

**PROVINCE OF QUÉBEC**  
**DISTRICT OF MONTRÉAL**

**SUPERIOR COURT**  
**(Commercial Division)**  
*Companies' Creditors Arrangement Act, R.S.C.*  
*(1985) c. C-36*

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No : 500-11-056550-193

**IN THE MATTER OF THE COMPROMISE OR**  
**ARRANGEMENT OF:**

**NORTH AMERICAN LITHIUM INC.**

Petitioner

-and-

**RAYMOND CHABOT INC.**

Monitor

-and-

**INVESTISSEMENT QUÉBEC**

-and-

**CONTEMPORARY AMPEREX TECHNOLOGY**  
**CANADA LIMITED**

-and-

**ATTORNEY GENERAL FOR THE PROVINCE**  
**OF QUÉBEC ON BEHALF OF THE DEPUTY**  
**MINISTER OF ENERGY AND NATURAL**  
**RESOURCES, MINISTÈRE DE L'ÉNERGIE ET**  
**DES RESSOURCES NATURELLES**

-and-

**GG ENTREPRENEUR MINIER INC.**

Impleaded Parties

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**MOTION FOR AN ORDER EXTENDING THE STAY PERIOD AND TO INCREASE THE**  
**INTERIM FINANCING FACILITY AND THE INTERIM LENDER CHARGE**  
*(Companies' Creditors Arrangement Act, R.S.C. (1985) c. C-36 ("CCAA")),*  
section 11 and 11.02

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**TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN**  
**COMMERCIAL DIVISION FOR THE DISTRICT OF MONTREAL, THE PETITIONER**  
**RESPECTFULLY STATES:**

**A. BACKGROUND**

1. On May 28, 2019, the Honourable Jean-François Michaud, S.C.J., granted Norther American Lithium Inc. ("**NAL**")'s *Motion for (i) the Issuance of an Initial Order and (ii) the Granting of Administrative Charge and a Directors and Officers* and issued an initial order under the CCAA (the "**Initial Order**"<sup>1</sup>).
2. Pursuant to the Initial Order, *inter alia*, Raymond Chabot Inc. was appointed as monitor (the "**Monitor**") of NAL and a stay of proceedings was granted until June 27, 2019.
3. The Initial Order also provided for the creation of certain charges over the Property of NAL, which, pursuant to paragraph 33 of the Initial Order, rank as follows:
  - a) First, the Administration Charge for an aggregate amount of \$500,000;
  - b) Second, the Directors' Charge for an aggregate amount of \$1,500,000;
4. Pursuant to an Order rendered on June 27, 2019, the Stay Period was extended until August 31, 2019.
5. Pursuant to an Order rendered on August 30, 2019, the Stay Period was extended until September 16, 2019.
6. On September 16, 2019, the Honourable Martin Castonguay granted NAL's *Motion for an Order (i) Extending the Stay Period, (ii) Approving an Interim Facility and an Interim Lender Charge, (iii) Approving a Sale and Investment Solicitation Process and (iv) Amending and Restating the Initial Order*, which resulted in the following:
  - a) The extension of the Stay Period until January 31, 2020; and
  - b) The issuance of an Amended and Restated Initial Order, which:
    - i) approved the Interim Facility in the aggregate amount of CAN\$6 million;
    - ii) approved and created the Interim Lender Charge in favour of Investissement Québec ("**IQ**");
    - iii) approved the launching of the SISP in accordance with the SISP Procedures; and
    - iv) extended the powers of the Monitor for the purpose of carrying out the SISP.

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<sup>1</sup> Except as otherwise provided for herein, all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in Rectified Amended and Restated Initial Order dated September 16, 2019 (the "**Rectified Amended and Restated Initial Order**").

7. The Amended and Restated Order was subsequently rectified to correct a minor typographical error in the Stay Period deadline (January 31, 2019 was corrected to read January 31, 2020).

**B. ORDERS SOUGHT**

8. On this Motion, NAL hereby seeks the following:
  - a) An extension of the Stay Period in respect of NAL until March 13, 2020; and
  - b) The issuance of a Second Amended and Restated Initial Order to:
    - i) Approve a CAN\$1,000,000 increase of the Interim Facility, for total aggregate Interim Facility of CAN\$7,000,000; and
    - ii) Approve an increase of the Interim Lender Charge to CAN\$8,000,000.
9. A draft Second Amended and Restated Initial Order, which includes the orders being sought on this Motion, is communicated herewith as **Exhibit P-1**. A version comparing the Rectified Amended and Restated Initial Order with the draft Second Amended and Restated Initial Order is communicated herewith as **Exhibit P-1A**.

**C. EXTENSION OF THE STAY PERIOD**

10. Since the issuance of the Initial Order, NAL has acted, and continues to act in good faith and with due diligence
11. Since the issuance of the Rectified Amended and Restated Initial Order on September 16, 2019, NAL, with the support of the Monitor, has:
  - a) Continued care and maintenance work, including maintenance and repair work for production equipment as well as for the plant, to preserve its value;
  - b) Continued certain contracts that would promote the resumption of operations, namely minor drilling activities were maintained;
  - c) Taken actions to comply with environmental requirements;
  - d) Actively participated in the SISF by:
    - i) Gathering information and documentation to populate the Monitor's virtual data room; and
    - ii) Held Meetings, discussions and site visits with potential investors;
  - e) Reported weekly to the Monitor in respect of its cash-flow.

12. The steps taken by the Monitor during the Stay Period, namely the steps taken in the context of the SISP will be set out in the Fifth Report of the Monitor that will be filed in support of this Motion (the “**Monitor’s Fifth Report**”).
13. The Bid Deadline (as defined in the SISP Procedures) was initially set for January 21, 2020.
14. However, on January 9, 2020, following discussions with various Prospective Bidders, IQ requested from the Monitor that the Bid Deadline be extended to February 21, 2020.
15. The Monitor advised IQ that an additional interim financing of approximately CAN\$1 million would be required if an extension of the Bid Deadline was granted.
16. The Monitor also informed Jien International Investment Ltd. (“**JIIL**”) and Contemporary Amperex Technology Canada Limited (“**CATL**”) of IQ’s request. CATL agreed with the extension and JIIL did not object.
17. Following the above, IQ advised the Monitor it would increase its Interim Financing Facility by an amount of CAN\$1 million to support NAL’s additional cash-flow requirements as a result of the extension of the Bid Deadline.
18. In a view to maximize the chances of success of the SISP, on January 15, 2020, the Monitor, in accordance with subsections 1.5, 7.1 and 9.8 of the court approved Procedures of the SISP, extended the Bid Deadline from January 21, 2020 to February 21, 2020, at no later than 2:00 p.m.
19. In light of the foregoing, it is respectfully submitted that the extension of the Stay Period to March 14, 2020 is required to provide the Monitor, with the collaboration of NAL and its counsel, with sufficient time to continue to carry out the remaining steps of the SISP, which include:
  - a) Continuation of due diligence process by Qualified Bidders;
  - b) Submission of Qualified Bids;
  - c) Assessment of Qualified Bids by the Monitor;
  - d) Auction, if deemed necessary or advisable by the Monitor;
  - e) Review of restructuring options, including a draft plan of compromise based on the bids submitted; and
  - f) Preparation and hearing before the court of a motion to move forward in accordance with the SISP and the results in respect thereof. Potential successful bids would be submitted before the court by the Monitor for assessment.
20. The Monitor’s Fifth Report includes, inter alia, the Monitor’s recommendations in respect of the requested extension of the Stay Period.

21. The Monitor's Fifth Report also include NAL's revised and extended cash flow forecast for the 13-week period ending April 18, 2020 (the "**Forecast**").
22. Based on the Forecast and subject to the underlying assumptions contained therein, including the approval of the requested increase to the Interim Facility, NAL believes that there is sufficient liquidity to fund these CCAA Proceedings until April 18, 2020.
23. It is the position of NAL that no parties will suffer any undue prejudice from the extension of the Stay Period and that the extension sought is appropriate under the present circumstances.
24. In light of the foregoing, NAL asks this Court to extend the Stay Period to March 13, 2020, which date shall, for the purposes of the Rectified Amended and Restated Initial Order, be the last day of the Stay Period, the whole subject to all other terms of the Rectified Amended and Restated Initial Order.

**D. INCREASE OF THE INTERIM FACILITY AND THE INTERIM LENDER CHARGE**

25. As mentioned above, the Monitor agreed to extend the Bid Deadline from January 21, 2020 to February 21, 2020 subject to obtaining the consent of IQ to increase the Interim Facility by CAN\$1,000,000, thus bringing the aggregate amount of the Interim Facility from CAN\$6,000,000 to CAN\$7,000,000 (the "**Amended Interim Facility**").
26. IQ has accepted such condition and an amended and restated *Convention de Crédit - Financement Temporaire (DIP)* (the "**Amended Interim Facility Agreement**") was entered into between IQ and NAL, as it more fully appears from a copy of this agreement communicated herewith as **Exhibit P-2**.
27. The terms and conditions of the Amended Interim Facility Agreement are identical to the original agreement save and except for (i) the increase in the amount of the Interim Facility, (ii) the increase of the Interim Lender Charge from CAN\$7,000,000 to CAN\$8,000,000 and (iii) the extension of the maturity date of the Interim Facility.
28. The Amended Interim Facility and the increase to the Interim Lender Charge are require *inter alia* for:
  - a) Conservatory measure;
  - b) The continuation of the SISF; and
  - c) Other restructuring related activities.
29. The Forecast show an additional funding requirement of approximately CAN\$668,000 for the period ending on April 18, 2020.
30. Although not required during the current requested additional Stay Period, the Monitor is of the opinion that the Amended Interim Facility will be needed given

the SISP Bid Deadline extension to February 21, 2020 and given the uncertainty of time required to close a transaction, as the case may be.

31. The Amended Interim Facility and the increase to the Interim Lender Charge should be approved considering:
  - a) Secured creditors affected by the Interim Lender Charge support such financing.
  - b) provides funding of a portion of the amount that is required under the Forecast
  - c) NAL's business and financial affairs will continue to be managed properly, with the assistance of the Monitor to assist with and supervise operations.
  - d) It will enhance the prospect of a viable compromise being made for the benefit of the creditors and the nature and value of NAL's property would be maintained.
  - e) It will enable NAL to cover conservatory expenses to maintain the value of NAL's property.
  - f) No unsecured creditor will be materially prejudiced as a result of the security or charge requested.
32. The Monitor supports the Amended Interim Facility and is of the opinion that NAL's stakeholders will benefit from the granting of the Amended Interim Facility.

**E. PROCEDURAL MATTERS**

33. The service of the present Motion serves as notice pursuant to paragraph 58 of the Rectified Amended and Restated Initial Order.
34. Pursuant to paragraph 52 of the Rectified Amended and Restated Initial Order, that subject to further Order from this Court, all motions in these CCAA Proceedings are to be brought on not less than five (5) calendar days' notice to all Persons on the service list. Each motion must specify a date (the "**Initial Return Date**") and time (the "**Initial Return Time**") for the hearing.
35. Given the delays in receiving the Amended Interim Facility Agreement, it was not possible for NAL to bring the present Motion on five (5) calendar days' notice.
36. The present Motion must be heard prior to January 31, 2020, considering that the current Stay Period is set to expire as of this date.
37. NAL therefore requests the Court to relieve it of the requirement to bring the present Motion on at least five (5) calendar days' notice and to declare that this Motion is properly returnable on its date of presentation.

38. Accordingly, any Person wishing to object to the relief sought on this Motion should also be relieved of the requirements set forth in paragraph 53 of the Rectified Amended and Restated Initial Order.

F. **CONCLUSIONS**

39. For the reasons set forth above, the Petitioner believes it is both appropriate and necessary that the relief being sought be granted.

40. The present Motion is well founded in fact and in law.

**WHEREFORE, MAY THIS COURT:**

1. **GRANT** this Motion;
2. **ISSUE** an order substantially in the form of the draft Second Amended and Restated Initial Order communicated in support of the Motion as **Exhibit P-1**;
3. **THE WHOLE WITHOUT COSTS**, save and except in case of contestation.

Montréal, this 28<sup>th</sup> day of January 2020

*Fasken Martineau DuMoulin*

**Fasken Martineau DuMoulin LLP**

Attorneys for the North American Lithium Inc.

**Mtre Alain Riendeau**

Email: ariendeau@fasken.com

Phone number: +1 514 397 7678

**Mtre Brandon Farber**

Email: bfarber@fasken.com

Phone number: +1 514 397 5179

Stock Exchange Tower

800 Victoria Square, Suite 3700

P.O. Box 242

Montréal, Quebec H4Z 1E9

Phone number: +1 514 397 5179

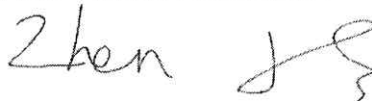
Fax number: +1 514 397 7600

## SWORN STATEMENT

I, the undersigned, Janet Huang, acting Chief Financial Officer for North American Lithium Inc, having my professional address at 500, route du Lithium, La Corne, Québec, J0Y 1R0, do solemnly declare:

1. Since March 2018, I am acting as Chief Financial Officer for North American Lithium Inc. ("**NAL**");
2. I am a duly authorized representative of NAL in the present case;
3. I either have personal knowledge or became aware, from information obtained and reviewed in the context of my duties, of all the facts alleged in the *Motion for an Order Extending the Stay Period and to Increase the Interim Facility and the Interim Lender Charge*.


AND I HAVE SIGNED :



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Janet Huang

Solemnly affirmed before me by  
videoconference in Montréal, on January  
28, 2020



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Commissioner for Oaths for Québec





**NOTICE OF PRESENTATION**

**ADDRESSEE(S) :**

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TO SERVICE LIST

**TAKE NOTICE** that the present obtained and reviewed in the context of my duties, of all the facts alleged in the *Motion for an Order Extending the Stay Period and to Increase the Interim Facility and the Interim Lender Charge* will be presented for adjudication before the Honourable Martin Castonguay on **January 31, 2020 at 1:30 p.m.** or so soon thereafter as counsel may be heard, in a room to be determined of the **Longueuil courthouse**, located at 1111 Boulevard Jacques-Cartier E, Longueuil, QC J4M 2J6.

**DO GOVERN YOURSELVES ACCORDINGLY.**

Montréal, this 28<sup>th</sup> day of January 2020



**Fasken Martineau DuMoulin LLP**

Attorneys for North American Lithium Inc.

**Mtre Alain Riendeau**

Email: ariendeau@fasken.com

Phone number: +1 514 397 7678

**Mtre Brandon Farber**

Email: bfarber@fasken.com

Phone number: +1 514 397 5179

Stock Exchange Tower

800 Victoria Square, Suite 3700

P.O. Box 242

Montréal, Quebec H4Z 1E9

Phone number: +1 514 397 5179

Fax number: +1 514 397 7600

IN THE MATTER OF THE COMPANIES CREDITORS ARRANGEMENT ACT, RSC  
(1985), CH. C-36, AS AMENDED ("CCAA") :

NORTH AMERICAN LITHIUM INC.

SERVICE LIST

<b><u>APPLICANT</u></b>	
Me Alain Riendeau Me Brandon Farber <b>Fasken Martineau DuMoulin</b> 800 rue du Square-Victoria # 3700 Montréal QC H4Z 1E9  <b>Attorneys for the Applicant</b> <b><i>North American Lithium Inc.</i></b>  Emails : ariendeau@fasken.com bfarber@fasken.com	
<b><u>PROPOSED MONITOR</u></b>	
Mr. Benoit Fontaine <b>Raymond Chabot Inc</b> 200-600 rue de la Gauchetière West Montréal, QC H3B 4L8  Email : Fontaine.Benoit@rcgt.com	
<b><u>IMPLEADED PARTIES:</u></b>	
Me Philippe Henri Bélanger Me Alain N. Tardif Me Noah Zucker <b>McCarthy Tétrault LLP</b> 1000 rue de la Gauchetière West Suite 2500 Montréal QC H3B 0A2  <b>Attorneys for Investissement Québec</b>  Email : pbelanger@mccarthy.ca atardif@mccarthy.ca nzucker@mccarthy.ca	Me Luc Morin <b>Norton Rose Fulbright Canada LLP</b> 1 Place Ville Marie, Suite 2500 Montréal QC H3B 1R1  <b>Attorneys for Contemporary</b> <b><i>Amperex Technology Canada</i></b> <b><i>Limited</i></b>  Email : luc.morin@nortonrosefulbright.com

<p><b>Deputy Minister of Energy and Natural Resources</b> Ministère de l'énergie et des ressources naturelles Bureau du sous ministre 5700, 4e avenue West, Suite A301 Québec, QC G1H 6R1</p> <p>Email : Helene.giroux@mern.gouv.qc.ca Isabelle.martin@mern.gouv.qc.ca</p>	<p><b>Attorney General of Québec</b> Direction du contentieux - Montréal 1, rue Notre-Dame Est, bureau 8.00 Montréal (Québec) H2Y 1B6</p> <p>Notification email : bernardroy@justice.gouv.qc.ca</p>
<p>Me Yannick Crack <b>Therrien Couture s.e.n.c.r.l.</b> 1910 rue King West, Suite 320 Sherbrooke QC J1J 2E2</p> <p><b>Attorneys for GG Entrepreneur Minier Inc.</b></p> <p>Email : yannick.crack@therriencouture.com</p>	<p>Me Neil Peden <b>Woods s.e.n.c.r.l.</b> 2000 McGill College Avenue Suite 1700 Montréal QC H3A 3H3</p> <p><b>Attorneys for Jien International Investment Ltd.</b></p> <p>Email : npeden@woods.qc.ca</p>
<p>Me Jean-Eric Guindon <b>Bélanger, Sauvé SENCRL</b> 125 rue des Forges Bureau 600 Trois-Rivières QC G9A 2G7</p> <p><b>Attorneys for Somavrac inc.</b></p> <p>Email : jeguindon@belangersauve.com</p>	<p>Me Isabelle Desharnais <b>Borden Ladner Gervais s.e.n.c.r.l., s.r.l.</b> 1000 rue de la Gauchetière Ouest Bureau 900 Montréal QC H3B 5H4</p> <p><b>Attorneys for Outotec</b></p> <p>Email : idesharnais@blg.com</p>
<p>Me Isabelle Mathieu-Millaire <b>Ministère de la Justice Canada</b> 285 Wellington TSA-6027 Ottawa ON K1A 0H8</p> <p>Attorney for Fisheries and Oceans Canada</p> <p>Email : isabelle.mathieu-millaire@justice.gc.ca</p>	<p>Ms Béatrice Stella Gagné <b>Ministère de la Justice Canada</b> 285 Wellington TSA-6027 Ottawa ON K1A 0H8</p> <p>Attorney for Fisheries and Oceans Canada</p> <p>Email : Beatrice-Stella.gagne@justice.gc.ca</p>

CANADA  
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**ATTORNEY GENERAL FOR THE PROVINCE  
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-and-

**GG ENTREPRENEUR MINIER INC.**

Impleaded Parties

**LIST OF EXHIBITS**

(*Companies' Creditors Arrangement Act*, R.S.C. (1985) c. C-36 ("CCAA")),  
section 11 and 11.02

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- EXHIBIT P-1 :** Draft Second Amended and Restated Initial Order.
- EXHIBIT P-1A:** Version comparing the Rectified Amended and Restated Initial Order with the draft Second Amended and Restated Initial Order.
- EXHIBIT P-2:** Amended Interim Facility Agreement

Montréal, this 28<sup>th</sup> day of January 2020

*Fasken Martineau DuMoulin*

**Fasken Martineau DuMoulin LLP**

Attorneys for North American Lithium Inc.

**Mtre Alain Riendeau**

Email: ariendeau@fasken.com

Phone number: +1 514 397 7678

**Mtre Brandon Farber**

Email: bfarber@fasken.com

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Proposed Monitor

**INVESTISSEMENT QUÉBEC ET AL**

Impleaded Parties

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PRESENTATION, LIST OF EXHIBITS AND EXHIBITS  
P-1, P-1A and P-2**

ORIGINAL

**Fasken Martineau DuMoulin LLP**

800 Victoria Square, Suite 3700  
P.O. Box 242

Montréal, Quebec H4Z 1E9

**Me Alain Riendeau**

ariendeau@fasken.com

**Me Brandon Farber**

bfarber@fasken.com

Tél. +1 514 397 7678

Fax. +1 514 397 7600

Tél. +1 514 397 5179

Fax. +1 514 397 7600