



No. S-154746
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C-44

AND

IN THE MATTER OF NORTH AMERICAN TUNGSTEN CORPORATION LTD.

PETITIONER

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE)

MR. JUSTICE GRAUER)

DECEMBER 5, 2018

THE APPLICATION of Alvarez & Marsal Canada Inc. in its capacity as court-appointed monitor of the Petitioner (the "**Monitor**") coming on for hearing at Vancouver, British Columbia on this day, and ON HEARING Kibben Jackson, counsel for the Monitor, and those other counsel listed on Schedule "A" hereto; AND UPON READING the material filed, including the Monitor's Nineteenth Report to the Court dated November 30, 2018 (the "**Nineteenth Report**");

THIS COURT ORDERS AND DECLARES THAT:

Extension of Relief

1. The relief granted in the Initial Order made herein on June 9, 2015, as amended and restated by the Amended and Restated Initial order made herein on July 9, 2015, and as

extended by Orders of this Court made herein on July 17, October 14, November 16, 2015, February 26, 2016, September 12, 2016 and September 11, 2017 is hereby continued and extended to 11:59 p.m. on April 30, 2020.

2. Her Majesty In Right of Canada as represented by the Department of Indian Affairs and Northern Development Canada ("**DIAND**") shall fund the Petitioner's expenditures as set out in the cashflow statement attached as Appendix "B" to the Nineteenth Report (the "**Updated Budget**") for the period November 24, 2018 to April 30, 2020 (the "**Budget Period**"), including any Budget Adjustment (as defined herein) consented to by DIAND in accordance with paragraph 4 hereof.
3. If the Monitor anticipates any material increase in the cumulative amount to be spent by the Petitioner during the Budget Period, including without limitation with respect to the operating costs and environmental costs of the Petitioner and the fees and disbursements of the Petitioner, the Monitor and their respective counsel incurred during the Budget Period (a "**Budget Adjustment**"), the Monitor shall notify DIAND of such Budget Adjustment and DIAND shall notify the Monitor within three business days of such notice whether DIAND consents to an amendment to the Updated Budget to include the Budget Adjustment.

Callidus Security Discharge and Release Agreement

4. The security discharge and release agreement dated November 30, 2018 (the "**Security Release Agreement**") between the Petitioner and Callidus Capital Corporation ("**Callidus**"), a copy of which is attached as Appendix "A" to the Nineteenth Report, is hereby approved, and the Security Release Agreement is commercially reasonable. The Petitioner is hereby authorized and directed to enter into and complete the transactions contemplated by the Security Release Agreement, including the payment of the Funds (as defined therein) and the delivery of a release to Callidus in accordance with the terms of the Security Release Agreement.
5. Notwithstanding:
 - (a) these proceedings;

(b) any applications for a bankruptcy order in respect of the Petitioner now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made by or in respect of the Petitioner,

the payment of the Funds to Callidus pursuant to the Security Release Agreement and this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Petitioner and shall not be void or voidable by creditors of the Petitioner, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

6. The funding to be provided to the Petitioner by DIAND in accordance with the Updated Budget includes funding payment of the Funds in accordance with the Security Release Agreement, and the DIAND Charge (as defined in the November 20, 2015 order of this Court) shall attach to any of the Petitioner's assets secured under any security interests in favour of Callidus (prior to the implementation of the Security Release Agreement) as security for the repayment of the amount so funded by DIAND.

7. The need for endorsement of this Order by counsel appearing on this application, other than counsel for the Monitor, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Kibben Jackson
Lawyer for the Monitor, Alvarez & Marsal Canada Inc.

BY THE COURT
REGISTRAR

BY THE COURT

REGISTRAR

Schedule "A"

(List of Counsel)

COUNSEL	APPEARING FOR:
William Skelly	Callidus Capital Corporation