

RAPPORT DE SUIVI

PROJET D'EXTENSION DE RÉSEAU JUSQU'À LA MUNICIPALITÉ DE LA CORNE

1 Le projet d'extension de réseau à La Corne a été approuvé le 3 mai 2012, par la décision
2 D-2012-056 de la Régie de l'énergie (la « Régie »). Dans celle-ci, la Régie demandait à Énergir,
3 s.e.c. (« Énergir ») de soumettre annuellement, lors du dépôt de son rapport annuel, les données
4 nécessaires au suivi du projet.

5 Les travaux de construction visant l'installation du réseau gazier pour l'alimentation de la mine
6 Québec Lithium ont débuté en juin 2014 et se sont terminés en octobre 2014, à l'exception de la
7 mise en gaz. Le client n'ayant pu remettre la contribution financière attendue, le réseau a été mis
8 sous pression d'azote pour une période indéterminée. Le client a cessé ses opérations.

9 Dans une correspondance datée du 5 mai 2014, Énergir informait la Régie des dernières
10 informations disponibles sur l'évolution des coûts du projet (R-3785-2012, B-0025). Énergir a par
11 la suite déposé un rapport relatif à ce projet en date du 17 novembre 2014 dans le cadre de la
12 Cause tarifaire 2015 (R-3879-2014, B-0383, Gaz Métro-26, Document 1). Dans le cadre du
13 Rapport annuel 2014, Énergir répondait à des demandes de renseignements de la Régie,
14 relativement au traitement comptable (R-3916-2014, B-0147, Gaz Métro-57, Document 1,
15 pages 11 à 17). Le 13 mai 2015, Énergir, en réponse à une demande de renseignements de la
16 Régie, présentait les derniers développements relatifs au projet (R-3879-2014, B-0427,
17 Gaz Métro-27, Document 1, pages 65 et 66). Le 9 juillet 2015, Énergir répondait à des demandes
18 de renseignements de la Régie dans le cadre de la Cause tarifaire 2016 (R-3879-2014, B-0625,
19 Gaz Métro-115, Document 1, pages 53 à 55).

20 En septembre 2016, Énergir a été informée par le séquestre responsable de la liquidation des
21 actifs de Québec Lithium inc., QLI Métaux inc., RB Energy inc. et Sirocco Mining inc. que ceux-ci
22 ont été vendus et qu'aucune somme ne pourra être versée aux créanciers ordinaires dont Énergir
23 fait partie.

1. STATUT DE L'AVANCEMENT DU PROJET

1 Jien International a acquis les actifs de la mine de lithium en juin 2016 et opérerait le site sous le
2 nom de Lithium Amérique du Nord inc. (North American Lithium Inc.). La nouvelle entente
3 contractuelle a été ratifiée le 6 juin 2017. Cette entente est déposée en annexe de la présente
4 pièce.

5 Les besoins de chauffage requis pour les travaux de remise en opération de la mine débuteront
6 à compter de l'automne 2018 et la production pourrait démarrer de façon progressive dès le
7 printemps 2019 jusqu'à une production optimale vers la fin de l'année 2019.

2. COÛTS DU PROJET ET EXPLICATION DES ÉCARTS

8 Le tableau suivant présente les montants budgétés au moment de la demande d'investissement,
9 les sommes encourues en date du 30 septembre 2017 et la projection des coûts qui sont requis
10 pour mettre la conduite en gaz au moment où la production de l'acquéreur reprendra selon les
11 modalités des ententes contractuelles.

PROJECTION DES COÛTS GLOBAUX AU 30 SEPTEMBRE 2017
(\$)

Description	Budget initial (1)	Réel au 30 septembre 2017 (2)	Projeté (3)	Total Projection finale (4) = (2) + (3)	Écart avec budget initial (5) = (4) - (1)
Ingénierie préliminaire	100 800	211 058	0	211 058	110 258
Terrain	69 000	158 861	0	158 861	89 861
Arpentage et ingénierie	258 600	222 076	0	222 076	(36 524)
Matériaux	1 668 950	1 650 598	0	1 650 598	(18 352)
Construction, branchement et gérance	5 832 475	7 732 984	285 820	8 018 804	2 186 329
Frais de réservation du tuyau	0	90 471	0	90 471	90 471
Contingence (7 %)	792 983	0	0	0	(792 983)
Sous-total	8 722 808	10 066 048	285 820	10 351 868	1 629 060
Frais généraux (9 %) ¹	785 053	897 802	25 724	923 526	138 473
Total global	9 507 861	10 963 850	311 544	11 275 394	1 767 533
Remboursement des coûts	0	(478 943)	0	(478 943)	(478 943)
Total global incluant le remboursement des coûts	9 507 861	10 484 907	311 544	10 796 451	1 288 590
Contribution externe	(5 043 000)	(4 227 600)	0	(4 227 600)	815 400
Total global après contribution	4 464 861	6 257 307	311 544	6 568 851	2 103 990
Créance irrécouvrable	0	2 818 400	0	2 818 400	2 818 400
Total Énergir	4 464 861	9 075 707	311 544	9 387 251	4 922 390

1 Dans la correspondance datée du 5 mai 2014 (R-3785-2012, B-0025), Énergir a informé la Régie
2 que la signature du contrat avec le client avait eu lieu en mars 2014 et que les coûts projetés du
3 projet s'élevaient alors à 10 665 523 \$, dont 5 958 980 \$ sont assumés par Énergir.

4 Dans cette correspondance, Énergir « souligne que la majorité de l'augmentation des coûts
5 (64 %) est due au report du projet en 2014. Ce montant est estimé à 681 573 \$, sur une
6 augmentation totale des coûts du projet avant les frais généraux de 1 069 546 \$. Bien que la
7 planification du projet n'était pas complétée lors de sa mise en veille, la réactualisation du projet

¹ Les frais généraux de 9 % ne s'appliquent pas sur les frais de réservation du tuyau.

1 a obligé une revue complète de toutes les activités menant à la mise en chantier. Ce volet est
 2 estimé à 60 000 \$. Une provision de 212 872 \$ a été ajoutée afin d'anticiper une augmentation
 3 du coût des matériaux et du transport. L'entrepreneur a majoré sa soumission d'un montant de
 4 318 230 \$. Finalement, la réservation des tuyaux d'acier chez le fournisseur pendant une période
 5 de deux mois, avant le report du projet, a coûté 90 471 \$. La prévision de coût final du projet
 6 indique un dépassement total des coûts de 1,2 M\$, incluant les frais généraux. »

7 Au 30 septembre 2017, la projection finale des coûts indique un dépassement de 1,8 M\$, incluant
 8 les frais généraux. Les travaux d'installation de la conduite et de réfection sont terminés, à
 9 l'exception de la mise en gaz, laquelle est prévue à l'automne 2018. La projection finale des coûts
 10 de 285 820 \$, avant frais généraux, inclut une prévision relative aux travaux éventuels pour la
 11 mise en gaz du réseau.

12 Les coûts projetés au 30 septembre 2016 afin de compléter la mise en service de ce réseau, qui
 13 étaient de 128 915 \$ (avec frais généraux), ont été augmentés à 311 544 \$ afin de tenir compte
 14 de l'inflation pour des travaux à être réalisés à la fin 2018 et de l'ajout d'équipements d'odorisation
 15 additionnels lors des cinq premiers mois de consommation du client, considérant une
 16 consommation réduite durant cette période de démarrage.

3. IMPACT TARIFAIRE INITIAL ET PROJETÉ

17 L'effet des variations de volumes et de coûts sur la rentabilité du projet se retrouve au tableau
 18 ci-dessous. Le calcul de l'impact tarifaire est effectué sur une période de 40 ans.

Description	Impact initial	Impact projeté
Valeur actuelle de l'effet sur les tarifs (40 ans)	(894 030) \$	150 783 \$
Taux de rendement interne	7,52 %	5,59 %
Point mort tarifaire	1,00 an	n/a

- 1 **Énergir demande à la Régie de prendre acte du suivi du projet d'extension de réseau**
2 **jusqu'à la municipalité de La Corne.**



SERVICES CONTRACT- D₄ STABLE SERVICE

Account No. : To come

Contract Date: June 6, 2017

BETWEEN GAZ MÉTRO LIMITED PARTNERSHIP,
acting through its General Partner Gaz Métro inc.
with its principal place of business located at 1717, du Havre Street, Montréal (Québec), H2K 2X3
("Gaz Métro")

AND NORTH AMERICAN LITHIUM INC.,
having a place of business located at 130, Adelaide St. West, Suite 3420, Toronto (Ontario) M5H 3P5
("Customer")

Gaz Métro and Customer are individually referred to as "Party" and jointly referred to as "Parties".

1. The Customer requires that Gaz Métro provide the services described herein to deliver natural gas to the equipment in the building located at the following service address: 500, Route du Lithium, La Corne (Québec) J0Y 1R0 ("Service Address").

2. NATURAL GAS SUPPLY AND TRANSPORTATION SERVICES

NATURAL GAS SUPPLY SERVICE

Unless the Customer agrees to supply Gaz Métro with the natural gas withdrawn at the Service Address in accordance with the Conditions of Natural Gas Service and Tariff approved by the Régie de l'énergie («Conditions and Tariff»), the Customer agrees to purchase from Gaz Métro the natural gas supply for natural gas withdrawn at the Service Address. When the Customer agrees to purchase from Gaz Métro the natural gas supply service, the price of the supply of natural gas is the price established in the supply rate of the Conditions and Tariff. Gaz Métro chooses, at its own discretion, its supplier for the provision of natural gas to the Service Address, subject to the quality standards outlined herein and the fixed-price supply agreements entered into by a specific supplier chosen by the Customer and the latter.

TRANSPORTATION SERVICE

Unless the Customer agrees to provide the transportation to move to the delivery point in the territory of Gaz Métro the natural gas withdrawn at the Service Address, the Customer agrees to purchase from Gaz Métro the transportation service needed to move to the delivery point in the territory of Gaz Métro the natural gas it withdrawn at the Service Address. In this latter case, the transportation price is the price established in the transportation rate of the Conditions and Tariff. The transportation minimum annual obligation assumed by the Customer for each contractual year is the obligation set out in the Conditions and Tariff. The projected annual volume for the 1st year of service is 10 000 000 m³.

3. LOAD-BALANCING SERVICE

The Customer agrees to purchase the load-balancing service from Gaz Métro needed to manage on a daily basis the natural gas it withdraws at the Service Address. The load-balancing price is the price established in the load-balancing rate of the Conditions and Tariff. For a new Customer, the projected annual volume agreed upon with regard to the load-balancing service is the volume set out in the table included in the "Distribution Service" clause below.

4. DISTRIBUTION SERVICE

The Customer agrees to purchase from Gaz Métro the D₄: STABLE distribution service within the parameters set out below:

Decision in effect at preparation of this Contract	Rate zone	Effective delivery pressure (kPa)	Maximum hourly flow (m ³ /h)	Projected annual volume (m ³)
D-2016-162	North	490	3 400	23 500 000

Subscribed volume (m ³ /d)	Use	Service start-up date (YYYY/MM/DD)	Term of services (months)
10 000 (see Note 1)	Process and heating	2018/11/01	180

As additional information, the application of these parameters results in the following:

Minimum daily obligation (¢/m ³)	Reduction according to Contract term (%)
4.893	24

Note 1: As the needs for natural gas may be unpredictable during the first months of operation of a new facility, for a period of one (1) year (the "Pre-commissioning Period") starting from the Service start-up date indicated in the table above, Gaz Métro agrees to authorize the Customer to increase every month, if any, the subscribed volume stipulated in the table above. In such a case, the Customer shall inform Gaz Métro, in writing, of the new subscribed volume applicable for the current month no later than the 15th day of this month. At Customer's request, Gaz Métro may assist the Customer to determine its subscribed volume. In such a case, the Customer understands and agrees that Gaz Métro is not liable for the subscribed volume determination, and, if the Customer has to pay any penalty or amount to Gaz Métro in accordance with the Conditions and Tariff as a result of the subscribed volume, Gaz Métro shall not be liable and the Customer agrees to pay this penalty or amount to Gaz Métro.

Version of November 1st, 2015

5. DURATION OF THE CONTRACT

This Contract shall take effect on the date that it is signed by the Parties and shall cease to be in effect once all of the services stipulated in the table included in the "Distribution Service" clause above have come to an end.

Notwithstanding the date of commencement of service indicated in the table included in the "Distribution Service" clause above, in the case of a Service Address being newly supplied with natural gas, the date of commencement of service may be postponed either by Gaz Métro, due to constraints relating to construction, or at the Customer's request, in which case the period of postponement shall not exceed 90 days from the commencement of service stipulated in the table included in the "Distribution Service" clause above.

6. MISCELLANEOUS

This Contract is conditional upon Gaz Métro obtaining the various municipal and governmental permits, receiving authorization from the Régie de l'énergie and any other authorization or right-of-way, when required.

For the duration of the Contract, Gaz Métro and the Customer agree that for the purposes of the Contract the day as defined in the Conditions and Tariff commences at 10:00 a.m. EST (Eastern Standard Time).

Where applicable, charges will be invoiced to the Customer in accordance with the Conditions and Tariff. These charges are taxable.

Gaz Métro may, at any time, require a deposit in accordance with the Conditions and Tariff.

Notwithstanding any provision to the contrary herein, this Contract does not replace or terminate any obligation arising from the payment of a financial contribution or an investment by Gaz Métro to feed natural gas to the Service Address entered into previously between Gaz Métro and the Customer in respect of the Service Address. During this contract overlap period, any minimum annual obligation set out in the contract in effect and signed previously shall be over and above those agreed to herein.

Schedule A – General conditions is an integral part hereof.

This Contract is subject to revision or cancellation by Gaz Métro should it not be signed by the Customer and received by Gaz Métro within 30 days of the aforementioned Contract Date.

Signed at: Montreal

Signed at: _____

This 6 day of June 2017

This _____ day of _____

GAZ MÉTRO LIMITED PARTNERSHIP
per its General Partner Gaz Métro inc.

NORTH AMERICAN LITHIUM INC.

By: *Daniel Bienvenu*
Name: Daniel Bienvenu
Title: Advisor / Sales Major Industries

By: *J. Desjardins*
Name: JYVES DESJARDINS
Title: Directeur Général

By: *Josée Duhaime*
Name: Josée Duhaime RENAULT LORRIE pour
Title: Director / Sales Major Industries

By: _____
Name: _____
Title: _____

Approved
S. Vga
Initial
[Signature]

SCHEDULE A - GENERAL CONDITIONS

1. **QUALITY**
The gas sold by Gaz Métro must be natural gas or the equivalent sourced from suppliers which have been chosen or accepted by Gaz Métro; however, helium, natural gasoline, butane, propane or all other hydrocarbons, with the exception of methane, can be removed before delivery to the Customer. Gaz Métro can subject the gas or allow it to be subjected to compression, refrigeration, cleaning or any other process.
2. **TRANSFER OF OWNERSHIP**
The delivery and transfer of ownership of natural gas sold by Gaz Métro to the Customer take place at the Customer delivery point as defined in the Conditions and Tariff.
3. **INSTALLATIONS ON CUSTOMER PROPERTY**
 - 3.1. **Construction and maintenance** – Gaz Métro may, without indemnity or compensation to the Customer, build, maintain and operate on the Customer's property or sites occupied or used by the latter, necessary installations for the transport, distribution, delivery and measurement of natural gas. The Customer represents and guarantees, if necessary, that it has the required authorizations and permissions from the site owner to this effect. The Customer will supply Gaz Métro proof of such authorization, on request.
 - 3.2. **Access** – The right of access granted to Gaz Métro in the Conditions and Tariff and herein is at no cost.
 - 3.3. **Liability** – The Customer and eligible parties shall indemnify and hold harmless Gaz Métro, its directors, officers, employees as well as their successors and eligible parties for any damages caused to Gaz Métro's property located on the Customer's property or on property occupied or used by the Customer, when the damage is the fault or the result of negligence on the part of the Customer, eligible parties, persons over whom the Customer or his eligible parties have control, or persons found on said property or said location with the consent of the Customer or his eligible parties, or by things that persons described above have under their responsibility.
 - 3.4. The Customer's natural gas equipment must be installed in compliance with all applicable legislation, codes and standards. Supplying the equipment with natural gas shall not be construed as a guarantee provided by Gaz Métro to the Customer with respect to the equipment, its installation, or any other assent as to their safety or compliance with applicable legislation, codes and standards; said responsibility is incumbent upon the manufacturer, salesperson, installer or the building's designer and engineer, as applicable.
4. **FORCE MAJEURE**
Neither party shall be liable to the other for damages or losses arising out of the fact that Gaz Métro is unable to deliver the natural gas in whole or in part, or of the fact that the Customer is unable to withdraw natural gas in whole or in part, on account of any fortuitous event, strike, lock-out, work conflict, act of public enemy, war, blockade, insurrection, riot, act of vandalism, sabotage, epidemic, collapse, lightning, earthquake, fire, storm, flood, undermining, civil disturbance, explosion, breakage, freezing or accident to machinery or piping, power failure, suspension or restriction of natural gas supplies of Gaz Métro, Federal, Provincial or Municipal government intervention or intervention from any body of these governments, court order or directive, or any other cause, whether or not of the nature indicated above, that fall outside the control of the party invoking this cause and which, despite the exercise of reasonable diligence, such party is incapable of preventing or surmounting. However, the cause that prevents either party to meet the requirements of the Contract shall not release the party that invokes such cause from its obligations if it does not act diligently to correct the situation appropriately and equitably. In all cases where the Customer invokes a force majeure, it shall nevertheless be obliged to meet the minimum annual obligation provided for in the Conditions and Tariff. In all cases where Gaz Métro invokes force majeure, the subscribed volume shall be reduced for the duration of the said force majeure in proportion to the extent and duration of the force majeure.
5. **DISTRIBUTION SERVICE**
 - 5.1. The Customer acknowledges and accepts that i) Gaz Métro's obligation to supply natural gas to the equipment located in the building at the Service Address (whether the equipment is supplied from the same supply as all the equipment that operate on natural gas, or whether its supply is independent) is an obligation of means, regardless of how the Customer uses or shall use the equipment and ii) Gaz Métro in no way guarantees a natural gas supply for said equipment. Therefore, except in the event of gross negligence or gross fault on the part of Gaz Métro, its partners, directors, officers or employees, as well as their successors and assigns (collectively, the "Representatives"), they shall in no way be held liable for loss or damages of any kind whatsoever, incurred by the Customer or other parties arising or resulting from Gaz Métro and its Representatives with respect to Gaz Métro's obligations to supply said equipment.
 - 5.2. When Gaz Métro is expressly required to give notice of interruption of interruptible service to the Customer, this notice will be considered duly given when it is transmitted by email, telephone, facsimile or by hand at the numbers or addresses, as the case may be, updated annually by the Customer on the Gaz Métro extranet site for this purpose.
 - 5.3. The Customer acknowledges and agrees that the telephone conversation by which Gaz Métro gives notice of interruption will be recorded using an audio recording system. The recording may be kept by Gaz Métro and, if needed, used in any dispute related to the transmittal of a service interruption notice.
 - 5.4. The Customer chooses between firm and interruptible distribution service to be provided by Gaz Métro and assumes the consequences of this choice. Moreover, the Customer acknowledges that the choice of the distribution service is at its own discretion.
6. **SUBJECTION TO LAWS, REGULATIONS AND OTHER DECISIONS**
The present Contract is subject to the Conditions and Tariff set and amended from time to time by the Régie de l'énergie. The Contract is automatically changed by any law, order, judgement, decision of any legislative or regulatory organization, or any competent authority having effect on the terms of the Contract including, without limiting the preceding general characteristics, any law, order, judgement, decision or decree relative to the Conditions and Tariff, taxes or metering standards.
7. **ESTIMATE OF CUSTOMER CONSUMPTION**
Gaz Métro may, from time to time, ask the Customer for an estimate of its daily, monthly or annual natural gas heating or processing needs for a period of at least two (2) years in the future. The Customer must make all reasonable efforts to supply this information to Gaz Métro in the sixty (60) days that follow Gaz Métro's request. This information must account for growth or withdrawal factors as well as all other forecasted changes that might affect the Customer's needs. The information supplied by the Customer is not an undertaking on his part and shall be treated confidentially by Gaz Métro.
8. **GENERAL PROVISIONS**
 - 8.1. The Customer expressly waives the right to unilaterally resiliate the Contract provided in article 2125 of the *Civil Code of Québec*.
 - 8.2. In the event of a discrepancy between the reading of the metering equipment (as defined in the Conditions and Tariff) of the Customer and the one of Gaz Métro, the reading provided by Gaz Métro equipment shall take precedence, subject to the *Electricity and Gas Inspection Act*, R.S.C., 1985, c. E-4.
 - 8.3. The Customer may terminate one or more services provided by Gaz Métro pursuant to the provisions in the Conditions and Tariff to provide such service(s) himself.
 - 8.4. Except for specific provisions to the contrary, this Contract replaces and revokes all previous contracts and all offers, proposals, negotiations, representations, and communications between the parties, oral or written, and constitutes the entire agreement between the parties to this effect. It may not be changed without written amendment executed by both parties.
 - 8.5. The rights and recourses available to Gaz Métro pursuant to this Contract or any other agreement or pending agreement between it and the Customer or as recognized by the law may be accumulated, unless expressly stated otherwise.
 - 8.6. The omission by Gaz Métro to require the Customer to execute any of its obligations under this Contract, to terminate this Contract or to exercise rights or recourses available to it, does not prejudice its right to do so in the future, unless it expressly waives this right in writing. Such a waiver applies only to the case specifically noted.
 - 8.7. This Contract shall only be binding on Gaz Métro when it has been accepted in writing and signed by Gaz Métro's authorized representatives.
 - 8.8. The Contract binds and benefits the successors and eligible parties. Nothing herein prohibits either party to assign or encumber its rights under the terms of this Contract as a guarantee for its obligations. However, no assignment shall release the assignor from the obligations to which it is bound under this Contract.
 - 8.9. Unless stated otherwise, any notice, request, authorization, or renunciation (hereafter called "Notice") required or allowed under terms of this Contract must be given in writing and either remitted by hand or sent by prepaid registered mail in Canada, except in the event of an interruption in postal service, transmitted by facsimile, to the addresses of the parties indicated in this Contract.
Any Notice thus given will be incontestably considered to have been received on the day of its forwarding or transmission by facsimile or email, or if mailed, on the fifth (5th) day following its mailing. The parties may change their address in order to receive Notice in accordance with procedures of this clause or with clause 5.1 as regards the notice of interruption.
 - 8.10. Notwithstanding anything contained in this Contract, the Customer's default under this Contract shall give Gaz Métro the right to deduct any and all such amounts payable to Gaz Métro from any moneys or credit payable by Gaz Métro to the Customer under this Contract, exigible or not, without affecting any of Gaz Métro's other rights or remedies herein.
 - 8.11. On request, the parties agree to sign and ensure that are signed, and to submit and ensure that are submitted, all required and useful documents to give full effect to the letter and spirit of this Contract.
 - 8.12. When the context requires, use of the singular also includes the plural and vice versa.
 - 8.13. This Contract is governed by the laws applicable in Québec.