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**Estate No.: 31-457938**

**Interim Report of the Receiver  
(Subsection 246(2) of the *Bankruptcy and Insolvency Act*)**

**IN THE MATTER OF THE RECEIVERSHIP OF  
RB ENERGY INC.**

## **1. Introduction**

1. This interim report is filed by KSV Kofman Inc. ("KSV") in its capacity as receiver ("Receiver") of RB Energy Inc. ("RB").
2. On October 14, 2014, the Quebec Superior Court in the District of Montreal (the "Court") issued an order, subsequently amended and restated, granting RB, Quebec Lithium Inc. ("QLI"), QLI Métaux Inc. ("QLIM") and Sirocco Mining Inc. ("Sirocco") (collectively, the "Company") protection under the *Companies' Creditors Arrangement Act* ("CCAA"). KPMG Inc. was appointed the Monitor in the CCAA proceedings.
3. During the CCAA proceedings, the Company, with the assistance of, and in consultation with, its sale advisor and under the supervision of the Monitor, carried out a sale process. This process did not generate any offers.
4. On May 8, 2015, Duff & Phelps Canada Restructuring Inc. ("D&P") was appointed as Receiver of substantially all of the property, assets and undertaking of the Company pursuant to an Order issued by the Court.
5. Also on May 8, 2015, the Court terminated the CCAA proceedings.
6. On June 30, 2015, D&P was acquired by KSV. Pursuant to an Order of the Ontario Superior Court of Justice made on July 10, 2015, D&P's ongoing mandates were transferred to KSV, including acting as Receiver in these proceedings. The licensed trustees/restructuring professionals overseeing this mandate prior to June 30, 2015 remain unchanged.
7. The purposes of this interim report are to provide:
  - a. An update regarding RB's receivership proceedings;
  - b. An interim statement of receipts and disbursements; and
  - c. An overview of the Receiver's activities to date.

## 2. Receivership Proceedings

### 2.1 Background

1. RB was established to pursue the acquisition, exploration, development and mining of mineral resource properties in Canada and internationally. RB has 16 direct and indirect subsidiaries, including QLI, QLIM, and Sirocco, which are subject to the receivership proceedings. A corporate organizational chart is attached as Appendix "A".
2. The shares of RB are listed on the Toronto Stock Exchange ("TSX") under the symbol "RBI" and on the US OTCQX as "RBEIF".
3. Prior to the commencement of the receivership proceedings, all employees of RB were terminated.

### 2.2 Secured Creditors

1. The Company's secured creditors are detailed as follows (the validity and quantum of these secured claims have not been reviewed by the Receiver):
  - a. DIP Lender – Hale Capital Partners L.P. ("Hale") advanced US\$13 million as the DIP Lender in the Company's CCAA proceedings, which is secured pursuant to the Court-ordered charge against the Company's business and assets.
  - b. Senior Debt Facility – At the commencement of these proceedings, Bank of Nova Scotia ("BNS"), Administrative Agent and Lead Arranger on behalf of a lending syndicate comprised of BNS, Caterpillar Financial Services Limited and The Commonwealth Bank of Australia, was owed approximately \$72 million. This facility was guaranteed by Investment Quebec ("IQ"), which guarantee has since been called upon and funded by IQ.
  - c. IQ Loan – In addition to the Senior Debt Facility noted above, IQ advanced \$3 million to RB and QLI on a secured basis.
  - d. Construction Liens – Several construction legal hypothecs have been registered against the Company's property at its lithium mine and chemical processing plant in La Corne, Quebec. The estimated amount, at the commencement of these proceedings, registered against the Company's property was approximately \$5.8 million.
  - e. Tianjin Products and Energy Resources Development Co. Ltd. ("Tewoo") – Tewoo advanced US\$10 million to QLI, which is 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 Minerals Chile S.C.M., an entity which operates an iodine mine in Chile.
  - f. Letters of Credit – BNS has issued letters of credit totaling approximately \$4 million. These are secured by cash collateral maintained by BNS in an aggregate principal amount of approximately \$4 million.
  - g. Lease Facilities – There are equipment lessors who have security interests in certain of QLI's leased equipment. The Receiver has corresponded with certain of these lessors regarding its equipment located at QLI.

## **2.3 Distributions in these Proceedings**

1. As of the date of this report, there have been no distributions made to the Company's secured creditors.

## **3. Assets under Administration**

1. Attached as Appendix "B" is the Receiver's consolidated interim statement of receipts and disbursements for the period ending October 30, 2015. The statement reflects that there is approximately C\$494,000 and US\$398,000 in the receivership accounts.
2. A sale process for RB's direct and indirect investments, primarily in QLI and Atacama Minerals Chile S.C.M., an entity that operates an iodine mine in Chile, has not commenced. The timing, structuring and other key terms of any potential sale process is unknown at this time.
3. Other than the cash in the estate accounts and RB's direct and indirect investments, there are estimated sales tax refunds owing to RB for approximately \$200,000. The Receiver is pursuing these refunds from Canada Revenue Agency.

## **4. Status of Receivership Proceedings**

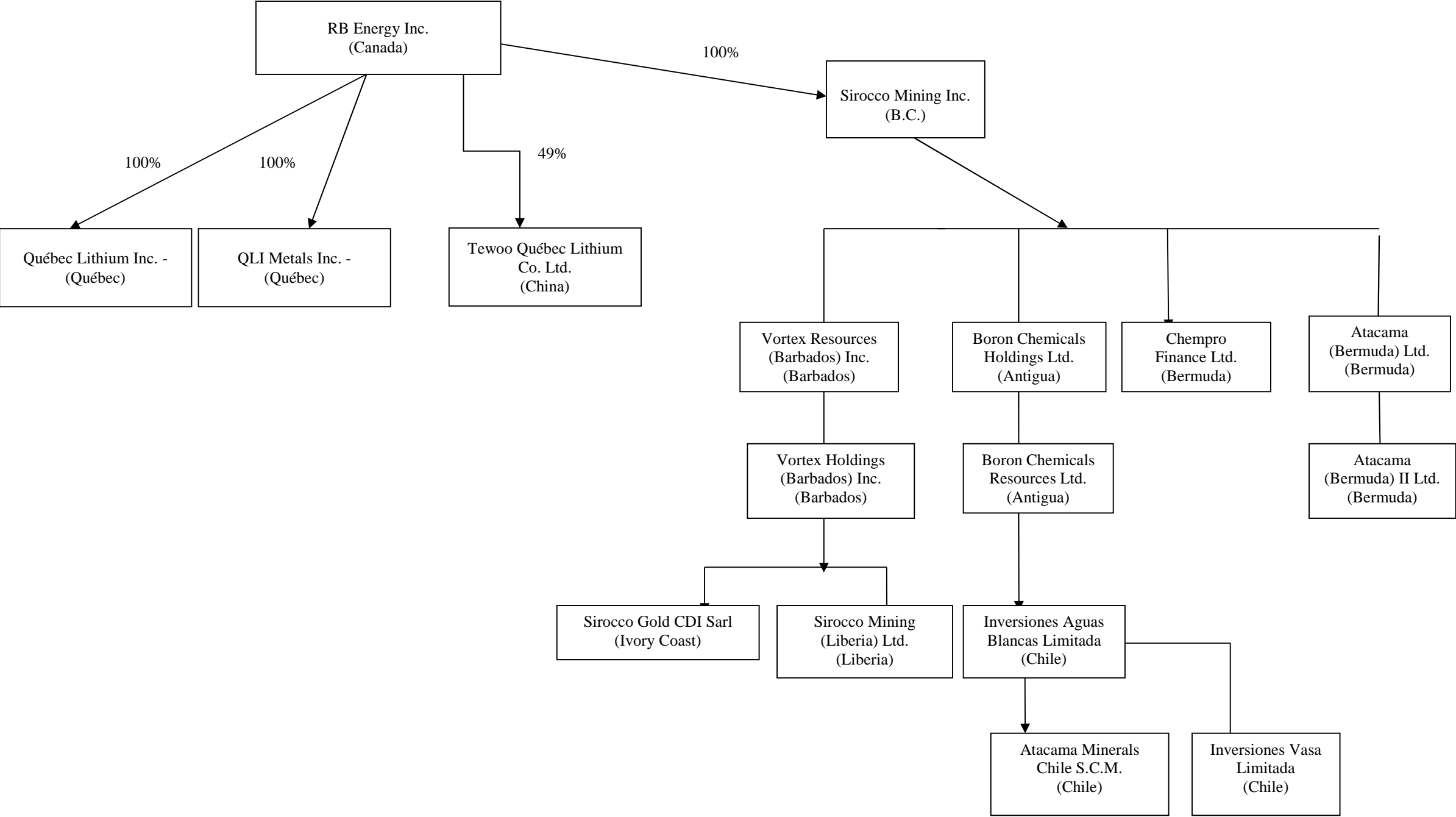
1. The timing for completion of these receivership proceedings is unknown at this time.

Dated at Toronto, Ontario this 9<sup>th</sup> day of November, 2015

A handwritten signature in dark ink, appearing to read "KSV Kofman Inc.", is written over the printed name.

**KSV KOFMAN INC.  
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF  
RB ENERGY INC.  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**



## **Appendix “B”**

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

**Consolidated Interim Statement of Receipts and Disbursements**

For the period May 8, 2015 to October 30, 2015

(unaudited)

	<b>CAD</b>	<b>USD</b>
<b><i>Receipts</i></b>		
Cash	2,279,081	625,752
Receipts pursuant to the Cost Sharing Agreement	1,152,373	-
Tax refunds and sales taxes collected	265,015	-
Miscellaneous	163,236	1,039
	<u>3,859,705</u>	<u>626,791</u>
<b><i>Disbursements</i></b>		
Operating, environmental, and other expenses	1,019,372	104,455
Payroll costs	696,574	-
Professional fees	548,930	-
Sales taxes, property taxes and municipal taxes	531,344	9,073
Consulting fees	298,412	115,609
Insurance	271,441	-
	<u>3,366,073</u>	<u>229,137</u>
<b><i>Balance in Receivership Accounts</i></b>	<u>493,632</u>	<u>397,654</u>