

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

No. : 500-11-

SUPERIOR COURT  
Commercial Division  
(Sitting as a court designated pursuant to the  
*Companies' Creditors Arrangement Act*,  
R.S.C., c. C-36, as amended)

---

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

STRATECO RESOURCES INC., a legal person incorporated under the laws of Canada, having its registered office at 1400-3500 De Maisonneuve Boulevard West, in the City of Westmount, Province of Québec, H3Z 3C1;

**Petitioner**

- and -

ERNST & YOUNG INC., a corporation duly constituted having its registered office at 800 René-Lévesque Blvd West, Suite 1900, Montréal, Québec, H3B 1X9;

**Proposed Monitor**

**PETITION FOR THE ISSUANCE OF AN INITIAL ORDER**  
(Sections 4, 5, 11 and ff. of the *Companies' Creditors Arrangement Act* ("CCAA"))

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE PETITIONER RESPECTFULLY SUBMITS THE FOLLOWING:

**I. OVERVIEW**

1. The petitioner Strateco Resources Inc. ("**Strateco**" or the "**Petitioner**") has become insolvent and seeks the issuance of an initial order under the CCAA in the form and substance of the draft order communicated as **Exhibit P-1**.
2. The protection sought under the CCAA will allow the Petitioner an opportunity to continue the realization of its main asset, being a litigious claim (the "**Legal Proceedings**") against the Attorney General of Québec, acting for the Minister of Sustainable Development, Environment and the Fight against Climate Change

(the "**Minister**") and the Government of Québec, in the face of an ongoing liquidity crisis.

3. The Legal Proceedings were initiated following the unexpected, wrongful and arbitrary decision of the Minister and the Government of Québec to block a uranium mining project set-up by Strateco in the Otish Mountains in Northern Québec (the "**Matoush Project**"), after Strateco had invested in excess of seven years of exploration and approximately \$146 million to develop said project.
4. At present, Strateco is no longer engaged in exploration or mining activities and its operations have been wound down to minimize its operating costs, considering its inability to pursue its activities. In spite of this downsizing of its operations, and as further detailed below, Strateco is unable to meet all of its obligations as they become due, including approximately \$3.6 million in notices of assessment and interest recently assessed by Revenue Québec (the "**Notices of Assessments**"), which the Petitioner cannot contest nor satisfy with its resources on hand.
5. In addition to the foregoing, Strateco owes approximately \$17.1 million in secured debt obligations which will mature in December 2015 and February 2016, the satisfaction of which, given the suspension of the Matoush Project, remains premised on a favourable outcome in the Legal Proceedings.
6. It is expected that a resolution of the Legal Proceedings in favour of the Petitioner may, depending on the amount of the judgment award, yield sufficient funds not only to satisfy all of the Petitioner's secured and unsecured creditors in full, but also to allow for a distribution to the Petitioner's shareholders.
7. The CCAA protection sought herein is required to provide the Petitioner with the stability it requires to pay its current obligations as they become due and to continue the realization of the Petitioner's main asset, for the benefit of all of its stakeholders.
8. As Strateco will have consumed all available cash on hand by early-August 2015, as will be further outlined below, Strateco expects that it will be necessary to obtain debtor-in-possession financing in the very near future.
9. It should be noted that the draft initial order communicated as Exhibit P-1 does not provide for the creation of any super-priority charges. The Petitioner expects to return before this Court in the near future, on sufficient notice being provided to its secured creditors, to seek amendments to the initial order which will include the super-priority charges that are customary in the circumstances.
10. Unless expressly provided to the contrary, any reference herein to monetary amounts refer to Canadian dollars.

## II. NATURE OF STRATECO'S BUSINESS

11. Strateco was incorporated in 2000 under the *Canada Business Corporations Act*, RSC 1985, c C-44, as appears from a copy of the excerpt from the *Registraire des entreprises du Québec* communicated as **Exhibit P-2**.
12. Strateco was created to operate in the field of resource prospecting and exploration and more specifically, in the prospecting and exploration of uranium mining sites, with a view to their commercial exploitation.
13. Uranium is an element found in the earth's crust. For it to be used, uranium ore must be mined, ground by crushing and thereafter concentrated through various chemical operations. This process produces a yellow paste known as *yellowcake* ( $U_3O_8$ ). This substance is then shipped to refineries that enrich the uranium.
14. Uranium can be used, *inter alia*, in energy production, in medicine as part of an effective cancer treatment, in the food industry as a process to irradiate food, in the agriculture industry to improve production, and to desalinate water to make safe and clean drinking water more available around the world.
15. Canada is one of the world's largest producers of natural uranium. In 2015, Canada provided approximately 15% of total world production of natural uranium, principally from its Saskatchewan mines.
16. Strateco is a publicly-traded company and is currently listed on the Toronto Stock Exchange (the "TSX") under symbol **RSC** and on the Frankfurt Stock Exchange under symbol **RF9**.
17. On March 19, 2015, Strateco informed the TSX of its intention to delist its common shares from that trading platform, as it was no longer active in mining exploration, and would henceforth concentrate on the Legal Proceedings. Strateco had started the process of registering on a new trading platform, however, it has chosen to abandon this process in light of the present proceeding.

## III. THE MATOUSH PROJECT

### a) Overview

18. The Matoush Project is located on the territory known, until January 1, 2014, as the Municipality of James Bay, and since, as the Eeyou Istchee James Bay Regional Government, in the Otish Mountains region of the Province of Québec, 275 kilometres North-East of Chibougamau and 200 kilometres North-East of the Cree community of Mistissini, as appears from a map communicated as **Exhibit P-3**.
19. The mining claims included in the Matoush Project are situated on four properties known as the Matoush property, Matoush Extension, Eclat and Pacific Bay-Matoush (collectively, the "**Matoush Property**"), as appears from a map communicated as **Exhibit P-4**.

20. Strateco holds 541 mining claims over a surface area of 28,705 hectares (287.05 square kilometres) on the Matoush Property, as appears from a list of said claims, communicated as **Exhibit P-5**.
21. At the end of the year 2005, Strateco launched the Matoush Project which included exploration activities with the goal of exploiting a uranium mine with all the infrastructure that such a project entails including, *inter alia*, road construction and the construction of a landing strip, as appears from the photographs communicated as **Exhibit P-6**.
22. From 2006 to 2012 inclusively, Strateco invested considerable time and money in its activities in Québec with the objective of operating a uranium mine on the Matoush Property. The average annual disbursements of Strateco on the Matoush Project totalled approximately \$20,000,000, as appears from a copy of the financial statements of Strateco for the years 2006-2011, on the relevant Statement of Deferred Expenditures under the caption *Exploration Expenses*, communicated as **Exhibit P-7**.
23. In December 2012, the indicated resources of uranium of the Matoush Project were estimated at 586,000 tonnes with an average grade of 0.95% U<sub>3</sub>O<sub>8</sub> and containing 12.3 million pounds of U<sub>3</sub>O<sub>8</sub>. The inferred mineral resource were estimated at 1.69 million tonnes at an average grade of 0.44% U<sub>3</sub>O<sub>8</sub> containing 16.44 million pounds of U<sub>3</sub>O<sub>8</sub>. Strateco estimates a global potential in the order of 60 million pounds of U<sub>3</sub>O<sub>8</sub> for the Matoush Project.

**b) The Permit Process**

24. Since the launch of the Matoush Project, Strateco has made every effort to get through the process of meeting the applicable standards and complying with provincial and federal regulations with respect to this uranium project.
25. After completing several environmental, social, economic and technical studies, Strateco finally obtained its authorization from the federal Minister of Environment, the Honourable Peter Kent, and the federal administrator of the James Bay and Northern Québec Agreement, Ms. Elaine Feldman in February 2012.
26. By October 2012, Strateco had also received its authorization from the Canadian Nuclear Safety Commission ("CNSC") as well as a positive recommendation from the provincial review committee (RECOM) for the Matoush underground exploration program.
27. In fact, since the beginning of the Matoush Project permit process, Strateco has been granted more than 20 environmental certificates of authorization and several other permits and leases at the provincial level alone.
28. As of late 2012, the final and only remaining authorization to begin its underground exploration program was an authorization certificate to be issued by the former Ministry of Sustainable Development, Environment, Wildlife and Parks, as it was then known (the "MDDEFP"), now known as the Ministry of

Sustainable Development, Environment and the Fight against Climate Change ("MDDELCC").

29. In January 2013, the Company began legal proceedings aimed at obtaining the MDDEFP certificate of authorization needed for underground exploration at the Matoush Project.
30. On March 28, 2013, the MDDEFP unexpectedly announced a moratorium on the exploitation and advanced exploration of uranium in Québec, noting, *inter alia* that:
  - (a) the *Bureau d'audiences publiques sur l'environnement* ("BAPE") would be tasked with assessing the environmental and social impacts of uranium exploration and exploitation in Québec;
  - (b) no authorization certificates for uranium exploration and exploitation would be issued in Québec before the BAPE report was tabled.
31. On November 7, 2013, the Minister notified Strateco that he had decided to refuse to deliver the certificate of authorization for the Matoush Project underground exploration phase.
32. As of the present date, the BAPE report has yet to be made public.

c) **The Legal Proceedings**

33. On December 11, 2014, Strateco filed the Legal Proceedings before the Superior Court of Québec under Court docket number 500-17-085766-148 through its legal counsel, Irving Mitchell Kalichman LLP ("**Irving Mitchell Kalichman**"), as appears from a copy of the *plumitif* for said docket number, communicated as **Exhibit P-8**.
34. The Legal Proceedings claim damages from the Attorney General of Québec in an amount of \$189,987,663.00, *à parfaire*, as appears from a copy of the motion to institute proceedings produced in Court docket number 500-17-085766-148, communicated as **Exhibit P-9**.
35. Through the Legal Proceedings, Strateco seeks damages for the loss of its investment in the Matoush Project arising from the wrongful and arbitrary actions of the Minister and the Government of Québec.
36. The Legal Proceedings demonstrate that Strateco invested an average of \$20 million per year in the Matoush Project from 2006 to 2012 on the understanding that the government would comply with its own laws. The Government of Québec, through the conduct of its Premiers, ministers and public servants, encouraged Strateco to invest in Québec, then suddenly changed course by announcing a moratorium on uranium exploration and mining in March 2013. In the end, the Minister and the Government of Québec wrongfully and arbitrarily refused to authorize the advanced exploration of the Matoush Project.

37. Strateco maintains that it was placed in a situation where it was no longer realistically able to interest investors and raise the necessary capital to pursue the Matoush Project, which resulted in it being forced to shut down the project, causing permanent job losses, and, consequently, Strateco lost any real opportunity to benefit from its mineral claims and its sizeable investment in the Matoush Project.

**IV. LIQUIDITY CRISIS**

38. As a result of the suspension of the Matoush Project, Strateco faces a liquidity crisis and cannot pay its debts as they become due.
39. Strateco is currently in default of Notices of Assessment received from Revenue Québec on March 20 and 30, 2015 for the years ended December 31, 2009, 2010, 2011 and 2012, which deemed ineligible certain expenditures in the calculation of refundable credits for resources of \$2,905,034 and interest in the amount of \$670,370, bringing the total amount payable on these Notices of Assessment for the four years to \$3,575,404 at March 31, 2015, the whole as appears from a the Interim Management Discussion and Analysis and Unaudited Condensed Interim Financial Statements, as at March 31, 2015, communicated *en liasse* as **Exhibit P-10**.
40. The refundable tax credits claimed had previously been accepted as an allowable claim and paid to Strateco by the Government of Québec, but have since been reassessed and claimed, soon after the initiation of the Legal Proceedings.
41. While Strateco believes it may have grounds to contest such Notices of Assessment, it does not have the liquidity to fund such a contestation or pay a portion of the amounts due under the Notices of Assessment, which are necessary conditions to have the right to contest said assessment.

**V. ASSETS**

42. As of May 29, 2015, the assets of Strateco are as follows:

<b>Nature</b>	<b>Estimated Value</b>
Cash	\$347,000.00
Trade Receivables	\$0.00
Investments Held for Resale	\$171,000.00
Prepaid Expenses	\$29,000.00
Tax Credits Receivable <sup>1</sup>	\$765,000.00
Sales Tax Receivable <sup>1</sup>	\$22,000.00
Property and Equipment	\$0.00

<sup>1</sup>It should be noted that both the Tax Credits Receivable and the Sales Tax Receivable are not expected to be received due to the outstanding Notices of Assessments.

**VI. INDEBTEDNESS**

43. As of May 29, 2015, the secured indebtedness of Strateco includes the following:

Toro Loan	\$3,000,000.00
Toro Convertible Notes	\$14,105,000.00
Secured Claims by Employees	\$1,184,164.00
<b>TOTAL</b>	<b>\$18,289,164.00</b>

**a) Toro Loan**

44. On December 18, 2013, Strateco entered into a loan agreement (the "**Loan Agreement**") with Sentient Executive GP IV, Limited ("**Sentient IV**"), pursuant to which Sentient IV lent the amount of \$3,000,000 to Strateco, maturing on December 20, 2015, as appears from a copy of the Loan Agreement, communicated as **Exhibit P-11**.

45. On December 18, 2013, as a guarantee to the obligations contained in the Loan Agreement, Strateco granted Sentient IV a first-ranking hypothec (the "**First-Ranking Hypothec**") on all of the present and future immovable and movable property of Strateco, as appears from excerpts of registrations filed with the Land Registry Office and the Register of Personal and Movable Real Rights, communicated *en liasse* as **Exhibit P-12**.

46. On October 31, 2014, the Loan Agreement and the First-Ranking Hypothec were assigned to Toro Energy Canada Pty. Ltd ("**Toro**") with the consent of Strateco, as appears from a copy of the Assignment Agreement dated October 31, 2014 communicated as **Exhibit P-13**.

47. As of June 9, 2015, pursuant to the Loan Agreement, an amount of approximately \$3,215,342, in capital and interest, was owed by Strateco to Toro.

**b) Toro Convertible Notes**

48. On January 27, 2010, Sentient Global Resources Fund III, L.P. and SGRF III Parallel I, L.P. (together, "**Sentient III**"), entered into a non-brokered private placement subscription agreement (the "**Subscription Agreement**") in connection with the issuance by Strateco of unsecured subordinated convertible equity notes (the "**Original Sentient III Notes**") with an aggregate principal amount of \$14,905,000 and maturing on February 27, 2015, as appears from a copy of the Subscription Agreement communicated as **Exhibit P-14**.

49. On December 18, 2013, Strateco and Sentient III entered into a note exchange agreement (the "**Note Exchange Agreement**"), pursuant to which the Original Sentient III Notes were exchanged for senior secured convertible equity notes (the "**New Notes**") with an aggregate principal amount of \$14,905,000 and

maturing on February 27, 2016, as appears from a copy of the Note Exchange Agreement communicated as **Exhibit P-15**.

50. On December 18, 2013, as a guarantee to the Note Exchange Agreement, Strateco granted Sentient III a second-ranking hypothec (the "**Second-Ranking Hypothec**") on all of the present and future immovable and movable property of Strateco, as appears from excerpts of registrations filed with the Land Registry Office and the Register of Personal and Movable Real Rights, Exhibit P-12.
51. On October 31, 2014, all but \$800,000 of New Notes under the Note Exchange Agreement were assigned by Sentient III to Toro with the consent of Strateco, as appears from a copy of the note exchange agreement assignment agreement dated October 31, 2014 communicated as **Exhibit P-16**.
52. On October 31, 2014, Sentient III assigned its rights in the Second-Ranking Hypothec to Toro, as appears from a copy of the deed of assignment dated October 31, 2014 communicated as **Exhibit P-17**.
53. On October 31, 2014, Strateco issued a Certificate Representing Junior Secured Convertible Equity Notes (the "**Toro Convertible Note Certificate**") granting Toro three (3) consecutive options to extend the maturity date of the New Notes by one year each for a cumulative maximum of up to three (3) years, up to February 27, 2019 at the latest, as appears from a copy of the Toro Convertible Note Certificate communicated as **Exhibit P-18**.
54. On January 15, 2015, Sentient III exercised its option under the Note Exchange Agreement to convert \$800,000.00 in New Sentient III Notes into common shares, as appears from a copy of a treasury order for conversion dated January 15, 2015, communicated as **Exhibit P-19**.
55. As of June 9, 2015, pursuant to the Note Exchange Agreement, an aggregate amount of \$14,105,000 was owed to Toro by Strateco.

**c) Secured Claims from Employees**

56. Effective March 30, 2015, Strateco entered into settlement agreements ("**Employee Settlement Agreements**"), secured by movable hypothecs on a universality of present and future movable property (the "**Employee Movable Hypothecs**") with former employees of Strateco in full and final settlement of claims by the former employee against Strateco for their respective unpaid departure allocations upon termination of their employment by Strateco without serious motives, as outlined in each respective former employee's employment agreement.
57. The payment of the amounts payable under the Employee Settlement Agreements is conditional upon Strateco receiving money from a settlement or from a favourable judgment in the Legal Proceedings and subject to the various charges and ranks of stakeholders.

58. In all, six (6) Employee Settlement Agreements have been concluded with six (6) different employees for amounts ranging between \$35,769 and \$553,846 plus interest at the legal rate for a total amount payable under the Employee Settlement Agreements of \$1,184,164 plus interest at the legal rate, the whole as appears from a summary table and the Employee Settlement Agreements communicated *en liasse* **under confidential seal** as Exhibit P-20.

d) **Government Claims**

59. As of March 31, 2015, it was alleged by Revenue Québec that Strateco owed \$3,575,404 in tax credits payable and interest under the Notices of Assessment.

e) **Suppliers and Other Trade Creditors**

60. As of the date hereof, Strateco has no known material debts owing to suppliers or other trade creditors.

f) **Employee Obligations**

61. As of the date hereof, only one (1) person remains employed by Strateco.

62. Strateco maintains no employee pension or retirement plans.

g) **Other Obligations**

63. As of the date hereof, an estimated amount of \$10,000 per year is required to renew the Matoush mining claims.

64. Strateco is party to a real estate lease agreement in respect of its main offices located at 1225 Gay-Lussac, in Boucherville, Québec, which lease expires in December 2015. This lease includes limited office space as well as warehousing facilities for the Matoush Property documentation;

65. Since 2000, Strateco has relied on B.B.H. Géo Management Inc. ("**BBH**") to provide it with a number of services including, *inter alia*, the provision of office space, equipment and vehicles, as well as with management, legal, accounting and technical (environmental and geological) services.

66. BBH is wholly owned subsidiary of 152787 Canada Inc., whose president, Guy Hébert, also acts as president of Strateco.

67. On May 6, 2015, Strateco entered into a new service agreement (the "**Service Agreement**") with BBH, restating the relationship between the parties whereby BBH leased office space and equipment to Strateco on a fixed fee (\$5,500/month) basis plus expenses, and whereby it provided Strateco with accounting and consulting services for an hourly fee, the whole as it appears from the Service Agreement communicated **under confidential seal** as Exhibit P-21.

68. On May 6, 2015, Strateco also entered into an agreement for the provision of legal services with the former internal legal advisor of Strateco, who is currently the

company's corporate secretary, the whole as appears from a copy of said legal services agreement, communicated under confidential seal as **Exhibit P-22**.

69. Strateco is currently respecting all applicable standards and in compliance with federal regulations and industry best practices with respect to uranium projects and uranium storage for mineralized core uranium drilled during the exploration phase of the Matoush Project.
70. As of the date hereof, an amount of \$20,000 per year is required to maintain the safe storage and monitoring of the site.

**VII. FINANCIAL RESULTS AND LOSSES**

71. For the fiscal year ended December 31, 2012, Strateco recorded a net loss of about \$4,425,113, as appears from audited financial statements of Strateco for the year ended December 31, 2012, communicated as **Exhibit P-23**.
72. For the fiscal year ended December 31, 2013, Strateco recorded a net loss of about \$79,332,686, as appears from audited financial statements of Strateco for the year ended December 31, 2013, communicated as **Exhibit P-24**.
73. For the fiscal year ended December 31, 2014, Strateco recorded a net loss of about \$8,582,945, as appears from audited consolidated financial statements of Strateco for the year ended December 31, 2014, communicated as **Exhibit P-25**.

**VIII. RELIEF SOUGHT**

**a) General**

74. Strateco believes that it is wholly appropriate for the order requested herein to be made forthwith seeing as it finds itself in dire financial circumstances, is insolvent and is not able to meet its obligations as they become due. Strateco requires the issuance of a stay of proceedings for the benefit of its creditors and other stakeholders while it pursues the realization of its principal asset, namely the Legal Proceedings.
75. Strateco believes that it has a strong case against the Minister and the Government of Québec. In the event of a favourable outcome of the Legal Proceedings, Strateco would expect to receive a judgment award that is far in excess of its liabilities.
76. A CCAA stay will ensure that any judgment award to be derived from the Legal Proceedings will benefit all of Strateco's stakeholders, and not simply a few strategic players.
77. A CCAA proceeding will also assist in obtaining financing to continue funding the Legal Proceedings and may provide a forum for such proceedings to be resolved in a timely fashion.

78. The only significant asset of Strateco is the potential recovery from the Legal Proceedings. There will be no material recovery for creditors until the Legal Proceedings are resolved.
79. Strateco is seeking to pursue the Legal Proceedings and have all claims stayed against it until those Legal Proceedings are settled, at which point Strateco expects that all creditors will be paid in full to the extent of their proven claims.

**b) Appointment of the Monitor**

80. Ernst & Young Inc., ("EY") has been assisting Strateco with the pending CCAA application and is aware of the Petitioner's financial circumstances. EY has agreed to act as monitor in the Petitioner's CCAA proceedings, subject to approval by this Court.
81. EY, in its capacity as proposed monitor, has prepared a report (the "**Report**") which will provide the Court with information on:
  - (a) the qualifications of monitor to act;
  - (b) the terms of reference and disclaimer for the Report;
  - (c) the cash flow projections;
  - (d) the financial charges proposed in the present Petition;
  - (e) the restructuring alternatives; and
  - (f) conclusions and recommendations.

A copy of the Report is filed in support of the present Petition as **Exhibit P-26**.

82. In addition to any powers or obligations provided for by the CCAA, Strateco hereby requests that this Court grant the Monitor the powers, rights, obligations and protections detailed in the conclusions of this Petition.

**c) Administration Charges**

83. Strateco intends to seek, on sufficient notice being provided to its secured creditor, an amendment to the Initial Order requested herein to create a \$2,000,000 administration charge (the "**Administration Charge**"), which shall affect its assets.
84. The Administration Charge is required to secure the professional fees of the law firm which is handling the Legal Proceedings, Irving Mitchell Kalichman, the fees of EY and its legal counsel, as well as the fees of Strateco's CCAA counsel, Stikeman Elliott.

d) **Directors & Officers Indemnification**

85. The continued participation of Strateco's directors and officers is essential to the ongoing viability of Strateco's business, specifically the management of the Legal Proceedings.
86. While Strateco intends to comply with all applicable laws and regulations, the directors and officers of Strateco are nevertheless concerned about the potential for their personal liability in the context of the present proceedings.
87. Strateco maintains directors' and officers' liability insurance (the "**D&O Insurance**") for the directors and officers of Strateco. The D&O Insurance expires in February 2016 and offers an annual coverage maximum of \$5 million.
88. While Strateco's management is of the view that it has complied with all legal and statutory obligations as well as industry practices with respect to its ongoing management of its mining and exploration projects, including principally the decommissioning and closure of the Matoush Project, environmental obligations by their very nature are a very complex matter in constant flux, particularly in recent years, and cannot be easily assessed and concluded on.
89. It should be noted that Strateco is required, pursuant to two lease agreements entered into with the Minister for land on which were constructed a base camp and landing strip, to restore the leased premises to their original state, as appears from the two lease agreements, communicated, *en liasse*, as **Exhibit P-27**.
90. Management is of the view that the coverage provided by the D&O Insurance may not be sufficient to protect the directors of Strateco from all of the potential directors' liabilities principally based on environmental concerns. They also seek to ensure protection for directors and officers beyond February 2016.
91. Absent the protections sought in the conclusions of the present Petition, Strateco is concerned that its directors and officers may be advised to resign from their posts, which would jeopardize maximizing the realization of the Legal Proceedings for Strateco's stakeholders.
92. Accordingly, Strateco intends to seek, on notice to its secured creditor, an amendment to the Initial Order requested herein so as to create a \$2,500,000 Directors & Officers charge (the "**D&O Charge**") which shall affect its assets.

e) **Post-Filing Financing**

93. Strateco expects that it will be necessary to obtain debtor-in-possession financing in the very near future.
94. As will be outlined in the Report, it is expected that Strateco will have consumed all available cash on hand by early-August 2015.

95. Strateco intends to seek sources of financing over the next several weeks, and shall, on notice to its secured creditor, seek approval from this Honourable Court of a debtor-in-possession financing facility.
96. Strateco, with the assistance of EY has already sought to identify potential sources of debtor-in-possession financing including (i) third-party litigation funding; and (ii) potential financing from current equity holders.

f) Meetings of the Shareholders

97. The annual meeting of shareholders has been convened, and is currently scheduled to take place on June 17, 2015.
98. In light of the foregoing, it is in the interest of Strateco and its ultimate shareholders that all meetings of the shareholders of Strateco be postponed and extended pending further order of this Court.

**IX. CONCLUSIONS**

99. The Initial Order is based on the standard CCAA Initial Order issued by the Superior Court of Québec, Commercial Division (the "**Model Order**"). A version comparing the Model Order and the Initial Order is communicated as **Exhibit P-28**.
100. For the reasons set forth above, Strateco believes it is both appropriate and necessary that the relief being sought be granted. With such relief, Strateco will be able to maintain the prosecution of the Legal Proceedings, oversee the orderly payment of Strateco's debt and the assurance of the residual benefit to Strateco's shareholders.
101. Strateco further requests that the filing of Exhibits P-20, P-21 and P-22 be made under confidential seal given that the information contained therein includes employee-related information which is confidential.
102. Considering the urgency of the situation, Strateco respectfully submits that the notices given for the presentation of this Petition are proper and sufficient.
103. Strateco respectfully submits that this Petition should be granted in accordance with its conclusions.
104. The present Petition is well founded in fact and in law.

**WHEREFORE, MAY THIS COURT:**

**GRANT** this Petition.

**ISSUE** an initial order substantially in the form of the draft Initial Order communicated as Exhibit P-1 in support of this Petition.

**THE WHOLE WITHOUT COSTS**, save and except in case of contestation.

MONTREAL, June 8, 2015

*Stikeman Elliott LLP*

---

STIKEMAN ELLIOTT LLP

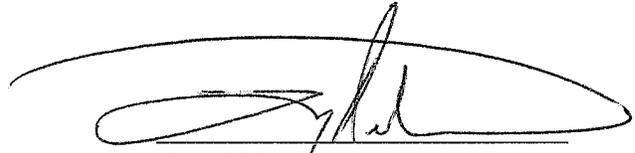
Attorneys for the Petitioner

**AFFIDAVIT**

I, the undersigned, Guy Hébert, having my principal place of business at 1225 Gay-Lussac Street, in the City of Boucherville, Province of Québec, J4B 7K1, solemnly declare the following:

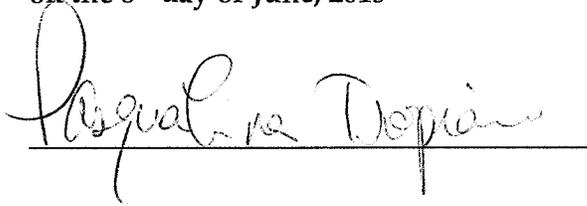
1. I am the President of Strateco Resources Inc.;
2. All the facts alleged in the *Petition for the Issuance of an Initial Order* are true.

**AND I HAVE SIGNED**



Guy Hébert

Solemnly declared before me at Montréal,  
on the 8<sup>th</sup> day of June, 2015



NOTICE OF PRESENTATION

**TAKE NOTICE** that the *Petition for the Issuance of an Initial Order* will be presented for adjudication before one of the Honourable Judges of Superior Court, sitting in practice in and for the District of Montréal, in **Room 16.02** of the Montréal Courthouse, 1 Notre-Dame Street East, on **June 9, 2015 at 9:30 a.m.** in the forenoon, or so soon thereafter as counsel may be heard.

**DO GOVERN YOURSELVES ACCORDINGLY.**

MONTRÉAL, June 8, 2015

*Stikeman Elliott LLP*

---

STIKEMAN ELLIOTT LLP  
Attorneys for the Petitioner