec (construction) dated May 11, 2015 in favour of 2985080 Canada Inc. for an amount of \$734,034.80 registered at the Land Registry Office for the Registration Division of Abitibi under number 21 524 049.
8. Legal Hypothec (construction) dated May 11, 2015 by 2985080 Canada Inc. registered at the Public Register of Real and Immovable Mining Rights under number 55957.

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9. Legal Hypothec (construction) dated October 7, 2014 in favour of J.Y. Moreau Électrique Inc. for an amount of \$570,137.27 (plus \$950.00 in fees) registered at the Land Registry Office for the Registration Division of Abitibi under number 21 108 199.
10. Legal Hypothec (construction) dated October 7, 2014 in favour of 2950-0519 Québec Inc. for an amount of \$10,903.97 (plus \$950.00 in fees) registered at the Land Registry Office for the Registration Division of Abitibi under number 21 108 202.
11. Legal Hypothec (construction) dated October 10, 2014 in favour of WSP Canada Inc. for an amount of \$1,192,899.84 registered at the Land Registry Office for the Registration Division of Abitibi under number 21 113 397 and at the Public Register of Real and Immovable Mining Rights under number 55736.
12. Legal Hypothec (construction) dated October 10, 2014 in favour of Construction P.B.M. Inc. for an amount of \$253,989.40 (plus \$950.00 in fees) registered at the Land Registry Office for the Registration Division of Abitibi under number 21 113 595.
13. Legal Hypothec (construction) dated October 14, 2014 in favour of Les Industries Blais Inc. for an amount of \$325,222.21 (plus \$950.00 in fees) and registered at the Land Registry Office for the Registration Division of Abitibi under number 21 117 712.
14. Legal Hypothec (construction) dated October 15, 2014 in favour of Bremono Inc., faisant affaires sous la dénomination REMATECH DIVISION BREMO for an amount of \$70,673.83 plus interest, registered at the Land Registry Office for the Registration Division of Abitibi under number 21 120 700.
15. Legal Hypothec (construction) dated October 14, 2014 in favour of Dynamitage Castonguay Ltée. for an amount of \$535,656.12 plus interest at the rate of 18% per annum, registered at the Land Registry Office for the Registration Division of Abitibi under number 21 121 017.
16. Legal Hypothec (construction) dated October 14, 2014 in favour of Location Dumco Inc. for an amount of \$39,702.30, registered at the Land Registry Office for the Registration Division of Abitibi under number 21 134 515.
17. Legal Hypothec (construction) dated October 22, 2014 in favour of 9208-1777 Québec Inc. for an amount of \$325,149.69 , registered at the Land Registry Office for the Registration Division of Abitibi under number 21 137 982.
18. Legal Hypothec (construction) dated April 29, 2015 in favour of Les Huiles H.L.H. Ltée. for an amount of \$541,613.28 (plus \$950 in fees), registered at the Land Registry Office for the Registration Division of Abitibi under number 21 501 173.

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19. Prior Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by Bremono Inc. (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on February 17, 2015 under number 21 353 755.
20. Prior Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by Dynamitage Castonguay Ltée (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on March 13, 2015 under number 21 398 919.
21. Prior Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by J.Y. Moreau Électrique Inc. (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on March 25, 2015 under number 21 417 383.
22. Prior Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by 2950-0519 Québec Inc. (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on March 25, 2015 under number 21 417 385.
23. Prior Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by Les Industries Blais Inc. (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on March 25, 2015 under number 21 417 388.
24. Prior Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by Construction P.B.M. Inc. (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on March 25, 2015 under number 21 417 393.
25. Prior Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by Location Dumco Inc. (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on March 25, 2015 under number 21 417 394.
26. Prior Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by 9208-1777 Québec Inc. (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on March 25, 2015 under number 21 417 396.
27. Prior Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by Construction Promec Inc. (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on March 27, 2015 under number 21 423 934.
28. Prior Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by 3391612 Canada Inc. (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on April 1st, 2015 under number 21 433 457 and at the Public Register of Real and Immovable Mining Rights on April 23, 2015 under number 55891.
29. Prior Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by Construction Norascon Inc. (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on April 1st, 2015 under number 21 433 458 and at the Public Register of Real and Immovable Mining Rights on April 23, 2015 under number 55890.

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30. Prior Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by Bremono Inc. (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on April 1st, 2015 under number 21 433 521.
31. Prior Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by 9190-5778 Québec Inc. (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on April 1st, 2015 under number 21 434 452 and at the Public Register of Real and Immovable Mining Rights on May 19, 2015 under number 55917.
32. Prior Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by WSP Canada Inc. (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on April 13, 2015 under number 21 451 471 and at the Public Register of Real and Immovable Mining Rights on May 19, 2015 under number 55918.
33. Prior Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by Les Huiles H.L.H. Ltée (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on May 20, 2015 under number 21 539 306.
34. Prior Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by 2985080 Canada Inc. (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on April 21, 2015 under number 21 469 203 and at the Public Register of Real and Immovable Mining Rights on July 7, 2015 under number 55962.
35. Amended Notice of the Exercise of a Hypothecary Right (Sale under Judicial Control) by 2985080 Canada Inc. (Creditor) registered in the Land Register, for the Registration Division of Abitibi, on May 25, 2015 under number 21 552 781 and at the Public Register of Real and Immovable Mining Rights on July 7, 2015 under number 55962.

Receiver's charge

Receiver's Administration Charge (as defined in the Order Appointing a Receiver issued by the Superior Court of Québec (Commercial Division) on May 8, 2015 in file 500-11-047560-145 and later transferred to file 500-11-049079-151 (the "**Receivership Order**")), securing amounts due to the Receiver (as defined in the Receivership Order), its attorneys and other advisors.

Other Liens

1. Reservation of ownership and assignment of the reservation in favour of Ally Credit Canada Limited registered at the Register of Personal and Movable Real Rights on November 22, 2011 under registration number 11-0902112-0019.
2. Reservation of ownership (instalment sale) in favour of S. HUOT INC. registered at the Register of Personal and Movable Real Rights on June 5, 2012 under registration number 12-0444596-0002.

SCHEDULE F – ASSIGNED AGREEMENT

1. Mining Claim Transfer and Easement Agreement entered into as of February 1, 2010 between Schyan Exploration Inc./Exploration Schyan Inc. and Canada Lithium Corp., registered at the Public Register of Real and Immovable Mining Rights on July 22, 2010 under number 53 517, as amended by an Amendment to Mining Claim Transfer and Easement Agreement registered at the Public Register of Real and Immovable Mining Rights on September 24, 2010 under number 53 597.

This is Exhibit "I" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 28th day of October, 2016.



A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017

**SUPERIOR COURT
(Commercial Division)**

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-049079-151

DATE: May 13, 2016

PRESIDING: THE HONOURABLE MICHEL A. PINSONNAULT, J.S.C.

IN THE MATTER OF THE RECEIVERSHIP OF:

**QUÉBEC LITHIUM INC., QLI MÉTAUX INC., RB ENERGY INC. AND SIROCCO
MINING INC.**

Debtors

- and -

KSV KOFMAN INC.

Receiver/Petitioner

- and -

JOHN KEYTON

HUGH A. LATIMER

PETER SECKER


CHARLES TASCHEREAU

MITCHELL LAVERY

MICHELLE STONE

Mis-en-cause

**ORDER LIFTING THE STAY OF PROCEEDINGS
AND APPROVING A SETTLEMENT AGREEMENT**

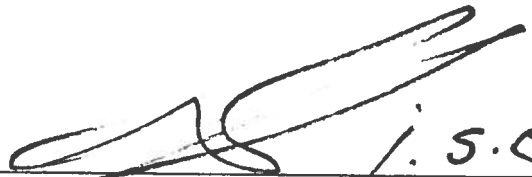
- [1] The Petitioner presents an *Application for a de bene esse lift of the stay of proceedings and approval of a Settlement Agreement* (the "**Application**") pursuant to sections 183 of the *Bankruptcy and Insolvency Act* ("**BIA**");
- 

- [2] **CONSIDERING** the Application and affidavit in support thereof, and the representations of counsel;
- [3] **CONSIDERING** the provisions of the BIA;

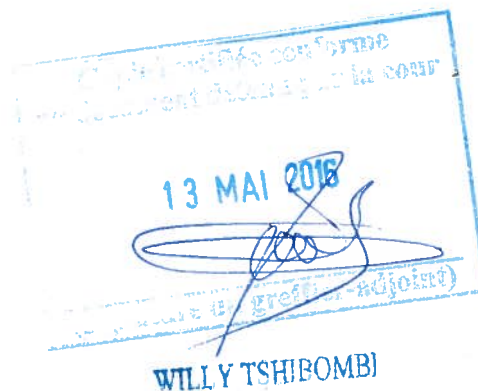
FOR THESE REASONS, THE COURT:

- [1] **GRANTS** the *Application for a de bene esse lift of the stay of proceedings and approval of a Settlement Agreement*;
- [2] **LIFTS** the stay of proceedings herein for the sole purpose of authorizing the filing of proceedings before the Ontario Superior Court of Justice, in file CV-12-462933-00CP (*John Keyton et al v Canada Lithium Corp et al*) seeking approval of a settlement agreement therein (the "**Settlement Agreement**");
- [3] **AUTHORIZES** the Receiver/Petitioner to execute the Settlement Agreement with such deletions or modifications that the Ontario Superior Court of Justice may order or request;
- [4] **AUTHORIZES** the Receiver/Petitioner to execute and deliver, or cause to be executed and delivered, such further documents and instruments or to take, or cause to be taken, such further actions as may be necessary or may be ordered or requested by the Ontario Superior Court of Justice to make effective the Settlement Agreement or the Order to be sought in connection therewith from the Ontario Superior Court of Justice;

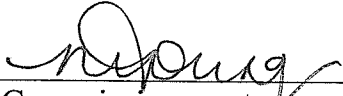
THE WHOLE WITHOUT COSTS.


i. s. c.
MICHEL A. PINSONNAULT, J.S.C.

Hearing date : May 13, 2016


13 MAI 2016
WILLY TSHIBOMBI

This is Exhibit "J" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 28th day of October, 2016.


A Commissioner, etc

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017

NOTICE OF APPROVAL OF SETTLEMENT & DISCONTINUANCE OF CLASS PROCEEDING ON TERMS

WHO THIS NOTICE IS FOR

This notice is directed to everyone who acquired securities (common shares and exchange traded warrants) of Canada Lithium Corp., now RB Energy Inc. ("RB") from the opening of trading on the Toronto Stock Exchange ("TSX") on October 28, 2010 to the close of trading on the TSX on February 28, 2011 ("Class Period") **and** continued to hold some or all of those securities as of the close of trading on February 28, 2011 ("Class" and "Class Members").

SETTLEMENT AND DISCONTINUANCE OF CLASS ACTION

The Ontario Superior Court of Justice granted an order on November 9, 2016 in the class action styled ***Keyton and Latimer v Canada Lithium Corp., et al.***, Court File No. CV-12-46293-00CP (Toronto Registry) ("Class Action"). Under the order, a settlement of the Class Action in the amount of CAD \$400,000 has been approved and the Class Action has been discontinued on terms. The primary reason for the settlement was the insolvency of the issuer defendant.

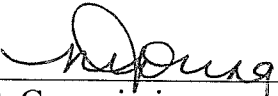
Materials relied on by the Representative Plaintiffs to support the settlement approval and discontinuance on terms can be accessed [here](#).

The order can be accessed [here](#).

Publication of this notice was authorized by the Ontario Superior Court of Justice

For further inquiries, please contact:
Nicole Young - Siskinds LLP
680 Waterloo Street
London, ON N6A 3V4
Tel: 1.800.461.6166 ext. 2380 (toll free)
Email: nicole.young@siskinds.com

This is Exhibit "K" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 28th day of October, 2016.



A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017

CONTINGENCY FEE RETAINER AGREEMENT

1. I, John Keyton, residing at 7589 108 B. St. Delta, BC, hereby retain and employ the law firm of Siskinds LLP ("Siskinds") as my lawyer, and hereby authorize them to act as my counsel, in a class proceeding pursuant to the Ontario *Class Proceedings Act, 1992* and/or the *Securities Act* naming me as proposed representative plaintiff on behalf of a class of persons who purchased securities of Canada Lithium Corporation (hereinafter, "CLQ") during the period of October 28, 2010 to February 28, 2011, or such other class as may be certified by the Court (the "Class Period").
2. I have authorized Siskinds to commence proceedings, on my behalf, against CLQ, and certain of CLQ's officers and directors as Siskinds may consider appropriate.
3. Because Siskinds is a large multi-disciplinary law firm, it frequently represents clients that are competitors, customers or suppliers, or have other commercial, and at times legal, interests that are adverse to one another. It is possible that during or following the time Siskinds represents us, another existing or new client may have disputes with us that are unrelated to the matters that Siskinds are handling or have handled for us. I understand that Siskinds will represent us in this and future matters on the understanding that Siskinds represents other clients and may accept engagements from them on other matters that may be adverse to us. However, Siskinds will not act for another client against our interests if the matter is substantially related to any matter in which Siskinds is representing us. If the foregoing conditions are satisfied, I agree that Siskinds may undertake the adverse representation and that all conflict of interest issues will be deemed to have been waived by us.
4. I understand that this litigation is to be pursued on a contingency basis such that fees and disbursements with respect to the common issues will be payable only in the event of success in the class proceeding.
5. I understand that, according to the Ontario *Class Proceedings Act*, "success" in a class proceeding includes:
 - (a) judgment on the common issues in favour of some or all class members; and
 - (b) a settlement that benefits one or more class members.
6. I understand that legal fees will be charged on a percentage basis. I understand that pursuant to this agreement, Siskinds may request approval from the Court of a legal fee of 25% (twenty-five percent), plus disbursements, plus applicable taxes, to be paid in a lump sum from any settlement or judgment obtained for the benefit of some or all members of the Class.
7. I understand that the percentage legal fee will be calculated based on all benefits obtained for the class members, including party and party costs, and the costs of notice and administration. By way of example, if the defendants pay by way of settlement \$9

million, plus \$800,000 in costs, and \$200,000 towards the cost of notice and administration, I understand that the contingency fee requested will be 25% of \$10 million, or \$2.5 million, plus disbursements and applicable taxes.

8. I understand that Siskinds will pay all costs and disbursements with respect to this action and that I, John Keyton, will not pay for any costs or disbursements relative to this litigation, other than the contingency fee and expense reimbursement referenced above to be paid from a settlement or judgment and approved by the Court.
9. I understand that Siskinds may associate with other law firms in the prosecution of this action, including but not limited to Siskinds' Quebec affiliate law firm, Siskinds Desmeules.
10. I understand that Siskinds' legal fees shall be subject to approval by the Court.
11. I understand that a reasonable settlement or judgment in this case could be in the range of \$5 million to \$25 million, depending on several factors, including but not limited to, the strength of the evidence that is obtained in the course of prosecuting this action, the extent to which the alleged misrepresentations of the Defendants inflated the price of CLQ shares during the Class Period, the total number of CLQ shares purchased by class members during the Class Period, and the Defendants' capacity to pay. I understand that a more precise estimate of a reasonable settlement amount is not possible at this time.
12. I understand that, in the event that a settlement or judgement is obtained that is consistent with the above estimate, Siskinds may request a fee of \$1.25 million to \$6.25 million, plus disbursements and applicable taxes, which amounts will be subject to approval by the Court. I understand that, in considering Siskinds' fee request, the court may consider, among other things, this retainer agreement, the amount of any settlement or judgement obtained, the risk undertaken by Siskinds in prosecuting the action, and the time and expense incurred by Siskinds in prosecuting the action. I also understand that the above estimate of fees is based on the estimated recovery in the preceding paragraph, and that in the event that the settlement or judgment obtained varies from those amounts, the fee sought may vary accordingly. This estimate of fees is therefore in part subject to the same contingencies as are expressed with respect to the estimate of a reasonable settlement or judgment expressed in the preceding paragraph.
13. I have been advised by Siskinds that our solicitors in this action will not recover more in fees than the class recovers as damages or receives by way of settlement.
14. I agree and direct that all funds claimed by Siskinds for legal fees, cost, taxes and disbursements shall be paid to Siskinds in trust from any judgment or settlement money.
15. I acknowledge: (1) having been advised by Siskinds lawyers that I retain the right to make all critical decisions regarding the conduct of this action, but always with a view to the best interests of the class; (2) having discussed with one or more Siskinds lawyers options for retaining Siskinds other than by way of a contingency fee agreement, including retaining them by way of an hourly-rate retainer, (3) that the standard hourly rates of the lawyers who are expected to be the principal lawyers in this matter are: Michael G. Robb -- \$470 and Anthony O'Brian -- \$325; (4) that the aforementioned

standard rates may be increased in the ordinary course of business; (5) that I have been advised that hourly rates may vary among solicitors and that I can speak with other solicitors to compare rates, (6) that I have chosen to retain Siskinds by way of a contingency fee agreement, and (7) that I understand that all usual protections and controls on retainers between a solicitor and client, as defined by the Law Society of Upper Canada and the common law, apply to the contingency fee agreement.

16. I understand that, if either I or Siskinds wish to terminate this relationship, I or Siskinds will forthwith move before the Court for directions. I acknowledge that Siskinds has incurred and will continue to incur significant time and financial risk in the prosecution of this action. Accordingly, if I engage another solicitor to act in the action or if I otherwise terminate this agreement and the action is successful, Siskinds will be paid fees and disbursements in accordance with the terms of this agreement.

17. I understand and agree that, in retaining Siskinds to provide the legal services described in this retainer, the collection, use, retention and disclosure of personal and other sensitive information may be required in order to fulfil those services and related obligations. I have read the Siskinds Privacy Policy respecting the management of personal and sensitive information and understand that such information will be used by Siskinds for only the purposes set out in this Retainer and for no other purpose, without our express written consent pursuant to this Privacy Policy.

18. This agreement may be executed in counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

Signed, sealed and delivered this 28 day of March, 2011.

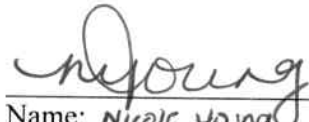
WITNESS Alison Keyton) Alison Keyton
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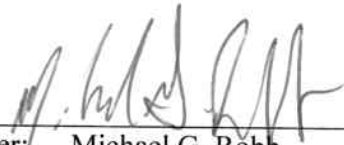
John Keyton
Name:
Address: 7859 103 B St.
Delta B.C. V4C 2Z8

John Keyton
Name: John Keyton


WITNESS

) SISKINDS LLP
)
)
)
)


Name: Nicole Young
Address: 680 Waterloo St.
London, ON N6A 3V8


Per: Michael G. Robb
680 Waterloo Street
London, ON N6A 3V8

This is Exhibit "L" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 28th day of October, 2016.


A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017

CONTINGENCY FEE RETAINER AGREEMENT

1. I, Hal Latimer, residing at 21 Milgate Place, Aurora, ON, hereby retain and employ the law firm of Siskinds LLP ("Siskinds") as my lawyer, and hereby authorize them to act as my counsel, in a class proceeding pursuant to the *Ontario Class Proceedings Act, 1992* and/or the *Securities Act* naming me as proposed representative plaintiff on behalf of a class of persons who purchased securities of Canada Lithium Corporation (hereinafter, "CLQ") during the period of October 28, 2010 to February 28, 2011, or such other class as may be certified by the Court (the "Class Period").
2. I have authorized Siskinds to seek, on my behalf, my addition as a plaintiff in the proceeding in Court File No.: 3853-11CP against CLQ, and certain of CLQ's officers and directors as Siskinds may consider appropriate.
3. Because Siskinds is a large multi-disciplinary law firm, it frequently represents clients that are competitors, customers or suppliers, or have other commercial, and at times legal, interests that are adverse to one another. It is possible that during or following the time Siskinds represents me, another existing or new client may have disputes with me that are unrelated to the matters that Siskinds are handling or have handled for me. I understand that Siskinds will represent me in this and future matters on the understanding that Siskinds represents other clients and may accept engagements from them on other matters that may be adverse to me. However, Siskinds will not act for another client against my interests if the matter is substantially related to any matter in which Siskinds is representing me. If the foregoing conditions are satisfied, I agree that Siskinds may undertake the adverse representation and that all conflict of interest issues will be deemed to have been waived by me.
4. I understand that this litigation is to be pursued on a contingency basis such that fees and disbursements with respect to the common issues will be payable only in the event of success in the class proceeding.
5. I understand that, according to the *Ontario Class Proceedings Act*, "success" in a class proceeding includes:
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6. I understand that legal fees will be charged on a percentage basis. I understand that pursuant to this agreement, Siskinds may request approval from the Court of a legal fee of 25% (twenty-five percent), plus disbursements, plus applicable taxes, to be paid in a lump sum from any settlement or judgment obtained for the benefit of some or all members of the Class.
7. I understand that the percentage legal fee will be calculated based on all benefits obtained for the class members, including party and party costs, and the costs of notice and

- 2 -

administration. By way of example, if the defendants pay by way of settlement \$9 million, plus \$800,000 in costs, and \$200,000 towards the cost of notice and administration, I understand that the contingency fee requested will be 25% of \$10 million, or \$2.5 million, plus disbursements and applicable taxes.

8. I understand that Siskinds will pay all costs and disbursements with respect to this action and that I, Hal Latimer, will not pay for any costs or disbursements relative to this litigation, other than the contingency fee and expense reimbursement referenced above to be paid from a settlement or judgment and approved by the Court.
9. I understand that Siskinds may associate with other law firms in the prosecution of this action, including but not limited to Siskinds' Quebec affiliate law firm, Siskinds Desmeules.
10. I understand that Siskinds' legal fees shall be subject to approval by the Court.
11. I understand that a reasonable settlement or judgment in this case could be in the range of \$5 million to \$25 million, depending on several factors, including but not limited to, the strength of the evidence that is obtained in the course of prosecuting this action, the extent to which the alleged misrepresentations of the Defendants inflated the price of CIQ shares during the Class Period, the total number of CIQ shares purchased by class members during the Class Period, and the Defendants' capacity to pay. I understand that a more precise estimate of a reasonable settlement amount is not possible at this time.
12. I understand that, in the event that a settlement or judgement is obtained that is consistent with the above estimate, Siskinds may request a fee of \$1.25 million to \$6.25 million, plus disbursements and applicable taxes, which amounts will be subject to approval by the Court. I understand that, in considering Siskinds' fee request, the court may consider, among other things, this retainer agreement, the amount of any settlement or judgement obtained, the risk undertaken by Siskinds in prosecuting the action, and the time and expense incurred by Siskinds in prosecuting the action. I also understand that the above estimate of fees is based on the estimated recovery in the preceding paragraph, and that in the event that the settlement or judgment obtained varies from those amounts, the fee sought may vary accordingly. This estimate of fees is therefore in part subject to the same contingencies as are expressed with respect to the estimate of a reasonable settlement or judgment expressed in the preceding paragraph.
13. I have been advised by Siskinds that my solicitors in this action will not recover more in fees than the class recovers as damages or receives by way of settlement.
14. I agree and direct that all funds claimed by Siskinds for legal fees, cost, taxes and disbursements shall be paid to Siskinds in trust from any judgment or settlement money.
15. I acknowledge: (1) having been advised by Siskinds lawyers that I retain the right to make all critical decisions regarding the conduct of this action, but always with a view to the best interests of the class; (2) having discussed with one or more Siskinds lawyers options for retaining Siskinds other than by way of a contingency fee agreement, including retaining them by way of an hourly-rate retainer, (3) that the standard hourly rates of the lawyers who are expected to be the principal lawyers in this matter are:

Michael G. Robb -- S470 and Anthony O'Brian -- S325; (4) that the aforementioned standard rates may be increased in the ordinary course of business; (5) that I have been advised that hourly rates may vary among solicitors and that I can speak with other solicitors to compare rates, (6) that I have chosen to retain Siskinds by way of a contingency fee agreement, and (7) that I understand that all usual protections and controls on retainers between a solicitor and client, as defined by the Law Society of Upper Canada and the common law, apply to the contingency fee agreement.

16. I understand that, if either I or Siskinds wish to terminate this relationship, I or Siskinds will forthwith move before the Court for directions. I acknowledge that Siskinds has incurred and will continue to incur significant time and financial risk in the prosecution of this action. Accordingly, if I engage another solicitor to act in the action or if I otherwise terminate this agreement and the action is successful, Siskinds will be paid fees and disbursements in accordance with the terms of this agreement.

17. I understand and agree that, in retaining Siskinds to provide the legal services described in this retainer, the collection, use, retention and disclosure of personal and other sensitive information may be required in order to fulfil those services and related obligations. I have read the Siskinds Privacy Policy respecting the management of personal and sensitive information and understand that such information will be used by Siskinds for only the purposes set out in this Retainer and for no other purpose, without my express written consent pursuant to this Privacy Policy.

18. This agreement may be executed in counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

Signed, sealed and delivered this ~~26th~~ 27th day of September, 2011.

WITNESS)

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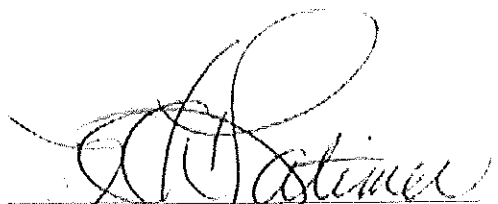
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Name: HELEN CROUCH

Address:

844 SHADDOCK DR
NEWMARKET.
L3X 2H2



Name: Hal Latimer

WITNESS

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)
)

SISKINDS LLP

N. Young

Name: *Nicole Young*
Address: *680 Waterloo St.,
London, ON N6A 3V8*

Michael G. Robb

Per: *Michael G. Robb*
680 Waterloo Street
London, ON N6A 3V8

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at London
transferred to Toronto

AFFIDAVIT OF NICHOLAS BAKER

SISKINDS ^{LLP}
Barristers & Solicitors
680 Waterloo Street
P.O. Box 2520
London, ON N6A 3V8

Michael G. Robb (LSUC #: 45787G)
Tel: 519.660.7872
Fax: 519.660.7873

Lawyers for the Plaintiffs

Court File No.: CV-12-462933-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

JOHN KEYTON and HUGH A. LATIMER

Plaintiffs

- and -

CANADA LITHIUM CORP.,
PETER SECKER, CHARLES TASCHEREAU,
MITCHEL LAVERY and MICHELLE STONE

Defendants

Proceeding under the *Class Proceedings Act, 1992*

SUPPLEMENTAL AFFIDAVIT OF NICHOLAS BAKER

I, Nicholas Baker, of the City of London, in the Province of Ontario, MAKE OATH

AND SAY:

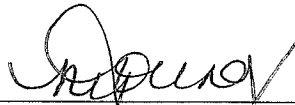
1. I am an associate lawyer in the class actions practice group of Siskinds LLP ("**Siskinds**"). Siskinds is Class Counsel in this certified class proceeding ("**Action**").
2. On October 28, 2016 I swore an affidavit in support of the Plaintiffs' motion for an Order:
 - (a) approving a settlement agreement in this matter pursuant to subsection 29(2) of the *Class Proceedings Act, 1992*, S.O. 1992, c.6 ("**CPA**");
 - (b) granting leave to discontinue the Action pursuant to Rule 23.01(1)(b) of the *Rules of Civil Procedure*, RRO 1990, Reg 194; and
 - (c) approving the discontinuance of the Action pursuant to ss. 29(1) of the *CPA*.

3. This affidavit supplements my affidavit sworn on October 28, 2016.
4. In swearing this affidavit, it is not my intention, nor is it the intention of the Plaintiffs, to waive any privilege attaching to the information discussed herein. Nothing in this affidavit should be interpreted as constituting a waiver of any privilege.


SUPPORT OF THE PLAINTIFFS FOR CLASS COUNSEL FEE REQUEST

5. In my affidavit sworn on October 28, 2016, at paragraph 92, I provide evidence that Siskinds sought and obtained Messrs. Keyton’s and Latimer’s instructions to request that the entire Settlement Amount be paid by way for counsel fees and disbursements. That remains the case.
6. I only wish to clarify that Messrs. Keyton and Latimer have communicated to me their support for the request being made in the within motion that the Settlement Amount be paid to Siskinds as Class Counsel Fees.

SWORN OR AFFIRMED before)
 me at the City of London, in the)
 County of Middlesex, this 11th day of)
 November, 2016.)
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 A Commissioner, etc.



 Nicholas Baker

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
 Province of Ontario, for Siskinds ^{LLP}
 Barristers and Solicitors. Expires: November 23, 2017

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at London
transferred to Toronto

**SUPPLEMENTAL AFFIDAVIT OF
NICHOLAS BAKER**

SISKINDS LLP
Barristers & Solicitors
680 Waterloo Street
P.O. Box 2520
London, ON N6A 3V8

Michael G. Robb (LSUC #: 45787G)
Tel: 519.660.7872
Fax: 519.660.7873

Lawyers for the Plaintiffs

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at London
transferred to Toronto

**PLAINTIFFS' MOTION RECORD
(Settlement Approval, Fees Approval and
Discontinuance)**

SISKINDS ^{LLP}
Barristers & Solicitors
680 Waterloo Street
P.O. Box 2520
London, ON N6A 3V8

Michael G. Robb (LSUC #: 45787G)
Tel: 519.660.7872
Fax: 519.660.7873

Lawyers for the Plaintiffs